# VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY
# VARIABLE ANNUITY ACCOUNT I
# RETIREMENT MASTER
# CONTRACT PROSPECTUS – MAY 1, 2018

***Contracts.*** The contracts described in this prospectus are group deferred variable and fixed annuity contracts issued by Voya Retirement Insurance and Annuity Company (the "Company"). Prior to January 1, 2006, the contracts were issued by ING Insurance Company of America ("IICA"). On December 31, 2005, IICA merged with and into the Company, and the Company assumed responsibility for all of IICA's obligations under the contracts. The contracts are intended to be used as funding vehicles for certain types of retirement plans that qualify for beneficial tax treatment and/or provide current income reduction under certain sections of the Internal Revenue Code of 1986, as amended ("Tax Code").

***Why Reading This Prospectus is Important.*** Before you participate in a contract through your retirement plan, you should read this prospectus. It provides facts about the contract and its investment options. Plan sponsors (generally your employer or a trust) should read this prospectus to help determine if the contract is appropriate for their plan. Keep this document for future reference.

***Investment Options.*** The contracts offer variable investment options and a fixed interest options. When we establish your account(s), the contract holder, (generally, the person to whom we issue the contract, the plan sponsor), or you if permitted by the plan, instructs us to direct account dollars to any of the available options. Some investment options may be unavailable through certain contracts and plans, or in some states.

***Variable Investment Options.*** These options are called subaccounts. The subaccounts are within Variable Annuity Account I (the "separate account"), a separate account of the Company. Each subaccount invests in one of the mutual funds (funds) listed on the next page. Earnings on amounts invested in a subaccount will vary depending upon the performance and fees of its underlying fund. You do not invest directly in or hold shares of the funds.

***Fixed Interest Option.*** The fixed interest options that may be available under the contracts are the Fixed Plus Account and the Fixed Plus Account II A. Except as specifically mentioned, this prospectus describes only the variable investment options. However, we describe the fixed interest options in the appendices to this prospectus.

***Risks Associated with Investing in the Funds.*** Information about the risks of investing in the funds through the contract is located in the **"INVESTMENT OPTIONS"** section on page 11. The particular risks associated with each fund are detailed in the fund's prospectus. Read this prospectus in conjunction with the fund prospectuses, and retain them for future reference.

***Compensation.*** We pay compensation to broker-dealers whose registered representatives sell the contracts. **See "CONTRACT DISTRIBUTION"** for further information about the amount of compensation we pay. **The contracts described in this prospectus are not deposits with, obligations of or guaranteed or endorsed by any bank, nor are they insured by the Federal Deposit Insurance Corporation ("FDIC"). The contracts are subject to investment risk, including the possible loss of the principal amount invested.**

***Getting Additional Information.*** If you received a summary prospectus for any of the funds available through your contract, you may obtain a full prospectus and other fund information free of charge by either accessing the internet address, calling the telephone number or sending an email request to the email address shown on the front of the fund's summary prospectus. You may obtain the May 1, 2018 Statement of Additional Information ("SAI") free of charge by indicating your request on your enrollment materials, by calling the Company at 1-800-584-6001 or by writing us at the address listed in the **"CONTRACT OVERVIEW–Questions: Contacting the Company."** You may also obtain a prospectus or an SAI for any of the funds by calling that number. This contract prospectus, the SAI and other information about the separate account may be obtained by accessing the Securities and Exchange Commission ("SEC") website, www.sec.gov. Copies of this information may also be obtained, after paying a duplicating fee, by contacting the SEC Public Reference Branch. Information on the operations of the SEC Public Reference Branch may be obtained by calling 1-202-551-8090 or 1-800-SEC-0330, e-mailing publicinfo@sec.gov or by writing to SEC Public Reference Branch, 100 F Street, NE, Room 1580, Washington, D.C. 20549. When looking for information regarding the contracts of the contract prospectus offered through this prospectus, you may find it useful to use the number assigned to the registration statement under the Securities Act of 1933. This number is 333-130822. The SAI table of contents is listed on page 42 of this prospectus. The SAI is incorporated into this prospectus by reference.

***Additional Disclosure Information.*** Neither the SEC, nor any state securities commission, has approved or disapproved the securities offered through this prospectus or passed on the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense. We do not intend for this prospectus to be an offer to sell or a solicitation of an offer to buy these securities in any state that does not permit their sale. We have not authorized anyone to provide you with information that is different from that contained in this prospectus. The contracts are not offered for sale in the state of New York.

## *The Funds**

American Funds® - EuroPacific Growth Fund® (Class R-4)[1]
American Funds® - The Growth Fund of America® (Class R-4)[1]
Fidelity® VIP Contrafund® Portfolio (Initial Class)
Fidelity® VIP Equity-Income Portfolio (Initial Class)
Invesco V.I. Core Equity Fund (Series I)
Lord Abbett Series Fund, Inc. - Mid Cap Stock Portfolio (Class VC)[2]
Neuberger Berman Sustainable Equity Fund (Trust Class)[1][3]
PIMCO Real Return Portfolio (Administrative Class)[2]
Voya Balanced Portfolio (Class I)
Voya Global Bond Portfolio (Class I)
Voya Government Money Market Portfolio (Class I)
Voya Growth and Income Portfolio (Class I)[2]
Voya Index Plus LargeCap Portfolio (Class I)[2]
Voya Index Plus MidCap Portfolio (Class I)
Voya Index Plus SmallCap Portfolio (Class I)[2]
Voya Intermediate Bond Portfolio (Class I)
Voya Large Cap Growth Portfolio (Class I)[2]
Voya MidCap Opportunities Portfolio (Class I)
Voya Small Company Portfolio (Class I)
Voya SmallCap Opportunities Portfolio (Class I)[2]
Voya U.S. Stock Index Portfolio (Class I)
VY® Baron Growth Portfolio (Class S)
VY® Invesco Equity and Income Portfolio (Class S)[2]
VY® Invesco Growth and Income Portfolio (Class S)[2]
VY® Oppenheimer Global Portfolio (Class I)
VY® T. Rowe Price Capital Appreciation Portfolio (Class S)
VY® T. Rowe Price Growth Equity Portfolio (Class I)
Wanger Select[2]

* The funds listed above include every fund selected by your plan that is available for investment through the contract or were once available for investment.

(1) This fund is available to the general public, in addition to being available through variable annuity contracts.
(2) This fund is no longer available to new investments under your plan.
(3) Prior to May 1, 2018, this fund was known as the Neuberger Berman Socially Responsive Fund®.

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# CONTRACT OVERVIEW

**Questions: Contacting the Company.** Contact your local representative or write or call Customer Service:

Customer Service
Defined Contribution Administration
P.O. Box 990063
Hartford, CT 06199-0063
1-800-584-6001

**Sending forms and written requests in good order.**

If you are writing to change your beneficiary, request a withdrawal, or for any other purpose, contact your local representative or the Company to learn what information is required in order for the request to be in "good order." By contacting us, we can provide you with the appropriate administrative requirements for your requested transaction.

Generally, a request is considered to be in "good order" when it is signed, dated and made with such clarity and completeness that we are not required to exercise any discretion in carrying it out.

We can only act upon written requests that are received in good order.

The following is intended as an overview. Please read each section of this prospectus for additional information.

## Who's Who

**You (the "participant"):** The individual who participates in the contract through a retirement plan.

**Plan Sponsor:** The sponsor of your retirement plan. Generally, your employer or a trust.

**Contract Holder:** The person to whom we issue the contract. Generally, the plan sponsor. We may also refer to the contract holder as the contract owner.

**We (the "Company"):** Voya Retirement Insurance and Annuity Company. We issue the contract.

For greater detail please review **"CONTRACT OWNERSHIP AND RIGHTS"** and **"CONTRACT PURCHASE AND PARTICIPATION."**

## The Contract and Your Retirement Plan

**Retirement Plan ("plan"):** A plan sponsor has established a plan for you. This contract is offered as a funding option for that plan. We are not a party to the plan.

**Plan Type:** We refer to the plan by the Tax Code Section under which it qualifies. For example, a "403(b) plan" is a plan that qualifies for tax treatment under Tax Code Section 403(b). To learn which Tax Code Section applies to your plan, contact your plan sponsor, your local representative or the Company.

**Use of an Annuity Contract in your Plan.** Under the federal tax laws, earnings on amounts held in annuity contracts are generally not taxed until they are withdrawn. However, in the case of a qualified retirement account (such as a 401(a), 403(b), or Roth 403(b) retirement plan), an annuity contract is not necessary to obtain this favorable tax treatment and does not provide any tax benefits beyond the deferral already available to the tax qualified account itself. Annuities do provide other features and benefits (such as the option of lifetime income phase options at established rates) that may be valuable to you. You should discuss your alternatives with your financial representative taking into account the additional fees and expenses you may incur in an annuity. **See "CONTRACT PURCHASE AND PARTICIPATION."**

## Contract Rights

Rights under the contract, and who may exercise those rights, may vary by plan type. Also, while the contract may reserve certain rights for the contract holder, the contract holder may permit you to exercise those rights through the plan.

## Contract Facts

**Free Look/Right to Cancel:** Contract holders may cancel the contract no later than 10 days after they receive the contract (or a longer period if required by state law). Participants in 403(b) plans, Roth 403(b) plans or in some 401(a) plans may cancel their participation in the contract no later than 10 days after they receive evidence of participation in the contract (or a longer period if required by state law). **See "RIGHT TO CANCEL."**

**Death Benefit:** A beneficiary may receive a benefit in the event of your death during both the accumulation and income phases (described in **"Contract Phases,"** below). The availability of a death benefit during the income phase depends upon the income phase payment option selected. **See "DEATH BENEFIT"** and **"INCOME PHASE."**

**Withdrawals:** During the accumulation phase, the contract holder, or you if permitted by the plan, may withdraw all or part of your account value. The Tax Code may impose restrictions on withdrawals from plans, which may vary. In addition, the contract holder, or you if permitted by the plan, may have the right to withdraw all or part of your account value during the income phase. Amounts withdrawn may be subject to tax withholding and taxation. **See "WITHDRAWALS," "FEDERAL TAX CONSIDERATIONS,"** and **"INCOME PHASE."**

**Systematic Distribution Options:** These allow the contract holder, or you if permitted by the plan, to receive regular payments from your account, while retaining the account in the accumulation phase. **See "SYSTEMATIC DISTRIBUTION OPTIONS."**

**Fees:** Certain fees are deducted from your account value. In addition, we reserve the right to deduct premium taxes from your account value or from payments to the account at any time, but not before there is a tax liability under state law. **See "FEE TABLE"** and **"FEES."**

**Taxation:** Amounts you receive in a distribution will be generally included in your gross income and will be subject to taxation. Tax penalties may apply in some circumstances. **See "FEDERAL TAX CONSIDERATIONS."**

## Contract Phases

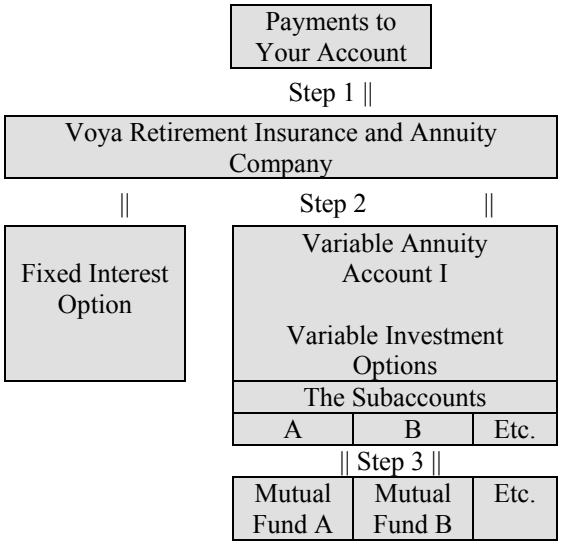
**Accumulation Phase** (accumulating retirement benefits)

**STEP 1:** You or the contract holder provide Voya Retirement Insurance and Annuity Company with your completed enrollment materials.

According to the plan, we set up one or more accounts for you. We may set up account(s) for employer contributions and/or for contributions from your salary.

**STEP 2:** The contract holder, or you if permitted by your plan, directs us to invest your account dollars in any of the following:

- Fixed Interest Option, or
- Variable Investment Options. (The variable investment options are the subaccounts of the separate account. Each one invests in a specific mutual fund.)




**STEP 3:** The subaccount(s) selected purchases shares of its corresponding fund.

**Income Phase** (receiving income phase payments from your contract)

The contract offers several income phase payment options. S**ee "INCOME PHASE."** In general, you may:

- Receive income phase payments over a lifetime or for a specified period;
- Receive income phase payments monthly, quarterly, semi-annually or annually;
- Select an option that provides a death benefit to beneficiaries; and
- Select fixed income phase payments or payments that vary based on the performance of the variable investment options you select.

# FEE TABLE

**In This Section:**
- Maximum Transaction Expenses;
- Maximum Periodic Fees and Charges;
- Fund Fees and Expenses; and
- Examples.

**See the "FEES" Section for:**
- How, When and Why Fees are Deducted;
- Reduction, Waiver and/or Elimination of Certain Fees;
- Fund Redemption Fees; and
- Premium and Other Taxes.

**The following tables describe the fees and expenses that you will pay during the accumulation phase when buying, owning, and withdrawing account value from your contract. See "Income Phase" for fees that may apply after you begin receiving payments under the contract.**

## *Maximum Transaction Expenses*

**The first table describes the fees and expenses that you may pay at the time that you buy the contract, withdraw account value from the contract, take a loan from the contract or transfer cash value between investment options. State premium taxes ranging from 0% to 4% of purchase payments may also be deducted.**

| | |
|---|---|
| Loan Interest Rate Spread[1] | 3.0% |

## *Maximum Periodic Fees and Charges*

**The next table describes the fees and expenses that you will pay periodically during the time that you own the contract, not including fund fees and expenses.**

***Separate Account Annual Expenses***
(as a percentage of average account value)

| | |
|---|---|
| Maximum Mortality and Expense Risk Charge[2] | 1.00% |
| Maximum Administrative Expense Charge[3] | 0.25% |
| Maximum Total Separate Account Annual Expenses | 1.25% |

## *Fund Fees and Expenses*

**The next item shows the minimum and maximum total operating expenses charged by the funds[4] that you may pay periodically during the time that you own the contract. The minimum and maximum expenses listed below are based on expenses for the funds' most recent fiscal year ends without taking into account any fee waiver or expense reimbursement arrangements that may apply. Expenses of the funds may be higher or lower in the future. More detail concerning each fund's fees and expenses is contained in the prospectus for each fund.**

***Total Annual Fund Operating Expenses***

| (expenses that are deducted from fund assets, including management fees, distribution (12b-1) and/or service fees, and other expenses) | Minimum | Maximum |
|---|---|---|
| | 0.27% | 1.24% |

**See the "FEES–Fund Fees and Expenses"** for additional information about the fees and expenses of the funds, including information about the revenue we may receive from each of the funds or the fund's affiliates.

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[1] This is the difference between the rate charged and the rate credited on loans under your contract. Currently the loan interest rate spread is 2.5%; however, we reserve the right to apply a spread of up to 3.0%. For example, if the current credited interest rate is 6.0%, the amount of interest applied to the contract would be 3.5%; the 2.5% loan interest rate spread is retained by the Company. **See "LOANS."**

[2] This is the maximum mortality and expense risk charge during the accumulation phase. This charge may be waived, reduced or eliminated in certain circumstances. **See "FEES–Mortality and Expense Risk Charge."**

[3] We currently do not impose an administrative expense charge; however, we reserve the right to charge not more than 0.25% on an annual basis from the subaccounts. **See "FEES–Administrative Expense Charge."**

[4] Both funds selected by your plan and funds not yet selected were considered when determining the minimum and maximum fund expenses.

### *Examples*

The following 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 separate account annual expenses, and the fund fees and expenses as described below.

**Maximum Fund Fees and Expenses Examples.** The following Example assumes that you invest $10,000 in the contract for the time periods indicated. The Example also assumes that your investment has a 5% return each year and assumes the maximum contract fees and expenses and the **maximum** fees and expenses of any of the funds. Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

| 1 Year | 3 Years | 5 Years | 10 Years |
|---|---|---|---|
| $252 | $776 | $1,326 | $2,826 |

**Minimum Fund Fees and Expenses Examples.** The following Example assumes that you invest $10,000 in the contract for the time periods indicated. The Example also assumes that your investment has a 5% return each year and assumes the maximum contract fees and expenses and the **minimum** fees and expenses of any of the funds. Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

| 1 Year | 3 Years | 5 Years | 10 Years |
|---|---|---|---|
| $155 | $480 | $829 | $1,813 |

## CONDENSED FINANCIAL INFORMATION

**Understanding Condensed Financial Information.** In **APPENDIX V**, we provide condensed financial information about the separate account subaccounts you may invest in through the contract. The numbers show the year-end unit values in each subaccount from the date of first availability.

**Financial Statements.** The statements of assets and liabilities, the statements of operations, the statements of changes in net assets and the related notes to financial statements for Variable Annuity Account I and the consolidated financial statements and the related notes to consolidated financial statements for Voya Retirement Insurance and Annuity Company are located in the Statement of Additional Information.

## THE COMPANY

Voya Retirement Insurance and Annuity Company (the "Company," "we," "us," "our") issues the contracts described in this prospectus and is responsible for providing each contract's insurance and annuity benefits. All guarantees and benefits provided under the contracts that are not related to the separate account are subject to the claims paying ability of the Company and our general account. We are a stock life insurance company organized under the insurance laws of the State of Connecticut in 1976. Prior to January 1, 2002, the Company was known as Aetna Life Insurance and Annuity Company. From January 1, 2002, until August 31, 2014, the Company was known as ING Life Insurance and Annuity Company.

We are an indirect, wholly owned subsidiary of Voya Financial, Inc. ("Voya"), which until April 7, 2014, was known as ING U.S., Inc. In May, 2013, the common stock of Voya began trading on the New York Stock Exchange ("NYSE") under the symbol "VOYA."

We are engaged in the business of issuing insurance and annuities and providing financial services in the United States. We are authorized to conduct business in all states, the District of Columbia, Guam, Puerto Rico and the Virgin Islands. Our principal executive offices are located at:

One Orange Way
Windsor, Connecticut 06095-4774

**Product Regulation.** Our annuity, retirement and investment products are subject to a complex and extensive array of state and federal tax, securities, insurance and employee benefit plan laws and regulations, which are administered and enforced by a number of different governmental and self-regulatory authorities, including state insurance regulators, state securities administrators, state banking authorities, the SEC, the Financial Industry Regulatory Authority ("FINRA"), the Department of Labor ("DOL"), the IRS and the Office of the Comptroller of the Currency ("OCC"). For example, U.S. federal income tax law imposes requirements relating to insurance and annuity product design, administration and investments that are conditions for beneficial tax treatment of such products under the Tax Code. **See "FEDERAL TAX CONSIDERATIONS" for further discussion of some of these requirements.** Additionally, state and federal securities and insurance laws impose requirements relating to insurance and annuity product design, offering and distribution and administration. Failure to administer product features in accordance with contract provisions or applicable law, or to meet any of these complex tax, securities, or insurance requirements could subject us to administrative penalties imposed by a particular governmental or self-regulatory authority, unanticipated costs associated with remedying such failure or other claims, harm to our reputation, interruption of our operations or adversely impact profitability.

# CONTRACT PURCHASE AND PARTICIPATION

**Contracts Available for Purchase.** The contracts available for purchase are group deferred variable annuity contracts that the Company offers in connection with plans established by eligible organizations under Tax Code Sections 401(a) and 403(b), including Roth 403(b). Contributions to a Roth 403(b) account must be made by after-tax salary reduction (to the extent allowed by the contract), exchange, or rollover paid to us on your behalf, as permitted by the Tax Code. Contracts may not be available in all states.

When considering whether to purchase or participate in the contract, you should consult with your financial representative about your financial goals, investment time horizon and risk tolerance.

**Purchasing the Contract.** To purchase the contract:
- The contract holder submits the required forms and application to the Company; and
- We approve the forms and issue a contract to the contract holder.

**Participating in the Contract.** To participants in the contract:
- We provide you with enrollment materials for completion and return to us (occasionally enrollment is conducted by someone unaffiliated with us who is assisting the contract holder); and
- If your enrollment materials are complete and in good order, we establish one or more accounts for you. Under certain plans we establish an employee account for contributions from your salary and an employer account for employer contributions. We will also establish a separate account for Roth 403(b) contributions.

**Acceptance or Rejection.** We must accept or reject an application or your enrollment materials within two business days of receipt. If the forms are incomplete, we may hold any forms and accompanying purchase payments for five business days, unless you consent to our holding them longer. Under limited circumstances, we may also agree, for a particular plan, to hold purchase payments for longer periods with the permission of the contract holder. If we agree to do this, the purchase payments remain in a non-interest bearing bank account until processed (or for a maximum of 105 days). If we reject the application or enrollment forms, we will return the forms and any purchase payments.

**Methods of Purchase Payment.** The contract may allow one or more of the following purchase payment methods:
- Lump-sum payments - A one-time payment to your account in the form of a transfer from a previous plan; and/or
- Installment payments - More than one payment made over time to your account.

The plan and the contract may have certain rules or restrictions that apply to use of these two methods. For example, we may require that installment payments meet certain minimums.

**Allocation of Purchase Payments.** The contract holder or you, if the contract holder permits, directs us to allocate initial purchase payments to the investment options available under the plan. Generally, you will specify this information on your enrollment materials. After your enrollment, changes to allocations for future purchase payments or transfer of existing balances among investment options may be requested in writing and, where available, by telephone or electronically. Allocations must be in whole percentages, and there may be limitations on the number of investment options that can be selected. **See "INVESTMENT OPTIONS"** and **"TRANSFERS."**

**Tax Code Restrictions.** The Tax Code places some limitations on contributions to your account. **See "FEDERAL TAX CONSIDERATIONS."**

**Factors to Consider in the Purchase Decision.** The decision to purchase or participate in the contract should be discussed with your financial representative. Make sure that you understand the investment options it provides, its other features, the risks and potential benefits you will face, and the fees and expenses you will incur when, together with your financial representative, you consider an investment in the contract. You should pay attention to the following issues, among others:

- **Long-Term Investment** - This contract is a long-term investment, and is typically most useful as part of a personal retirement plan. The value of deferred taxation on earnings grows with the amount of time funds are left in the contract. You should not participate in this contract if you are looking for a short-term investment or expect to need to make withdrawals before you are 59½;
- **Investment Risk** - The value of investment options available under this contract may fluctuate with the markets and interest rates. You should not participate in this contract in order to invest in these options if you cannot risk getting back less money than you put in;
- **Features and Fees** - The fees for this contract reflect costs associated with the features and benefits it provides. As you consider this contract, you should determine the value that these various benefits and features have for you, given your particular circumstances, and consider the charges for those features; and
- **Exchanges** - Replacing an existing insurance contract with this contract may not be beneficial to you. If this contract will be a replacement for another annuity contract or mutual fund option under the plan, you should compare the two options carefully, compare the costs associated with each, and identify additional benefits available under this contract. You should consider whether these additional benefits justify any increased charges that might apply under this contract. Also, be sure to talk to your financial professional or a tax and/or legal adviser to make sure that the exchange will be handled so that it is tax-free.

**Other Products.** We and our affiliates offer various other products with different features and terms than the contracts described in this prospectus, which may offer some or all of the same funds. These products have different benefits, fees and charges, and may offer different share classes of the funds offered in this contract that are less expensive. These other products may or may not better match your needs. You should be aware that there are options available, and, if you are interested in learning more about these other products, contact your registered representative. These other options may not be available under your plan.

**Transfer Credits.** The Company may provide a transfer credit in certain circumstances. The transfer credit is a specified percentage of assets transferred, exchanged or rolled over into the contract from an investment provider not affiliated with the Company and is subject to state approval and certain time limitations and other conditions and restrictions as defined by the Company. This benefit is provided on a nondiscriminatory basis. If a transfer credit is due under the contract, you will be provided with additional information specific to the contract. Any transfer credit will be allocated to and subject to the terms and conditions associated with the Fixed Plus Account.

# CONTRACT OWNERSHIP AND RIGHTS

**Who Owns the Contract?** The contract holder. This is the person or entity to whom we issue the contract.

**Who Owns Money Accumulated Under the Contract?** Under the contract, we may establish one or more accounts for you. Generally, we establish an employee account to receive salary reduction and rollover amounts and an employer account to receive employer contributions. We will also set up a separate account to accept Roth 403(b) after-tax salary contributions. You have the right to the value of your employee account and any employer account to the extent that you are vested under the plan as interpreted by the contract holder.

**Who Holds Rights Under the Contract?** The contract holder holds all rights under the contract. The contract holder may permit you to exercise some of those rights. For example, the contract holder may allow you to choose investment options. For additional information about the respective rights of the contract holder and participants, **see APPENDIX III**.

# RIGHT TO CANCEL

**When and How to Cancel.** If the contract holder chooses to cancel a contract, we must receive the contract and a written notice of cancellation within 10 days (or a longer period if required by state law) after the contract holder's receipt of the contract.

If you wish to cancel participation in the contract and are allowed to do so under the contract and the plan, you must send the document evidencing your participation and a written notice of cancellation to the Company within 10 days (or a longer period if required by state law) after you receive confirmation of your participation in the contract.

**Refunds.** We will produce a refund no later than seven calendar days after we receive the required documents and written notice in good order at the address listed in **"CONTRACT OVERVIEW–Questions: Contacting the Company."** The refund will equal amounts contributed to the contract or account(s), as applicable, plus any earnings or less any losses attributable to the investment options in which amounts were invested. Any mortality and expense risk charges and administrative expense charges (if any) deducted during the period you held the contract will not be returned. In certain states, we are required to refund contributions. When a refund of contributions is not required, the investor bears any investment risk.

# INVESTMENT OPTIONS

The contract offers variable investment options and a fixed interest option. When we establish your account(s), the contract holder, or you if permitted by the plan, instructs us to direct account dollars to any of the available options. We may add, withdraw or substitute investment options subject to the conditions in the contract and in compliance with regulatory requirements.

## *Variable Investment Options*

These options are called subaccounts of Variable Annuity Account I. Each subaccount invests directly in shares of a corresponding mutual fund, and earnings on amounts invested in the subaccount will vary depending upon the performance and fees of its underlying fund. You do not invest directly in or hold shares of the funds.

### Variable Annuity Account I

Variable Annuity Account I (the "separate account") was established in 1994 as a separate account of Aetna Insurance Company of America, which became ING Insurance Company of America. In connection with the merger of ING Insurance Company of America with and into ING Life Insurance and Annuity Company, the separate account was transferred to ING Life Insurance and Annuity Company on December 31, 2005. The separate account retained its name, Variable Annuity Account I. Variable Annuity Account I is a segregated asset account used to fund our variable annuity contracts. The separate account is registered as a unit investment trust under the Investment Company Act of 1940 (the "1940 Act"). It also meets the definition of "separate account" under the federal securities laws.

Although we hold title to the assets of the separate account, such assets are not chargeable with the liabilities of any other business that we conduct. Income, gains or losses, whether or not realized, of the separate account are credited to or charged against the assets of the separate account without regard to other income, gains or losses of the Company. All obligations arising under the contracts are obligations of Voya Retirement Insurance and Annuity Company. All guarantees and benefits provided under the contracts that are not related to the separate account are subject to the claims paying ability of the Company and our general account.

### Funds Available Through the Separate Account

The separate account is divided into "subaccounts." Each subaccount invests directly in shares of a corresponding fund. The funds available through the subaccounts of the separate account are listed in the front of this prospectus. We also provide a brief description of each fund in **APPENDIX IV**. Please refer to the fund prospectuses for additional information and read them carefully. Fund prospectuses may be obtained, free of charge, from the address and telephone number listed in **"CONTRACT OVERVIEW–Questions: Contacting the Company,"** by accessing the SEC's website or by contacting the SEC Public Reference Branch.

**Insurance-Dedicated Funds *(Mixed and Shared Funding)*.** Some of the funds described in this prospectus are available only to insurance companies for their variable contracts (or directly to certain retirement plans, as allowed by the Tax Code). Such funds are often referred to as "insurance-dedicated funds," and are used for "mixed" and "shared" funding.

"Mixed funding" occurs when shares of a fund, which the subaccount buys for variable annuity contracts, are bought for variable life insurance contracts issued by us or other insurance companies.

"Shared funding" occurs when shares of a fund, which the subaccount buys for variable annuity contracts, are also bought by other insurance companies for their variable annuity contracts. In other words:

- Mixed funding – bought for annuities and life insurance.
- Shared funding – bought by more than one company.

**Public Funds.** The following funds selected by your plan, which the subaccounts buy for variable annuity contracts, are also available to the general public:

- American Funds® - EuroPacific Growth Fund®
- American Funds® - The Growth Fund of America®
- Neuberger Berman Sustainable Equity Fund

**See "FEDERAL TAX CONSIDERATIONS–*Taxation of Qualified Contracts*–Special Considerations for Section 403(b) Plans"** for a discussion of investment in one of the public funds under a 403(b) or Roth 403(b) annuity contract.

**Possible Conflicts of Interest.** With respect to the insurance-dedicated funds, it is possible that a conflict of interest may arise due to mixed and shared funding, a change in law affecting the operations of variable annuity separate accounts, differences in the voting instructions of the contract holder and others maintaining a voting interest in the funds, or some other reason. Such a conflict could adversely impact the value of a fund. For example, if a conflict of interest occurred and one of the subaccounts withdrew its investment in a fund, the fund may be forced to sell its securities at disadvantageous prices, causing its share value to decrease. Each insurance-dedicated fund's board of directors or trustees will monitor events in order to identify any material irreconcilable conflicts that may arise and to determine what action, if any, should be taken to address such conflicts. In the event of a conflict, the Company will take any steps necessary to protect contract holders and annuitants maintaining a voting interest in the funds, including the withdrawal of the separate account from participation in the funds that are involved in the conflict.

**For additional risks associated with each fund, please see the fund's prospectus.**

**Selection of Underlying Funds.** The underlying funds available through the contract described in this prospectus are determined by the Company but ultimately selected by the Plan Sponsor. When determining which underlying funds to make available we may consider various factors, including, but not limited to, asset class coverage, the alignment of the investment objectives of an underlying fund with our hedging strategy, the strength of the adviser's or sub-adviser's reputation and tenure, brand recognition, performance, and the capability and qualification of each investment firm. Another factor that we may consider is whether the underlying fund or its service providers (e.g., the investment adviser or sub-advisers) or its affiliates will make payments to us or our affiliates in connection with certain administrative, marketing, and support services, or whether affiliates of the fund can provide marketing and distribution support for sales of the contracts. (For additional information on these arrangements, please refer to the section of this prospectus entitled "**Revenue from the Funds**.") We review the funds periodically and may, subject to certain limits or restrictions, remove a fund or limit its availability to new contributions and/or transfers of account value if we determine that a fund no longer satisfies one or more of the selection criteria, and/or if the fund has not attracted significant allocations under the contract. We have included the certain of the funds at least in part because they are managed or sub-advised by our affiliates.

We do not recommend or endorse any particular fund and we do not provide investment advice.

## Voting Rights

Each of the subaccounts holds shares in a fund and each is entitled to vote at regular and special meetings of that fund. Under our current view of applicable law, we will vote the shares for each subaccount as instructed by persons having a voting interest in the subaccount. If, however, we determine that we are permitted to vote the shares in our own right, we may do so.

Generally, under contracts issued in connection with Section 403(b) and 401 plans, you have a fully vested interest in the value of your employee account, and in your employer account to the extent of your vested percentage in the plan. Therefore, under such plans you generally have the right to instruct the contract holder how to direct us to vote shares attributable to your account. We will vote shares for which instructions have not been received in the same proportion as those for which we received instructions. Accordingly, it is possible for a small number of persons (assuming there is a quorum) to determine the outcome of a vote.

Each person who has a voting interest in the separate account will receive periodic reports relating to the funds in which he or she has an interest, as well as any proxy materials and a form on which to give voting instructions. Voting instructions will be solicited by a written communication at least 14 days before the meeting.

The number of votes, whole and fractional, any person is entitled to direct will be determined as of the record date set by any fund in which that person invests through the subaccounts. Additionally:

- During the accumulation phase, the number of votes is equal to the portion of your account value invested in the fund, divided by the net asset value of one share of that fund; and
- During the income phase, the number of votes is equal to the portion of reserves set aside for the contract's share of the fund, divided by the net asset value of one share of that fund.

We may restrict or eliminate any voting rights of persons who have voting rights as to the separate account.

## Right to Change the Separate Account

We do not guarantee that each fund will always be available for investment through the contract. Subject to certain conditions and restrictions applicable to certain types of retirement plans and state and federal law and the rules and regulations thereunder, we may, from time to time, make any of the following changes to the separate account with respect to some or all classes of contracts:

- Offer additional subaccounts that will invest in new funds or fund classes we find appropriate for contracts we issue;
- Combine two or more subaccounts;
- Close subaccounts. We will provide advance notice by a supplement to this prospectus if we close a subaccount. If a subaccount is closed or otherwise is unavailable for new investment, unless we receive alternative allocation instructions, all future amounts directed to the subaccount that was closed or is unavailable may be automatically allocated among the other available subaccounts according to the most recent allocation instructions we have on file. If the most recent allocation instructions we have on file do not include any available subaccounts, the amount to be allocated will be returned unless we are provided with alternative allocation instructions. Alternative allocation instructions can be given by contacting us at the address and telephone number listed in **"CONTRACT OVERVIEW–Questions: Contacting the Company." See also "TRANSFERS" for information about making subaccount allocation changes**;
- Substitute a new fund for a fund in which a subaccount currently invests. In the case of a substitution, the new fund may have different fees and charges than the fund it replaced. A substitution may become necessary if, in our judgment:
  - A fund no longer suits the purposes of your contract;
  - There is a change in laws or regulations;
  - There is a change in the fund's investment objectives or restrictions;
  - The fund is no longer available for investment; or
  - Another reason we deem a substitution is appropriate.
- Stop selling the contract;
- Limit or eliminate any voting rights for the Separate Account; or
- Make any changes required by the 1940 Act or its rules or regulations.

We will not make a change until the change is disclosed in an effective prospectus or prospectus supplement, authorized, if necessary, by an order from the SEC and approved, if necessary, by the appropriate state insurance department(s).

The changes described above do not include those changes that may, if allowed under your plan, be initiated by your plan sponsor.

We reserve the right to transfer separate account assets to another separate account that we determine to be associated with the class of contracts to which the contract belongs.

## *Fixed Interest Options*

For descriptions of the fixed interest options, **see APPENDIX I and APPENDIX II**.

## *Selecting Investment Options*

When selecting investment options:

- **Choose options appropriate for you.** Your Voya representative can help you evaluate which investment options may be appropriate for your individual circumstances and your financial goals;
- **Understand the risks associated with the options you choose.** Some subaccounts invest in funds that are considered riskier than others. Funds with additional risks are expected to have a value that rises and falls more rapidly and to a greater degree than other funds. For example, funds investing in foreign or international securities are subject to additional risks not associated with domestic investments, and their performance may vary accordingly. Also, funds using derivatives in their investment strategy may be subject to additional risks. Because investment risk is borne by you, you should carefully consider any decisions that you make regarding investment allocations. You bear the risk of any decline in your account value resulting from the performance of the funds you have chosen; and
- **Be informed.** Read this prospectus, all of the information that is available to you regarding the funds—including each fund's prospectus, statement of additional information, and annual and semi-annual reports, fixed interest option appendices, and the Guaranteed Accumulation Account prospectus. After you select the options for your account dollars, you should monitor and periodically re-evaluate your allocations to determine if they are still appropriate.

Furthermore, be aware that there may be:

- **Limits on Option Availability.** Some subaccounts and fixed interest options may not be available through certain contracts and plans or in some states. Your plan sponsor may also have selected a subset of variable investment and/or fixed interest options to be available under your plan; and
- **Limits on Number of Options Selected.** Generally, the contract holder, or you if permitted by the plan, may select no more than 25 investment options at initial enrollment. Thereafter, more options can be selected at any one time, but a higher limit may apply.

# FEES

The charges we assess and the deductions we make under the contract are in consideration for: (i) the services and benefits we provide; (ii) the costs and expenses we incur; and (iii) the risks we assume. The fees and charges deducted under the contract may result in a profit to us.

The following repeats and adds to information provided in the **"FEE TABLE"** section. Please review both this section and the **"FEE TABLE"** section for information on fees.

### Types of Fees

You may incur the following types of fees or charges under the contract:

- **Transaction Fees**
  - > Loan Interest Rate Spread
  - > Fund Redemption Fees
- **Periodic Fees and Charges**
  - > Mortality and Expense Risk Charge
  - > Administrative Expense Charge
- **Fund Fees and Expenses**

## *Transaction Fees*

### Loan Interest Rate Spread

For a discussion of the loan interest rate spread, please see **"LOANS–Loan Interest."**

### Fund Redemption Fees

Certain funds may deduct redemption fees as a result of withdrawals, transfers, or other fund transactions you initiate. If applicable, we may deduct the amount of any redemption fees imposed by the underlying mutual funds as a result of withdrawals, transfers or other fund transactions you initiate and remit such fees back to that fund. Redemption fees, if any, are separate and distinct from any transaction charges or other charges deducted from your contract value For a more complete description of the funds' fees and expenses, review each fund's prospectus.

## *Periodic Fees and Charges*

### Mortality and Expense Risk Charge

**Maximum Amount.** 1.00% annually of your account value invested in the subaccounts during the accumulation phase, and 1.25% annually of your account value invested in the subaccounts during the income phase. We may charge a different fee for different funds (but not beyond the maximum amount).

**When/How.** This fee is deducted daily from the subaccounts. We do not deduct this fee from the Fixed Plus Account or the Fixed Plus Account II A.

**Purpose.** This fee compensates us for the mortality and expense risks we assume under the contracts, namely:

- Mortality risks are those risks associated with our promise to make lifetime payments based on annuity rates specified in the contracts and our funding of the death benefits and other payments we make to owners or beneficiaries of the accounts; and
- Expense risk is the risk that the actual expenses we incur under the contracts will exceed the maximum costs that we can charge.

If the amount we deduct for this fee is not enough to cover our mortality costs and expenses under the contracts, we will bear the loss. We may use any excess to recover distribution costs relating to the contract and as a source of profit. We expect to earn a profit from this fee.

**Reduction.** We may reduce the mortality and expense risk charge from the maximum when the plan meets certain criteria and we agree to the reduction with the contract holder in writing. Some contracts have a reduced mortality and expense risk charge only during the accumulation phase of the account, which then increases during the income phase (but not beyond the maximum amount). Any reduction will reflect differences in expenses for administration based on such factors as:

- The expected level of assets under the plan (under some contracts, we may aggregate accounts under different contracts issued by the Company to the same contract holder);
- The size of the prospective group, projected annual number of eligible participants and the program's participation rate;
- The plan design (for example, the plan may favor stability of invested assets and limit the conditions for withdrawals, loans and available investment options, which in turn lowers administrative expenses);
- The frequency, consistency and method of submitting payments and loan repayments;
- The method and extent of onsite services we provide and the contract holder's involvement in services such as enrollment and ongoing participant services;
- The contract holder's support and involvement in the communication, enrollment, participant education and other administrative services;
- The projected frequency of distributions; and
- The type and level of other factors that affect the overall administrative expenses related to the contract or the plan, or the Company's reimbursement of any portion of the costs of the plan's third party administrator, if applicable.

We will determine any reduction of mortality and expense risk on a basis that is not unfairly discriminatory according to our rules in effect at the time a contract application is approved. We reserve the right to change these rules from time to time.

### Administrative Expense Charge

**Maximum Amount.** We currently do not impose this fee. However, we reserve the right to charge an administrative expense charge of up to 0.25% annually of your account value invested in the subaccounts.

**When/How.** If charged, this fee is deducted daily from the subaccounts. We will not deduct this fee from the Fixed Plus Account or the Fixed Plus Account II A. This fee may be assessed during the accumulation phase and the income phase. If we are imposing this fee under the contract issued in connection with your plan when you enter the income phase, the fee will apply to you during the entire income phase.

**Purpose.** This charge helps defray the cost of providing administrative services under the contracts and in relation to the separate account and subaccounts.

**Reduction.** If we charge the administrative expense charge, we may reduce it from the maximum when the plan meets certain criteria and we agree to the reduction with the contract holder, in writing. The level of the fee may be reassessed and increased or decreased at each contract anniversary as the characteristics of the group change.

## *Fund Fees and Expenses*

As shown in the fund prospectuses and described in the **"FEE TABLE–*Fund Fees and Expenses*,"** each fund deducts management/investment advisory fees from the amounts allocated to the fund. In addition, each fund deducts other expenses, which may include service fees that may be used to compensate service providers, including the Company and its affiliates, for administrative and contract holder services provided on behalf of the fund. Furthermore, certain funds deduct a distribution or 12b-1 fee, which is used to finance any activity that is primarily intended to result in the sale of fund shares. Fund fees and expenses are deducted from the value of the fund shares on a daily basis, which in turn affects the value of each subaccount that purchases fund shares. Fund fees and expenses are one factor that impacts the value of a fund's shares. **To learn more about fund fee and expenses, the additional factors that can affect the value of a fund's shares and other important information about the funds, refer to the fund prospectuses.**

Less expensive share classes of the funds offered through this contract may be available for investment outside of this contract. You should evaluate the expenses associated with the funds available through this contract before making a decision to invest.

### Revenue from the Funds

The Company or its affiliates may receive compensation from each of the funds or the funds' affiliates. This revenue may include:

- A share of the management fee;
- Service fees;
- For certain share classes, 12b-1 fees; and
- Additional payments (sometimes referred to as revenue sharing).

12b-1 fees are used to compensate the Company and its affiliates for distribution related activity. Service fees and additional payments (sometimes collectively referred to as sub-accounting fees) help compensate the Company and its affiliates for administrative, recordkeeping or other services that we provide to the funds or the funds' affiliates, such as:

- Communicating with customers about their fund holdings;
- Maintaining customer financial records;
- Processing changes in customer accounts and trade orders (e.g. purchase and redemption requests);
- Recordkeeping for customers, including subaccounting services;
- Answering customer inquiries about account status and purchase and redemption procedures;
- Providing account balances, account statements, tax documents and confirmations of transactions in a customer's account;
- Transmitting proxy statements, annual and semi-annual reports, fund prospectuses and other fund communications to customers; and
- Receiving, tabulating and transmitting proxies executed by customers.

The management fee, service fees and 12b-1 fees are deducted from fund assets. Any such fees deducted from fund assets are disclosed in the fund prospectuses. Additional payments, which are not deducted from fund assets and may be paid out of the legitimate profits of fund advisers and/or other fund affiliates, do not increase, directly or indirectly, fund fees and expenses, and we may use these additional payments to finance distribution.

The amount of revenue the Company may receive from each of the funds or from the funds' affiliates may be substantial, although the amount and types of revenue vary with respect to each of the funds offered through the contract. This revenue is one of several factors we consider when determining contract fees and charges and whether to offer a fund through our contracts. **Fund revenue is important to the Company's profitability and it is generally more profitable for us to offer affiliated funds than to offer unaffiliated funds.**

Assets allocated to affiliated funds, meaning funds managed by Directed Services LLC, Voya Investments, LLC or another Company affiliate, generate the largest dollar amount of revenue for the Company. Affiliated funds may also be subadvised by a Company affiliate or an unaffiliated third party. Assets allocated to unaffiliated funds, meaning funds managed by an unaffiliated third party, generate lesser, but still substantial dollar amounts of revenue for the Company. The Company expects to earn a profit from this revenue to the extent it exceeds the Company's expenses, including the payment of sales compensation to our distributors.

**Revenue Received from Affiliated Funds.** The revenue received by the Company from affiliated funds may be based either on an annual percentage of average net assets held in the fund by the Company or a share of the fund's management fee.

In the case of affiliated funds subadvised by unaffiliated third parties, any sharing of the management fee between the Company and the affiliated investment adviser is based on the amount of such fee remaining after the subadvisory fee has been paid to the unaffiliated subadviser. Because subadvisory fees vary by subadviser, varying amounts of revenue are retained by the affiliated investment adviser and ultimately shared with the Company. The sharing of the management fee between the Company and the affiliated investment adviser does not increase, directly or indirectly, fund fees and expenses. The Company may also receive additional compensation in the form of intercompany payments from an affiliated fund's investment adviser or the investment adviser's parent in order to allocate revenue and profits across the organization. The intercompany payments and other revenue received from affiliated funds provide the Company with a financial incentive to offer affiliated funds through the contract rather than unaffiliated funds.

Additionally, in the case of affiliated funds subadvised by third parties, no direct payments are made to the Company or the affiliated investment adviser by the subadvisers. However, subadvisers may provide reimbursement for employees of the Company or its affiliates to attend business meetings or training conferences.

**Revenue Received from Unaffiliated Funds.** Revenue received from each of the unaffiliated funds or their affiliates is based on an annual percentage of the average net assets held in that fund by the Company. Some unaffiliated funds or their affiliates pay us more than others and some of the amounts we receive may be significant.

If the unaffiliated fund families currently offered through the contract (including funds closed to new investments but not including the funds available to your plan, but not yet selected) that made payments to us were individually ranked according to the total amount they paid to the Company or its affiliates in 2017, in connection with the registered variable annuity contracts issued by the Company, that ranking would be as follows:

- American Funds®
- Fidelity VIP Funds®
- Wanger Funds
- PIMCO Funds
- Lord Abbett Funds
- Invesco Funds
- Neuberger Berman Funds

If the revenues received from the affiliated funds were taken into account when ranking the funds according to the total dollar amount they paid to the Company or its affiliates in 2017, the affiliated funds would be first on the list.

In addition to the types of revenue received from affiliated and unaffiliated funds described above, affiliated and unaffiliated funds and their investment advisers, subadvisers or affiliates may participate at their own expense in Company sales conferences or educational and training meetings. In relation to such participation, a fund's investment adviser, subadviser or affiliate may help offset the cost of the meetings or sponsor events associated with the meetings. In exchange for these expense offset or sponsorship arrangements, the investment adviser, subadviser or affiliate may receive certain benefits and access opportunities to Company representatives and wholesalers rather than monetary benefits. These benefits and opportunities include, but are not limited to, co-branded marketing materials, targeted marketing sales opportunities, training opportunities at meetings, training modules for personnel, and opportunities to host due diligence meetings for representatives and wholesalers.

Please note certain management personnel and other employees of the Company or its affiliates may receive a portion of their total employment compensation based on the amount of net assets allocated to affiliated funds. **See also "CONTRACT DISTRIBUTION."**

### Fund of Funds

Certain funds may be structured as "fund of funds." These funds may have higher fees and expenses than a fund that invests directly in debt and equity securities because they also incur the fees and expenses of the underlying funds in which they invest. These funds are affiliated funds, and the underlying funds in which they invest may be affiliated as well. The fund prospectuses disclose the aggregate annual operating expenses of each fund and its corresponding underlying fund or funds. These funds are identified in the investment option list in the front of this prospectus.

### Premium and Other Taxes

- **Maximum Amount.** Some states and municipalities charge a premium tax on annuities. These taxes currently range from 0% to 4%, depending upon the jurisdiction.

- **When/How.** We reserve the right to deduct a charge for premium taxes from your account value or from purchase payments to the account at any time, but not before there is a tax liability under state law. For example, we may deduct a charge for premium taxes at the time of a complete withdrawal or we may reflect the cost of premium taxes in our income phase payment rates when you commence income phase payments. We will not deduct a charge for municipal premium tax of 1% or less, but we reserve the right to reflect such an expense in our annuity purchase rates.

In addition, the Company reserves the right to assess a charge for any federal taxes due against the separate account. **See "FEDERAL TAX CONSIDERATIONS."**

# YOUR ACCOUNT VALUE

During the accumulation phase, your account value at any given time equals:
- Account dollars directed to the Fixed Plus Account and/or the Fixed Plus Account II A, including interest earnings to date; less
- Any deductions from the Fixed Plus Account and/or the Fixed Plus Account II A (e.g. withdrawals); plus
- The current dollar value of amounts held in the subaccounts, which takes into account investment performance and fees deducted from the subaccounts.

**Subaccount Accumulation Units.** When a fund is selected as an investment option, your account dollars invest in "accumulation units" of the separate account subaccount corresponding to that fund. The subaccount invests directly in the fund shares. The value of your interests in a subaccount is expressed as the number of accumulation units you hold multiplied by an "Accumulation Unit Value," as described below, for each unit.

**Accumulation Unit Value (AUV).** The value of each accumulation unit in a subaccount is called the accumulation unit value or AUV. The value of accumulation units varies daily in relation to the underlying fund's investment performance. The value also reflects deductions for fund fees and expenses, the mortality and expense risk charge, and the administrative expense charge (if any). **We discuss these deductions in more detail in "FEE TABLE"** and **"FEES."**

**Valuation.** We determine the AUV every business day after the close of the NYSE (normally at 4:00 p.m. Eastern Time). At that time, we calculate the current AUV by multiplying the AUV last calculated by the "net investment factor" of the subaccount. The net investment factor measures the investment performance of the subaccount from one valuation to the next.

Current AUV = Prior AUV x Net Investment Factor

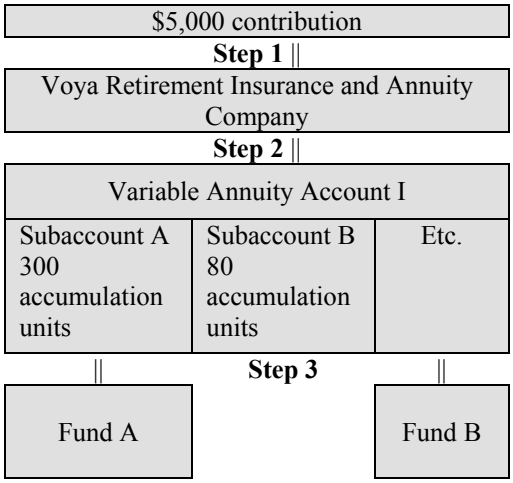
**Net Investment Factor.** The net investment factor for a subaccount between two consecutive valuations equals the sum of 1.0000 plus the net investment rate.

**Net Investment Rate.** The net investment rate is computed according to a formula that is equivalent to the following:
- The net assets of the fund held by the subaccount as of the current valuation; minus
- The net assets of the fund held by the subaccount at the preceding valuation; plus or minus

- Taxes or provisions for taxes, if any, due to subaccount operations (with any federal income tax liability offset by foreign tax credits to the extent allowed); divided by
- The total value of the subaccount's units at the preceding valuation; minus
- A daily deduction for the mortality and expense risk charge and the administrative expense charge, if any. **See "FEES."**

The net investment rate may be either positive or negative.

**Hypothetical Illustration.** As a hypothetical illustration, assume that an investor contributes $5,000 to his account and directs us to invest $3,000 in Fund A and $2,000 in Fund B. After receiving the contribution and following the next close of business of the NYSE (normally at 4:00 p.m. Eastern Time), the applicable AUV's are $10 for Subaccount A, and $25 for Subaccount B. The investor's account is credited with 300 accumulation units of subaccount A and 80 accumulation units of subaccount B.




**Step 1:** An investor contributes $5,000.

**Step 2:**
- He directs us to invest $3,000 in Fund A. His dollars purchase 300 accumulation units of Subaccount A ($3,000 divided by the current $10 AUV).
- He directs us to invest $2,000 in Fund B. His dollars purchase 80 accumulation units of Subaccount B ($2,000 divided by the current $25 AUV).

**Step 3:** The separate account then purchases shares of the applicable funds at the current market value (net asset value or NAV).

The fund's subsequent investment performance, expenses and charges, and the daily charges deducted from the subaccount, will cause the AUV to move up or down on a daily basis.

**Purchase Payments to Your Account.** If all or a portion of initial purchase payments are directed to the subaccounts, they will purchase subaccount accumulation units at the AUV next computed after our acceptance of the applicable application or enrollment forms, as described in **"CONTRACT PURCHASE AND PARTICIPATION."** Subsequent purchase payments or transfers directed to the subaccounts that we receive in good order by the close of business of the NYSE will purchase subaccount accumulation units at the AUV computed as of the close of the NYSE on that day. The value of subaccounts may vary day to day. Subsequent purchase payments and transfers received in good order after the close of the NYSE will purchase accumulation units at the AUV computed after the close of the NYSE on the next business day.

# TRANSFERS

**Transfers Among Investment Options.** During the accumulation phase and the income phase, the contract holder, or you if permitted by the plan, may transfer amounts among investment options. **Transfers from the fixed interest options are restricted as outlined in the appendices and the contract.** Transfers may be requested in writing, by telephone or, where available, electronically at www.voyaretirementplans.com. Transfers must be made in accordance with the terms of the contract.

**Value of Transferred Dollars.** The value of amounts transferred in or out of subaccounts will be based on the subaccount unit values next determined after we receive your request in good order at the address listed in **"CONTRACT OVERVIEW–Questions: Contacting the Company**," after your scheduled transfer.

**Telephone and Electronic Transfers: Security Measures.** To prevent fraudulent use of telephone or electronic transactions, (including, but not limited to, Internet transactions), we have established security procedures. These include recording calls on our toll-free telephone lines and requiring use of a unique identifier or personal password. You are responsible for keeping your unique identifier or personal password and account information confidential. If we fail to follow reasonable security procedures, we may be liable for losses due to unauthorized or fraudulent telephone or other electronic transactions. We are not liable for losses resulting from following telephone or electronic instructions we believe to be genuine. If a loss occurs when we rely on such instructions, you will bear the loss.

## Limits on Frequent or Disruptive Transfers

The contract is not designed to serve as a vehicle for frequent transfers. Frequent transfer activity can disrupt management of a fund and raise its expenses through:

- Increased trading and transaction costs;
- Forced and unplanned portfolio turnover;
- Lost opportunity costs; and
- Large asset swings that decrease the fund's ability to provide maximum investment return to all contract owners and participants.

This in turn can have an adverse effect on fund performance. **Accordingly, individuals or organizations that use market-timing investment strategies or make frequent transfers should be aware that:**

- **We suspend the Electronic Trading Privileges, as defined below, of any individual or organization if we determine, in our sole discretion, that the individual's or organization's transfer activity is disruptive or not in the best interest of other owners of our variable insurance and retirement products, or the participant's in such products; and**
- **Each underlying fund may limit or restrict fund purchases and we will implement any limitation or restriction on transfers to an underlying fund as directed by that underlying fund.**

**Consequently, individuals or organizations that use market-timing investment strategies or make frequent transfers should not purchase or participate in the contract.**

**Excessive Trading Policy.** We and the other members of the Voya family of companies that provide multi-fund variable insurance and retirement products have adopted a common Excessive Trading Policy to respond to the demands of the various fund families that make their funds available through our products to restrict excessive fund trading activity and to ensure compliance with Rule 22c-2 of the 1940 Act.

We actively monitor fund transfer and reallocation activity within our variable insurance products to identify violations of our Excessive Trading Policy. Our Excessive Trading Policy is violated if fund transfer and reallocation activity:

- Meets or exceeds our current definition of Excessive Trading, as defined below; or
- Is determined, in our sole discretion, to be disruptive or not in the best interests of other owners of our variable insurance and retirement products, or participants in such products.

We currently define "Excessive Trading" as:

- More than one purchase and sale of the same fund (including money market funds) within a 60 calendar day period (hereinafter, a purchase and sale of the same fund is referred to as a "round-trip"). This means two or more round-trips involving the same fund within a 60 calendar day period would meet our definition of Excessive Trading; or
- Six round-trips involving the same fund within a rolling 12 month period.

The following transactions are excluded when determining whether trading activity is excessive:

- Purchases or sales of shares related to non-fund transfers (for example, new purchase payments, withdrawals and loans);
- Transfers associated with any scheduled dollar cost averaging, scheduled rebalancing, or scheduled asset allocation programs;
- Purchases and sales of fund shares in the amount of $5,000 or less;
- Purchases and sales of funds that affirmatively permit short-term trading in their fund shares, and movement between such funds and a money market fund; and
- Transactions initiated by us, another member of the Voya family of companies, or a fund.

If we determine that an individual or entity has made a purchase of a fund within 60 days of a prior round-trip involving the same fund, we will send them a letter warning that another sale of that same fund within 60 days of the beginning of the prior round-trip will be deemed to be Excessive Trading and result in a six month suspension of their ability to initiate fund transfers or reallocations through the Internet, facsimile, Voice Response Unit (VRU), telephone calls to Customer Service or other electronic trading medium that we may make available from time to time ("Electronic Trading Privileges"). Likewise, if we determine that an individual or entity has made five round-trips involving the same fund within a rolling 12 month period, we will send them a letter warning that another purchase and sale of that same fund within 12 months of the initial purchase in the first round-trip will be deemed to be Excessive Trading and result in a suspension of their Electronic Trading Privileges. According to the needs of the various business units, a copy of any warning letters may also be sent, as applicable, to the person(s) or entity authorized to initiate fund transfers or reallocations, the agent/registered representative, or the investment adviser for that individual or entity. A copy of the warning letters and details of the individual's or entity's trading activity may also be sent to the fund whose shares were involved in the trading activity.

If we determine that an individual or entity has violated our Excessive Trading Policy, we will send them a letter stating that their Electronic Trading Privileges have been suspended for a period of six months. Consequently, all fund transfers or reallocations, not just those that involve the fund whose shares were involved in the activity that violated our Excessive Trading Policy, will then have to be initiated by providing written instructions to us via regular U.S. mail. Suspension of Electronic Trading Privileges may also extend to products other than the product through which the Excessive Trading activity occurred. During the six month suspension period, electronic "inquiry only" privileges will be permitted where and when possible. A copy of the letter restricting future transfer and reallocation activity to regular U.S. mail and details of the individual's or entity's trading activity may also be sent, as applicable, to the person(s) or entity authorized to initiate fund transfers or reallocations, the agent/registered representative or investment adviser for that individual or entity, and the fund whose shares were involved in the activity that violated our Excessive Trading Policy.

Following the six month suspension period during which no additional violations of our Excessive Trading Policy are identified, Electronic Trading Privileges may again be restored. We will continue to monitor the fund transfer and reallocation activity, and any future violations of our Excessive Trading Policy will result in an indefinite suspension of Electronic Trading Privileges. A violation of our Excessive Trading Policy during the six month suspension period will also result in an indefinite suspension of Electronic Trading Privileges.

We reserve the right to suspend Electronic Trading Privileges with respect to any individual or entity, with or without prior notice, if we determine, in our sole discretion, that the individual's or entity's trading activity is disruptive or not in the best interests of other owners of our variable insurance and retirement products, or participants in such products, regardless of whether the individual's or entity's trading activity falls within the definition of Excessive Trading set forth above.

Our failure to send or an individual's or entity's failure to receive any warning letter or other notice contemplated under our Excessive Trading Policy will not prevent us from suspending that individual's or entity's Electronic Trading Privileges or taking any other action provided for in our Excessive Trading Policy.

The Company does not allow exceptions to our Excessive Trading Policy. We reserve the right to modify our Excessive Trading Policy, or the policy as it relates to a particular fund, at any time without prior notice, depending on, among other factors, the needs of the underlying fund(s), the best interests of contract owners, participants, and fund investors, and/or state or federal regulatory requirements. If we modify our policy, it will be applied uniformly to all contract owners and participants or, as applicable, to all contract owners and participants investing in the underlying fund.

Our Excessive Trading Policy may not be completely successful in preventing market-timing or excessive trading activity. If it is not completely successful, fund performance and management may be adversely affected, as noted above.

**Limits Imposed by the Underlying Funds.** Each underlying fund available through the variable insurance and retirement products offered by us and/or the other members of the Voya family of companies, either by prospectus or stated policy, has adopted or may adopt its own excessive/frequent trading policy, and orders for the purchase of fund shares are subject to acceptance or rejection by the underlying fund. We reserve the right, without prior notice, to implement fund purchase restrictions and/or limitations on an individual or entity that the fund has identified as violating its excessive/frequent trading policy and to reject any allocation or transfer request to a subaccount if the corresponding fund will not accept the allocation or transfer for any reason. All such restrictions and/or limitations (which may include, but are not limited to, suspension of Electronic Trading Privileges and/or blocking of future purchases of a fund or all funds within a fund family) will be done in accordance with the directions we receive from the fund.

**Agreements to Share Information with Fund Companies.** As required by Rule 22c-2 under the 1940 Act, we have entered into information sharing agreements with each of the fund companies whose funds are offered through the contract. Contract owner and participant trading information is shared under these agreements as necessary for the fund companies to monitor fund trading and our implementation of our Excessive Trading Policy. Under these agreements, the Company is required to share information regarding contract owner and participant transactions, including but not limited to information regarding fund transfers initiated by you. In addition to information about contract owner and participant transactions, this information may include personal contract owner and participant information, including names and social security numbers or other tax identification numbers.

As a result of this information sharing, a fund company may direct us to restrict a contract owner or participant's transactions if the fund determines that the contract owner or participant has violated the fund's excessive/frequent trading policy. This could include the fund directing us to reject any allocations of purchase payments or account value to the fund or all funds within the fund family.

# WITHDRAWALS

**Making a Withdrawal.** Subject to limitations on withdrawals from the Fixed Plus Account and other restrictions (**see "WITHDRAWAL RESTRICTIONS" in this section**), the contract holder, or you if permitted by the plan, may withdraw all or a portion of your account value at any time during the accumulation phase.

**Steps for Making a Withdrawal.** The contract holder, or you if permitted by the plan, must:

- Select the withdrawal amount.
  - > Full Withdrawal: You will receive, reduced by any required tax and redemption fees, your account value allocated to the subaccounts, plus the amount available for withdrawal from the Fixed Plus Account and/or the Fixed Plus Account II A; or
  - > Partial Withdrawal (Percentage or Specified Dollar Amount): You will receive, reduced by any required tax and redemption fees, the amount you specify, subject to the value available in your account. The amount available from the Fixed Plus Account and/or the Fixed Plus Account II A may be limited; and
- Select investment options. Subject to any applicable withdrawal order requirements for contracts that have Fixed Plus Account II A as an investment option, we will withdraw dollars in the same proportion as the values you hold in the various investment options from each investment option in which you have an account value unless otherwise specified by you; and
- Properly complete a disbursement form and submit it to the address listed in **"CONTRACT OVERVIEW–Questions: Contacting the Company."**

### Deductions for Taxes

Amounts withdrawn may be subject to redemption fees, tax penalties and withholding. **See "FEES–Fund Redemption Fees"** and **"FEDERAL TAX CONSIDERATIONS."** To determine which may apply, refer to the appropriate sections of this prospectus, contact your local representative or call the Company at the number listed in **"CONTRACT OVERVIEW–Questions: Contacting the Company."**

For a description of limitations on withdrawals from the Fixed Plus Account and the Fixed Plus Account II A, see the appendices**.**

**Calculation of Your Withdrawal.** We determine your account value every normal business day after the close of the NYSE (normally at 4:00 p.m. Eastern Time). We pay withdrawal amounts based on your account value either:

- As of the next valuation date after we receive a request for withdrawal in good order at the address listed in **"CONTRACT OVERVIEW–Questions: Contacting the Company"**; or
- On such later date as specified on the disbursement form.

**Delivery of Payment.** Payments for withdrawal requests will be made in accordance with SEC requirements. Normally, we will send your payment no later than seven calendar days following our receipt of your disbursement form in good order.

**Reinvestment Privilege.** The contracts allow the one-time use of a reinvestment privilege. Within 30 days after a full withdrawal, if allowed by law, you may elect to reinvest all or a portion of the proceeds. We must receive reinvested amounts within 60 days of the withdrawal. We will credit the account for the amount reinvested based on the subaccount values next computed following our receipt of your request and the amount to be reinvested. Provided all options are available, we will reinvest in the same investment options and proportions in place at the time of withdrawal. If Fixed Plus Account II A is available under the contract, any amounts withdrawn from the the Fixed Plus Account will be invested in Fixed Plus Account II A. If any other investment option is no longer available, amounts to be allocated to any such option will be invested in a replacement option as directed by you or your plan sponsor, as applicable. Seek competent advice regarding the tax consequences associated with reinvestment.

**Withdrawal Restrictions.** Some plans may have other limits on withdrawals, other than or in addition to those listed below:

- Section 403(b)(11) of the Tax Code prohibits withdrawals under 403(b) contracts prior to your death, disability, attainment of age 59½, severance from employment, or financial hardship, of the following:
  - > Salary reduction contributions made after December 31, 1988;
  - > Earnings on those contributions; and
  - > Earnings on amounts held before 1989 and credited after December 31, 1988 (these amounts are not available for hardship withdrawals). Other withdrawals may be allowed as provided for under the Tax Code or regulations.
- The contract may require that the contract holder certify that you are eligible for the distribution.

Effective January 1, 2009, 403(b) regulations impose restrictions on the distribution of 403(b) employer contributions under certain contracts. **See "FEDERAL TAX CONSIDERATIONS–Taxation of Qualified Contracts–Distributions–Eligibility–403(b) and Roth 403(b) Plans."**

# SYSTEMATIC DISTRIBUTION OPTIONS

**Features of a Systematic Distribution Option**

If available under your plan, a systematic distribution option allows you to receive regular payments from your account without moving into the income phase. By remaining in the accumulation phase, you retain certain rights and investment flexibility not available during the income phase. Because the account remains in the accumulation phase, all accumulation phase charges continue to apply.

**Availability of Systematic Distribution Options.** These options may be exercised at any time during the accumulation phase of the contract. To exercise one of these options the account value must meet any minimum dollar amount and age criteria applicable to that option. To determine what systematic distribution options are available, check with the contract holder or the Company. The Company reserves the right to discontinue the availability of one or all of the systematic distribution options at any time, and/or to change the terms for future elections.

Systematic distribution options currently available under the contract include the following:

- **Systematic Withdrawal Option (SWO).** SWO is a series of partial withdrawals from your account based on a payment method you select. It is designed for those who want a periodic income while retaining accumulation phase investment flexibility for amounts accumulated under the account. (This option may not be available if you have an outstanding loan.); and
- **Estate Conservation Option (ECO)/Recurring RMD Payment (RRP).** This option also allows you to maintain the account in the accumulation phase and provides periodic payments designed to meet the Tax Code's minimum distribution requirement. Under this option, the Company calculates the minimum distribution amount required by law at age 70½ (for certain plans, 70½ or retirement, if later) and pays you that amount once a year.

**Other Systematic Distribution Options.** Other systematic distribution options may be available from time to time. Additional information relating to any of the systematic distribution options may be obtained from your local representative or by contacting us at the address listed in **"CONTRACT OVERVIEW–Questions: Contacting the Company."**

**Availability of Systematic Distribution Options.** If not required under the plan, the Company may discontinue the availability of one or all of the systematic distribution options at any time, and/or change the terms of future elections.

**Electing a Systematic Distribution Option.** The contract holder, or you if permitted by the plan, may elect a systematic distribution option. For some contracts, the contract holder must provide the Company with certification that the distribution is in accordance with terms of the plan.

**Terminating a Systematic Distribution Option.** Once you elect a systematic distribution option, you may revoke it at any time through a written request to the address listed in **"CONTRACT OVERVIEW–Questions: Contacting the Company."** Once revoked, an option may not be elected again until the next calendar year, nor may any other systematic distribution option be elected, unless the Tax Code permits it.

**Tax Consequences.** Withdrawals received through these options and revocations of elections may have tax consequences. **See "FEDERAL TAX CONSIDERATIONS."**

# LOANS

**Availability.** If allowed by the contract and the plan, you may take out a loan from your account value during the accumulation phase. Loans are not available under contracts issued as Roth 403(b) annuities or from Roth 403(b) accounts, and participant Roth accounts are excluded from the calculation of the amount available for loan. Some contracts restrict loans from your employer account. Loans are only allowed from amounts allocated to certain subaccounts and the Fixed Plus Account and/or the Fixed Plus Account II A. Additional restrictions may apply under the Tax Code, ERISA (if applicable), your plan, or due to our administrative practices or those of a third party administrator selected by your plan sponsor, and loans may be subject to approval by the plan sponsor or its delegate. We reserve the right not to grant a loan request if the participant has an outstanding loan in default.

**Requests.** If you are eligible to obtain a loan, you may request one by properly completing the loan request form and submitting it to the address listed in **"CONTRACT OVERVIEW–Questions: Contacting the Company."** Read the terms of the loan agreement before submitting any request.

**Loan Interest.** Interest will be applied on loan amounts. The difference between the rate charged and the rate credited on the loans under your contract is currently 2.5% (i.e., a 2.5% loan interest rate spread). We reserve the right to apply a loan interest rate spread of up to 3.0%.

# DEATH BENEFIT

The contract provides a death benefit in the event of your death, which is payable to the beneficiary named under the contract (contract beneficiary). The contract holder must be named as the contract beneficiary, but may direct that we make any payments to the beneficiary you name under the plan (plan beneficiary).

**During the Income Phase**

This section provides information about the accumulation phase. For death benefit information applicable to the income phase, **see "INCOME PHASE."**

## *During the Accumulation Phase*

**Payment Process:**

- Following your death, the contract beneficiary (on behalf of the plan beneficiary, if applicable) must provide the Company with proof of death acceptable to us and a payment request in good order;
- The payment request should include selection of a benefit payment option; and
- Within seven calendar days after we receive proof of death acceptable to us and payment request in good order at the address listed in **"CONTRACT OVERVIEW–Questions: Contacting the Company,"** we will mail payment, unless otherwise requested.

Until one of the benefit payment options listed below is selected, account dollars will remain invested as at the time of your death, and no distributions will be made.

**Benefit Payment Options.** The following payment options are available, if allowed by the Tax Code:

- Lump-sum payment;
- Payment under an available income phase payment option (**see "INCOME PHASE–Payment Options"**); or
- Payment under an available systematic distribution option (subject to certain limitations).

The account value may also remain invested in the contract; however, the Tax Code limits how long the death benefit proceeds may be left in this option.

### Payment of Death Benefit or Proceeds

Subject to the conditions and requirements of state law, full payment of the death benefit or proceeds ("Proceeds") to a beneficiary may be made either into an interest bearing retained asset account that is backed by our general account or by check. Beneficiaries should carefully review all settlement and payment options available under the contract and are encouraged to consult with a financial professional or tax and/or legal adviser before choosing a settlement or payment option.

**The Retained Asset Account.** The retained asset account, known as the Voya Personal Transition Account, is an interest bearing account backed by our general account. **The retained asset account is not guaranteed by the Federal Deposit Insurance Corporation ("FDIC") and, as part of our general account, is subject to the claims of our creditors.** Beneficiaries that receive their payment through the retained asset account may access the entire Proceeds in the account at any time without penalty through a draftbook feature. The Company seeks to earn a profit on the account, and interest credited on the account may vary from time to time but will not be less than the minimum rate stated in the supplemental contract delivered to the beneficiary together with the paperwork to make a claim to the Proceeds. Interest earned on the Proceeds in the account may be less than could be earned if the Proceeds were invested outside of the account. Likewise, interest credited on the Proceeds in the account may be less than under other settlement or payment options available through the contract.

**Death Benefit Calculation.** The death benefit will be based on your account value. The death benefit is calculated as of the next time we value your account following the date on which we receive proof of death and payment request in good order. In addition to this amount, some states require we pay interest on amounts invested in the Fixed Plus Account and the Fixed Plus Account II A, calculated from date of death at a rate specified by state law.

The contracts provide a guaranteed death benefit if the contract beneficiary (on behalf of the plan beneficiary, if applicable) elects a lump-sum distribution or an income phase payment option within six months of your death. The guaranteed death benefit is the greater of:

- Your account value on the day that notice of death and request for payment are received in good order at the address listed in **"CONTRACT OVERVIEW–Questions: Contacting the Company"**; or
- The sum of payments (minus any applicable premium tax) made to your account, minus withdrawals made from your account and any outstanding loan amount.

**Tax Code Requirements.** The Tax Code requires distribution of death benefit proceeds within a certain period of time. Failure to begin receiving death benefit payments within those time periods can result in tax penalties. Regardless of the method of payment, death benefit proceeds will generally be taxed to the beneficiary in the same manner as if you had received those payments. **See "FEDERAL TAX CONSIDERATIONS" for additional information.**

# INCOME PHASE

During the income phase you receive payments from your accumulated account value.

**Initiating Income Phase Payments.** At least 30 days prior to the date you want to start receiving payments, the contract holder, or you if permitted by the plan, must notify us in writing of the following:

- Start date;
- Income phase payment option (see the income phase payment options table in this section);
- Income phase payment frequency (i.e., monthly, quarterly, semi-annually or annually);
- Choice of fixed or variable income phase payments;
- Selection of an assumed net investment rate (only if variable income phase payments are elected); and
- Under some plans, certification from your employer and/or submission of the appropriate forms is also required.

The account will continue in the accumulation phase until the contract holder or you, as applicable, properly initiate income phase payments. Once an income phase payment option is selected, it may not be changed; however, certain options allow you to withdraw a lump-sum.

**What Affects Income Phase Payments?** Some of the factors that may affect income phase payments include: your age, your account value, the income phase payment option selected (including the frequency and duration of payments under the option selected), number of guaranteed payments (if any) selected, and whether you select variable or fixed payments. As a general rule, more frequent income phase payments will result in smaller individual income phase payments. Likewise, income phase payments that are anticipated over a longer period of time will also result in smaller individual income phase payments.

**Fixed Income Phase Payments.** Amounts funding fixed income phase payments will be held in the Company's general account. Fixed payments will remain the same over time.

**Variable Income Phase Payments.** Amounts funding your variable income phase payments will be held in the subaccount(s) selected. The subaccounts available for investment during the income phase may be different than those available for investment during the accumulation phase. For information about the subaccount available during the income phase, please contact Customer Service. Some contracts may restrict the subaccounts available, the number of investment options to be selected and how many transfers, if any, are allowed among options during the income phase. For variable payments, an assumed net investment rate must be selected.

**Income Phase Payments from Fixed Plus Account Values.** If a nonlifetime income phase payment option is selected, payment of amounts held in the Fixed Plus Account and/or the Fixed Plus Account II A during the accumulation phase may only be made on a fixed basis.

**Assumed Net Investment Rate.** If you select variable income phase payments, an assumed net investment rate must also be selected. If you select a 5% rate, your first payment will be higher, but subsequent payments will increase only if the investment performance of the subaccounts you selected is greater than 5% annually, after deduction of fees. Payment amounts will decline if the investment performance is less than 5%, after deduction of fees.

If you select a 3.5% rate, your first income phase payment will be lower and subsequent payments will increase more rapidly or decline more slowly depending upon the investment performance of the subaccounts you selected.

For more information about selecting an assumed net investment rate, request a copy of the SAI by calling us. **See "CONTRACT OVERVIEW–Questions: Contacting the Company."**

**Selecting an Increasing Payment.** Under certain income phase payment options, if you select fixed payments, you may elect an increase of one, two, or three percent, compounded annually. The higher your percentage, the lower your initial income phase payment will be, while future payments will increase each year at a greater rate.

Generally, this feature is not available with cash refund payment options and nonlifetime options.

**Charges Deducted:**

- When you select an income payment phase option (one of the options listed in the tables on the following page), a mortality and expense risk charge consisting of a daily deduction of 1.25% on an annual basis will be deducted from amounts held in the subaccounts. This charge compensates us for mortality and expense risks we assume under variable income phase payout options and is applicable to all variable income phase payout options, including variable nonlifetime options under which we do not assume mortality risk. In this situation, this charge will be used to cover expenses. Although we expect to earn a profit from this fee, we do not always do so. For variable options under which we do not assume a mortality risk, we may make a larger profit than under other options; and
- We may also deduct a daily administrative charge from amounts held in the subaccounts. We are not currently deducting this charge, but reserve the right to do so in the future. The maximum amount is 0.25% on an annual basis of your account value invested in the subaccount. If we are imposing this fee under the contract issued in connection with your plan when you enter the income phase, the fee will apply throughout the entire income phase.

**Required Minimum Payment Amounts.** The initial income phase payment or the annual income phase payment total must meet the minimums stated in the contract. If your account value is too low to meet these minimum payment amounts, you will receive one lump-sum payment.

**Death Benefit During the Income Phase.** The death benefits that may be available to a beneficiary are outlined in the income phase payment option table below. If a lump-sum payment is due as a death benefit, we will make payment within seven calendar days after we receive proof of death acceptable to us in good order and the payment request at the address listed in **"CONTRACT OVERVIEW–Questions: Contacting the Company."**

### Payment of Death Benefit or Proceeds

Subject to the conditions and requirements of state law, full payment of the death benefit or proceeds ("Proceeds") to a beneficiary may be made either into an interest bearing retained asset account that is backed by our general account or by check. For additional information about the payment options available to you, please refer to your claim forms or contact us at the address shown in **"CONTRACT OVERVIEW–Questions: Contacting the Company."** Beneficiaries should carefully review all settlement and payment options available under the contract and are encouraged to consult with a financial professional or tax and/or legal adviser before choosing a settlement or payment option. **See "DEATH BENEFIT–The Retained Asset Account"** for more information about the retained asset account.

**Taxation.** To avoid certain tax penalties, you and any beneficiary must meet the distribution rules imposed by the Tax Code. **See "FEDERAL TAX CONSIDERATIONS."**

## *Income Phase Payment Options*

The following tables list the income phase payment options and accompanying death benefits that may be available under the contracts. Some contracts restrict the options and the terms available. Refer to your certificate or check with your contract holder for details. We may offer additional income phase payment options under the contract from time to time.

**Terms used in the tables:**

- **Annuitant -** The person(s) on whose life expectancy the income phase payments are calculated; and
- **Beneficiary -** The person designated to receive the death benefit payable under the contract.

| **Lifetime Income Phase Payment Options** | |
|---|---|
| Life Income | **Length of Payments:** For as long as the annuitant lives. It is possible that only one payment will be made should the annuitant die prior to the second payment's due date.<br>**Death Benefit-None:** All payments end upon the annuitant's death. |
| Life Income-Guaranteed Payments* | **Length of Payments:** For as long as the annuitant lives, with payments guaranteed for your choice of 5 to 30 years, or as otherwise specified in the contract.<br>**Death Benefit-Payment to the Beneficiary:** If the annuitant dies before we have made all the guaranteed payments, we will pay the beneficiary a lump-sum (unless otherwise requested) equal to the present value of the remaining guaranteed payments. |
| Life Income-Two Lives | **Length of Payments:** For as long as either annuitant lives. It is possible that only one payment will be made should both annuitants die before the second payment's due date.<br>**Continuing Payments:**<br>• When you select this option you choose for 100%, 66⅔% or 50% of the payment to continue to the surviving annuitant after the first death; or<br>• 100% of the payment to continue to the annuitant on the second annuitant's death, and 50% of the payment to continue to the second annuitant on the annuitant's death.<br>**Death Benefit-None:** All payments end after the death of both annuitants. |
| Life Income-Two Lives-Guaranteed Payments* | **Length of Payments:** For as long as either annuitant lives, with payments guaranteed for your choice of 5 to 30 years, or as otherwise specified in the contract.<br>**Continuing Payments:** 100% of the payment to continue to the surviving annuitant after the first death.<br>**Death Benefit-Payment to the Beneficiary:** If both annuitants die before the guaranteed payments have all been paid, we will pay the beneficiary a lump-sum (unless otherwise requested) equal to the present value of the remaining guaranteed payments. |
| Life Income-Cash Refund Option (fixed payment only) | **Length of Payments:** For as long as the annuitant lives.<br>**Death Benefit-Payment to the Beneficiary:** Following the annuitant's death, we will pay a lump-sum payment equal to the amount originally applied to the payment option (less any premium tax) and less the total amount of fixed income phase payments paid. |
| Life Income-Two Lives-Cash Refund Option (fixed payment only) | **Length of Payments:** For as long as either annuitant lives.<br>**Continuing Payment:** 100% of the payment to continue after the first death.<br>**Death Benefit-Payment to the Beneficiary:** When both annuitants die, we will pay a lump-sum payment equal to the amount applied to the income phase payment option (less any premium tax) and less the total amount of fixed income phase payments paid. |

*Guaranteed period payments may not extend beyond the shorter of your life expectancy or until age 95.

| Nonlifetime Income Phase Payment Options | |
|---|---|
| Nonlifetime-Guaranteed Payments* | **Length of Payments:** Payments will continue for the number of years you choose, based on what is available under the contract. For amounts held in the Fixed Plus Account and/or Fixed Plus Account II A during the accumulation phase, the income phase payment must be on a fixed basis. In certain cases a lump-sum payment may be requested at any time (see below).<br>**Death Benefit-Payment to the Beneficiary:** If the annuitant dies before we make all the guaranteed payments, any remaining guaranteed payments will continue to the beneficiary unless the beneficiary elects to receive the present value of the remaining guaranteed payments in a lump-sum. |

*Guaranteed period payments may not extend beyond the shorter of your life expectancy or until age 95.

**Lump-Sum Payment:** If the Nonlifetime-Guaranteed Payments option is elected with variable payments, you may request at any time that all or a portion of the present value of the remaining payments be paid in one lump-sum. Lump-sum payments will be sent within seven calendar days after we receive the request for payment in good order at the address listed in **"CONTRACT OVERVIEW–Questions: Contacting the Company."**

**Calculation of Lump-Sum Payments:** If a lump-sum payment is available to a beneficiary or to you in the options above, the rate we use to calculate the present value of the remaining guaranteed payments is the same rate we use to calculate the income phase payments (i.e., the actual fixed rate used for the fixed payments, or the 3.5% or 5% assumed net investment rate for variable payments).

# FEDERAL TAX CONSIDERATIONS

## *Introduction*

**In this Section:**
- **Introduction;**
- **Taxation of Qualified Contracts;**
- **Possible Changes in Taxation; and**
- **Taxation of the Company.**

When consulting a tax and/or legal adviser, be certain that he or she has expertise with respect to the provisions of the Internal Revenue Code of 1986, as amended (the "Tax Code") that apply to your tax concerns.

The contract described in this prospectus is designed to be treated as an annuity for U.S. federal income tax purposes. This section discusses our understanding of current federal income tax laws affecting the contract. The U.S. federal income tax treatment of the contract is complex and sometimes uncertain. You should keep the following in mind when reading this section:

- Your tax position (or the tax position of the beneficiary, as applicable) determines the federal taxation of amounts held or paid out under the contract;
- Tax laws change. It is possible that a change in the future could affect contracts issued in the past, including the contract described in this prospectus;
- This section addresses some, but not all, applicable federal income tax rules and generally, does not discuss federal estate and gift tax implications, state and local taxes or any other tax provisions;
- We do not make any guarantee about the tax treatment of the contract or transactions involving the contract; and
- No assurance can be given that the IRS would not assert, or that a court would not sustain, a position contrary to any of those set forth below.

**We do not intend this information to be tax advice. No attempt is made to provide more than a general summary of information about the use of the contract with tax-qualified retirement arrangements, and the Tax Code may contain other restrictions and conditions that are not included in this summary. You should consult with a tax and/or legal adviser for advice about the effect of federal income tax laws, state tax laws or any other tax laws affecting the contract or any transactions involving the contract.**

**Qualified Contracts.** The contract described in this prospectus is available for purchase on a tax-qualified basis ("qualified contracts"). Qualified contracts are designed for use by individuals and/or employers whose purchase payments are comprised solely of proceeds from and/or contributions to retirement plans or programs that are intended to qualify as plans or programs entitled to special favorable income tax treatment under Sections 401(a) and 403(b) of the Tax Code. **Employers or individuals intending to use the contract with such plans should seek tax and legal advice.**

**Roth Accounts.** Tax Code Section 402A allows employees of certain private employers offering 403(b) plans to contribute after-tax salary contributions to a Roth 403(b) account. Roth accounts provide for tax-free distributions, subject to certain conditions and restrictions. If permitted by us and under the plan for which the contract is issued, we will set up one or more accounts for you under the contract for Roth after-tax contributions and the portion of any transfer or rollover attributable to such amounts.

# *Taxation of Qualified Contracts*

## Eligible Retirement Plans and Programs

The contract may be purchased with the following retirement plans and programs to accumulate retirement savings:

- **401(a) Plans.** Section 401(a) of the Tax Code permits certain employers to establish various types of retirement plans for employees, and permits self-employed individuals to establish these plans for themselves and their employees; and
- **403(b) and Roth 403(b) Plans.** Section 403(b) of the Tax Code allows employees of certain Tax Code Section 501(c)(3) organizations and public schools to exclude from their gross income the purchase payments made, within certain limits, to a contract that will provide an annuity for the employee's retirement. The Tax Code also allows employees of 501(c)(3) organizations and public schools to contribute after-tax salary contributions to a Roth 403(b) account, which provides for tax-free distributions, subject to certain restrictions.

The Company may offer or have offered the contract for use with certain other types of qualified plans. Please see your contract and consult with your tax adviser if you have questions about other types of plan arrangements not discussed herein.

**Special Considerations for Section 403(b) Plans.** In addition to being offered as an investment option under the contract, shares of certain funds are also offered for sale directly to the general public. A list of these funds is provided in the **"INVESTMENT OPTIONS"** section of this prospectus under the heading **"Funds Available Through the Separate Account - Public Funds."** In order to qualify for favorable tax treatment under Tax Code Section 403(b), a contract must be considered an "annuity." In Revenue Procedure 99-44, the IRS concluded that it will treat a contract as an annuity for federal income tax purposes under Tax Code Section 403(b), notwithstanding that contract purchase payments are invested at the contract owner's direction in publicly available securities. This treatment will be available provided no additional tax liability would have been incurred if the contribution was paid by the contract holder's employer into a trust or a custodial account in an arrangement that satisfied the requirements of Tax Code Section 401(a) or 403(b)(7)(A). We believe that the contract satisfies the requirements set forth in Revenue Procedure 99-44 and will therefore be treated as an annuity for tax purposes, notwithstanding the fact that investments may be made in publicly available securities. However, the exact nature of the requirements of Revenue Procedure 99-44 are unclear, and you should consider consulting with a tax and/or legal adviser before electing to invest in a fund that is offered for sale to the general public through a contract issued in relation to a 403(b) plan.

Revenue Procedure 99-44 was issued before 403(b) plans could offer a Roth contribution feature. However, we believe that this analysis should not impact the treatment of such contracts as annuity contracts for purposes of Tax Code Section 403(b). You should consider consulting with a tax and/or legal adviser before electing to invest in a fund that is offered for sale to the general public through a contract issued in relation to a Roth 403(b) account.

## Taxation

The tax rules applicable to qualified contracts vary according to the type of qualified contract, the specific terms and conditions of the qualified contract and the terms and conditions of the qualified plan or program. The ultimate effect of federal income taxes on the amounts held under a qualified contract, or on income phase (i.e., annuity) payments from a qualified contract, depends on the type of qualified contract or program as well as your particular facts and circumstances. Special favorable tax treatment may be available for certain types of contributions and distributions. In addition, certain requirements must be satisfied in purchasing a qualified contract with proceeds from a tax-qualified plan or program in order to continue receiving favorable tax treatment.

Adverse tax consequences may result from:

- Contributions in excess of specified limits;
- Distributions before age 59½ (subject to certain exceptions);
- Distributions that do not conform to specified commencement and minimum distribution rules; and
- Other specified circumstances.

Some qualified plans and programs are subject to additional distribution or other requirements that are not incorporated into the contract described in this prospectus. No attempt is made to provide more than general information about the use of the contract with qualified plans and programs. Contract holders, sponsoring employers, participants, annuitants, and beneficiaries are cautioned that the rights of any person to any benefit under these qualified plans and programs may be subject to the terms and conditions of the plan or program, regardless of the terms and conditions of the contract. The Company is not bound by the terms and conditions of such plans and programs to the extent such terms contradict the language of the contract, unless we consent in writing.

Contract holders, sponsoring employers, participants, annuitants, and beneficiaries generally are responsible for determining that contributions, distributions and other transactions with respect to the contract comply with applicable law. **Therefore, you should seek tax and/or legal advice regarding the suitability of a contract for your particular situation.** The following discussion assumes that qualified contracts are purchased with proceeds from and/or contributions under retirement plans or programs that qualify for the intended special federal tax treatment.

**Tax Deferral.** Under federal tax laws, earnings on amounts held in annuity contracts are generally not taxed until they are withdrawn. However, in the case of a qualified plan (as described in this prospectus), an annuity contract is not necessary to obtain this favorable tax treatment and does not provide any tax benefits beyond the deferral already available to the qualified plan itself. Annuities do provide other features and benefits (such as the guaranteed death benefit or the option of lifetime income phase options at established rates) that may be valuable to you. You should discuss your alternatives with a qualified financial representative taking into account the additional fees and expenses you may incur in an annuity.

## Contributions

In order to be excludable from gross income for federal income tax purposes, total annual contributions to certain qualified plans and programs are limited by the Tax Code. We provide general information on these requirements for certain plans and programs below. You should consult with a tax and/or legal adviser in connection with contributions to a qualified contract.

**401(a), 403(b), and Roth 403(b) Plans.** The total annual contributions (including pre-tax and Roth 403(b) after-tax contributions) by you and your employer cannot exceed, generally, the lesser of 100% of your compensation or $55,000 (as indexed for 2018). Compensation means your compensation for the year from the employer sponsoring the plan and includes any elective deferrals under Tax Code Section 402(g) and any amounts not includible in gross income under Tax Code Sections 125 or 457.

This limit applies to your contributions as well as to any contributions made by your employer on your behalf. An additional requirement limits your salary reduction contributions to a 403(b) or Roth 403(b) plan to generally no more than $18,500 (2018). Contribution limits are subject to annual adjustments for cost-of-living increases. Your own limit may be higher or lower, depending upon certain conditions.

With the exception of the Roth 403(b) contributions, purchase payments to your account(s) will generally be excluded from your gross income. Roth 403(b) salary reduction contributions are made on an after-tax basis.

**Catch-up Contributions.** Notwithstanding the contribution limits noted above, if permitted by the plan, a participant in a 403(b) or Roth 403(b) plan of a governmental employer who is at least age 50 by the end of the plan year may contribute an additional amount ("Age 50 Catch-ups") not to exceed the lesser of:

- $6,000; or
- The participant's compensation for the year reduced by any other elective deferrals of the participant for the year.

Additional catch-up provisions may be available. For advice on using a catch-up provision, please consult with a tax and/or legal adviser.

## Distributions - General

Certain tax rules apply to distributions from the contract. A distribution is any amount taken from a contract including withdrawals, income phase (i.e., annuity) payments, and death benefit proceeds. The taxable portion of all distributions will be reported to the IRS.

**401(a) and 403(b) Plans.** Distributions from these plans are taxed as received unless one of the following is true:

- The distribution is an eligible rollover distribution and is directly transferred or rolled over within 60 days to another plan eligible to receive rollovers or to a traditional IRA in accordance with the Tax Code;
- You made after-tax contributions to the plan. In this case, depending upon the type of distribution, the amount will be taxed on all or part of the earnings on the contributions according to the rules detailed in the Tax Code; or
- The distribution is a qualified health insurance premium of a retired public safety officer as defined in the Pension Protection Act of 2006.

Please note that a distribution of a pre-tax account is reported as a taxable distribution, even if you roll over the distribution within 60 days.

A distribution is an eligible rollover distribution unless it is:

- Part of a series of substantially equal periodic payments (at least one per year) made over the life (or life expectancy) of the participant or the joint lives (or joint life expectancies) of the participant and his designated beneficiary or for a specified period of 10 years or more;
- A required minimum distribution under Tax Code Section 401(a)(9);
- A hardship withdrawal; or
- Otherwise not recognized under applicable regulations as eligible for rollover.

**10% Additional Tax.** The Tax Code imposes a 10% additional tax on the taxable portion of any distribution from a contract used with a 401(a) or 403(b) plan.

Exceptions to the 10% additional tax may apply if:

- You have attained age 59½;
- You have become disabled, as defined in the Tax Code;
- You have died and the distribution is to your beneficiary;
- The distribution amount is rolled over into another eligible retirement plan or to a traditional or Roth IRA in accordance with the terms of the Tax Code;
- The distribution is paid directly to the government in accordance with an IRS levy;
- The distribution is a qualified reservist distribution as defined under the Tax Code;
- The distribution is eligible for penalty relief extended to victims of certain natural disasters; or
- You have unreimbursed medical expenses that are more than 7.5% of your adjusted gross income.

Additional exceptions may apply to distributions from a qualified plan if:

- You have separated from service with the plan sponsor at or after age 55;
- You are a qualified public safety employee taking a distribution from a governmental plan and you separated from service after age 50;
- You have separated from service with the plan sponsor and the distribution amount is made in substantially equal periodic payments (at least annually) over your life (or life expectancy) or the joint lives (or joint life expectancies) of you and your designated beneficiary; or
- The withdrawal amount is paid to an alternate payee under a Qualified Domestic Relations Order ("QDRO").

The Tax Code may provide other exceptions or impose other penalty taxes in other circumstances.

**Qualified Distributions - Roth 403(b).** A partial or full distribution of purchase payments to a Roth 403(b) account and earnings credited on those purchase payments (or of in-plan rollover amounts and earnings credited on those amounts, as described in the "In-Plan Roth Rollovers" section below) will be excludable from income if it is a qualified distribution. A "qualified distribution" from a Roth 403(b) account is defined as a distribution that meets the following two requirements:

- The distribution occurs after the five-year taxable period measured from the earlier of:
  - The first taxable year you, as applicable, made a contribution to a Roth IRA or a designated Roth contribution to any designated Roth account established for you under the same applicable retirement plan as defined in Tax Code Section 402A;

> If a rollover contribution was made from a designated Roth account previously established for you under another applicable retirement plan, the first taxable year for which you made a designated Roth contribution to such previously established account; or
> The first taxable year in which you made an in-plan Roth rollover of non-Roth amounts under the same plan; AND

- The distribution occurs after you attain age 59½, die with payment being made to your beneficiary or estate, or become disabled as defined in the Tax Code.

A distribution from a Roth account that is not a qualified distribution is includible in gross income under the Tax Code in proportion to your investment in the contract (basis) and earnings on the contract.

## Distributions - Eligibility

**401(a) Pension Plans.** Subject to the terms of your 401(a) pension plan, distributions may generally only occur upon:

- Retirement;
- Death;
- Disability;
- Severance from employment;
- Attainment of normal retirement age;
- Attainment of age 62; or
- Termination of the plan.

Such distributions remain subject to other applicable restrictions under the Tax Code.

**403(b) and Roth 403(b) Plans.** Distribution of certain salary reduction contributions and earnings on such contributions restricted under Tax Code Section 403(b)(11) may generally only occur upon:

- Retirement;
- Death;
- Attainment of age 59½;
- Severance from employment;
- Disability;
- Financial hardship (for 2018 and earlier, contributions only, not earnings);
- Termination of the plan; or
- Meeting other circumstances as allowed by federal law, regulations or rulings.

Such distributions remain subject to other applicable restrictions under the Tax Code.

Section 403(b) regulations prohibit the distribution of amounts attributable to employer contributions before the earlier of your severance from employment or prior to the occurrence of some event as provided under your employer's plan, such as after a fixed number of years, the attainment of a stated age, or a disability.

If the Company agrees to accept amounts exchanged from a Tax Code Section 403(b)(7) custodial account, such amounts will be subject to the withdrawal restrictions set forth in Tax Code Section 403(b)(7)(A)(ii).

Before we process a withdrawal request we generally are required to confirm with your 403(b) plan sponsor or otherwise that the withdrawals you request from a 403(b) contract comply with applicable tax requirements.

## Lifetime Required Minimum Distributions (401(a), 403(b) and Roth 403(b) Plans)

To avoid certain tax penalties, you and any designated beneficiary must also satisfy the required minimum distribution rules set forth in the Tax Code. These rules dictate the following:

- The start date for distributions;
- The time period in which all amounts in your contract(s) must be distributed; and
- Distribution amounts.

**Start Date.** Generally, you must begin receiving distributions by April 1 of the calendar year following the calendar year in which you attain age 70½ or in the case of an employer-sponsored plan, April 1 of the calendar year following the calendar year in which you retire, whichever occurs later, unless:

- Under 401(a) plans, you are a 5% owner, in which case such distributions must begin by April 1 of the calendar year following the calendar year in which you attain age 70½; or
- Under 403(b) plans, the Company maintains separate records of amounts held as of December 31, 1986. In this case distribution of these amounts generally must begin by the end of the calendar year in which you attain age 75. However, if you take any distributions in excess of the minimum required amount, then special rules require that the excess be distributed from the December 31, 1986 balance.

**Time Period.** We must pay out distributions from the contract over a period not extending beyond one of the following time periods:

- Over your life or the joint lives of you and your designated beneficiary; or
- Over a period not greater than your life expectancy or the joint life expectancies of you and your designated beneficiary.

**Distribution Amounts.** The amount of each required minimum distribution must be calculated in accordance with Tax Code Section 401(a)(9). Before annuity payments begin, the required minimum distribution amount is generally determined by dividing the entire interest in the account as of December 31 of the preceding year by the applicable distribution period. The entire interest in the account includes the amount of any outstanding rollover, transfer, and recharacterization, if applicable, and the actuarial present value of other benefits provided under the account, such as guaranteed death benefits and any optional living benefit. If annuity payments have begun under an annuity option that satisfies the Tax Code section 401(a)(9) regulations, such payments will generally be viewed as satisfying your required minimum distribution.

**50% Excise Tax.** If you fail to receive the required minimum distribution for any tax year, a 50% excise tax is imposed on the required amount that was not distributed. In certain circumstances this excise tax may be waived by the IRS.

Further information regarding required minimum distributions may be found in your contract or certificate.

## Required Distributions upon Death (401(a), 403(b) and Roth 403(b) Plans)

Different distribution requirements apply after your death, depending upon if you have begun receiving required minimum distributions. Further information regarding required distributions upon death may be found in your contract or certificate.

If your death occurs on or after the date you begin receiving minimum distributions under the contract, distributions generally must be made at least as rapidly as under the method in effect at the time of your death. Very generally, for benefits not being paid as an annuity, this means calculating the minimum distribution using the longer of the beneficiary's remaining life expectancy determined in the year following the year of the owner's death reduced by one for each subsequent year or owner's remaining life expectancy at death, reduced by one for each subsequent year. Tax Code Section 401(a)(9) provides specific rules for calculating the minimum required distributions after your death.

If your death occurs before the date you begin receiving minimum distributions under the contract, your entire balance generally must be distributed by December 31 of the calendar year containing the fifth anniversary of the date of your death. For example, if you die on September 1, 2018, your entire balance must be distributed to the designated beneficiary by December 31, 2023. However, if distributions begin by December 31 of the calendar year following the calendar year of your death, then payments may be made within one of the following timeframes:

- Over the life of the designated beneficiary; or
- Over a period not extending beyond the life expectancy of the designated beneficiary.

**Start Dates for Spousal Beneficiaries.** If your death occurs before the date you begin receiving required minimum distributions under the contract and the designated beneficiary is your spouse, distributions must generally begin on or before the later of the following:

- December 31 of the calendar year following the calendar year of your death; or
- December 31 of the calendar year in which you would have attained age 70½.

**No Designated Beneficiary.** If your death occurs before the date you begin receiving required minimum distributions under the contract and there is no designated beneficiary, the entire interest generally must be distributed by the end of the calendar year containing the fifth anniversary of the contract holder's death.

## Withholding

Any taxable distributions under the contract are generally subject to withholding. Federal income tax withholding rates vary according to the type of distribution and the recipient's tax status.

**401(a), 403(b), Roth 403(b) Plans.** Generally, eligible rollover distributions from these plans are subject to a mandatory 20% federal income tax withholding. However, mandatory withholding will not be required if you elect a direct rollover of the distributions to an eligible retirement plan or in the case of certain distributions described in the Tax Code.

**Non-resident Aliens.** If you or your designated beneficiary is a non-resident alien, withholding will generally be 30% based on the individual's citizenship, the country of domicile and tax treaty status.

## In-Plan Roth Rollovers

Tax Code Section 403(b) plans may add a "qualified Roth contribution program," under which employees can forego the current exclusion from gross income for elective deferrals, in exchange for the future exclusion of the distribution of the deferrals and any earnings thereon. That is, participants may elect to make non-excludable contributions to "designated Roth accounts" (instead of making excludable contributions) - and to exclude from gross income (if certain conditions are met) distributions from these accounts (instead of having distributions included in gross income).

If permitted under the plan for which the contract is issued and provided the plan offers an applicable Roth account (a Roth 403(b) account), non-Roth amounts may be rolled over into a corresponding Roth account within the same plan. The Tax Code provides that, generally, an in-plan rollover to a Roth account is taxable and includable in gross income in the year the rollover occurs, just as if the amount were distributed and not rolled into a qualified account. Please note that in-plan rollovers into a Roth account are not subject to withholding. Consequently, an individual considering such a transaction may want to increase their tax withholding or make an estimated tax payment in the year of the rollover. Amounts rolled over into an in-plan Roth account cannot subsequently be converted back into a non-Roth account.

A partial or full distribution of in-plan Roth rollover amounts and earnings credited on those amounts (or of purchase payments made by salary reduction to a Roth account and earnings credited on those purchase payments, as described above) will be excludable from income if it is a qualified distribution as defined in the "Qualified Distributions - Roth 403(b)" section above.

In-plan Roth rollovers are not subject to the 10% additional tax on early distributions under Tax Code Section 72(t) that would normally apply to distributions from a 403(b) plan to the extent such amounts are attributable to rollovers from a 401(a) or 403(b) plan. However, a special recapture rule applies when a plan distributes any part of the in-plan Roth rollover within a five-year taxable period, making the distribution subject to the 10% additional tax on early distributions under Tax Code Section 72(t) unless an exception to this tax applies or the distribution is allocable to any nontaxable portion of the in-plan Roth rollover. The five-year taxable period begins January 1 of the year of the in-plan Roth rollover and ends on the last day of the fifth year of the period. This special recapture rule does not apply when the participant rolls over the distribution to another designated Roth account or to a Roth IRA but does apply to a subsequent distribution from the rolled over account or Roth IRA within the five-year taxable period.

**Due to administrative complexity, in-plan Roth rollovers may not be available through the contract. Additionally, the tax rules associated with Roth accounts and in-plan Roth rollovers can be complex and you should seek tax and/or legal advice regarding your particular situation.**

### Assignment and Other Transfers

**401(a), 403(b) and Roth 403(b) Plans.** Your beneficial interest in the contract may not be assigned or transferred to persons other than:

- A plan participant as a means to provide benefit payments;
- An alternate payee under a QDRO in accordance with Tax Code Section 414(p);
- The Company as collateral for a loan; or
- The enforcement of a federal income tax lien or levy.

### Same-Sex Marriages

The contract provides that upon your death a surviving spouse may have certain continuation rights that he or she may elect to exercise for the contract's death benefit and any joint-life coverage under a living benefit. All contract provisions relating to spousal continuation are available only to a person who meets the definition of "spouse" under federal law. The U.S. Supreme Court has held that same-sex marriages must be permitted under state law and that marriages recognized under state law will be recognized for federal law purposes. Domestic partnerships and civil unions that are not recognized as legal marriages under state law, however, will not be treated as marriages under federal law. Please consult your tax and/or legal adviser for further information about this subject.

## *Possible Changes in Taxation*

Although the likelihood of changes in tax legislation, regulation, rulings and other interpretation thereof is uncertain, there is always the possibility that the tax treatment of the contract could change by legislation or other means. It is also possible that any change could be retroactive (i.e., effective before the date of the change). You should consult a tax and/or legal adviser with respect to legislative developments and their effect on the contract.

## *Taxation of the Company*

We are taxed as a life insurance company under the Tax Code. The separate account is not a separate entity from us. Therefore, it is not taxed separately as a "regulated investment company" but is taxed as part of the Company.

We automatically apply investment income and capital gains attributable to the separate account to increase reserves under the contracts. Because of this, under existing federal tax law we believe that any such income and gains will not be taxed to the extent that such income and gains are applied to increase reserves under the contracts. In addition, any foreign tax credits attributable to the separate account will be first used to reduce any income taxes imposed on the separate account before being used by the Company.

In summary, we do not expect that we will incur any federal income tax liability attributable to the separate account, and we do not intend to make any provision for such taxes. However, changes in federal tax laws and/or their interpretation thereof may result in our being taxed on income or gains attributable to the separate account. In this case we may impose a charge against the separate account (with respect to some or all of the contracts) to set aside provisions to pay such taxes. We may deduct this amount from the separate account, including from your contract value invested in the subaccounts.

# CONTRACT DISTRIBUTION

**General.** The Company's subsidiary, Voya Financial Partners, LLC, serves as the principal underwriter for the contracts. Voya Financial Partners, LLC, a Delaware limited liability company, is registered as a broker-dealer with the SEC. Voya Financial Partners, LLC is also a member of the FINRA and the Securities Investor Protection Corporation ("SIPC"). Voya Financial Partners, LLC's principal office is located at One Orange Way, Windsor, Connecticut 06095-4774.

We sell the contracts through licensed insurance agents who are registered representatives of broker-dealers that have entered into selling agreements with Voya Financial Partners, LLC. We refer to these broker-dealers as "distributors." Voya Financial Advisors, Inc. is a distributor affiliated with the Company that has entered into a selling agreement with Voya Financial Partners, LLC for the sale of our variable annuity contracts.

Registered representatives of distributors who solicit sales of the contracts typically receive a portion of the compensation paid to the distributor in the form of commissions or other compensation, depending upon the agreement between the distributor and the registered representative. This compensation, as well as other incentives or payments, is not paid directly by contract holders or the separate account, but instead is paid by us through Voya Financial Partners, LLC. We intend to recoup this compensation and other sales expenses paid to distributors through fees and charges imposed under the contracts.

**Compensation Arrangements.** Registered representatives who offer and sell the contracts may be paid a commission. The commissions paid on transferred assets range from 0% to 7%. The commissions paid on recurring payments made during the first year of the participant account range from 0% to 7%. After the first year of the participant account, renewal commissions up to 3.5% may be paid on recurring payments up to the amount of the previous year's payments, and commissions of up to 7% may be paid on recurring payments in excess of this amount. In addition, the Company may pay an asset-based commission ranging up to 0.50%.

We may also pay ongoing annual compensation of up to 40% of the commissions paid during the year in connection with certain purchase payments received during the year, if the registered representative attains a certain threshold of sales of Company contracts. Individual registered representatives may receive all or a portion of compensation paid to their distributor, depending upon the firm's practices. Commissions and annual payments, when combined, could exceed 7% of total purchase payments. In certain situations, we may reduce the compensation we pay if we have agreed with a plan sponsor to reimburse expenses related to the services of the plan's third party administrator. To the extent permitted by SEC and FINRA rules and other applicable laws and regulations, we may also pay or allow other promotional incentives or payments in the form of cash payments or other compensation to distributors, which may require the registered representative to attain a certain threshold of sales of Company products. Under one such program, we may pay additional amounts to distributors in connection with a participant's increased or re-started contributions and/or the number of participant enrollments completed by a registered representative during a specified time period. These other promotional incentives or payments may be limited to contracts offered to certain plans, may not be offered to all distributors, and may be limited only to Voya Financial Advisors, Inc. and other distributors affiliated with the Company.

We may also enter into special compensation arrangements with certain distributors based on those firms' aggregate or anticipated sales of the contracts or other criteria. These arrangements may include commission specials, in which additional commissions may be paid in connection with purchase payments received for a limited time period, within the maximum commission rates noted above. These special compensation arrangements will not be offered to all distributors, and the terms of such arrangements may differ among distributors based on various factors. These special compensation arrangements may also be limited only to Voya Financial Advisors, Inc. and other distributors affiliated with the Company. Any such compensation payable to a distributor will not result in any additional direct charge to you by us.

Some personnel may receive various types of non-cash compensation as special sales incentives, including trips, and we may also pay for some personnel to attend educational and/or business seminars. Any such compensation will be paid in accordance with SEC and FINRA rules. Employees of the Company or its affiliates (including wholesaling employees) may receive more compensation when funds advised by the Company or its affiliates ("affiliated funds") are selected by a contract holder than when unaffiliated funds are selected. Additionally, management personnel of the Company, and of its affiliated broker-dealers, may receive additional compensation if the overall amount of investments in funds advised by the Company or its affiliates meets certain target levels or increases over time. Compensation for certain management personnel, including sales management personnel, may be enhanced if management personnel meet or exceed goals for sales of the contracts, or if the overall amount of investments in the contracts and other products issued or advised by the Company or its affiliates increases over time. Certain sales management personnel may also receive compensation that is a specific percentage of the commissions paid to distributors or of purchase payments received under the contracts, or which may be a flat dollar amount that varies based upon other factors, including management's ability to meet or exceed service requirements, sell new contracts or retain existing contracts, or sell additional service features such as a common remitting program.

In addition to direct cash compensation for sales of contracts described above, through Voya Financial Partners, LLC, we may also pay distributors additional compensation or reimbursement of expenses for their efforts in selling contracts to you and other customers. These amounts may include:

- Marketing/distribution allowances that may be based on the percentages of purchase payments received, the aggregate commissions paid and/or the aggregate assets held in relation to certain types of designated insurance products issued by the Company and/or its affiliates during the year;
- Loans or advances of commissions in anticipation of future receipt of purchase payments (a form of lending to registered representatives). These loans may have advantageous terms, such as reduction or elimination of the interest charged on the loan and/or forgiveness of the principal amount of the loan, which may be conditioned on sales;
- Education and training allowances to facilitate our attendance at certain educational and training meetings to provide information and training about our products. We also hold training programs from time to time at our own expense;
- Sponsorship payments or reimbursements for distributors to use in sales contests and/or meetings for their registered representatives who sell our products. We do not hold contests based solely on sales of this product;
- Certain overrides and other benefits that may include cash compensation based on the amount of earned commissions, representative recruiting or other activities that promote the sale of contracts; and
- Additional cash or noncash compensation and reimbursements permissible under existing law. This may include, but is not limited to, cash incentives, merchandise, trips, occasional entertainment, meals and tickets to sporting events, client appreciation events, business and educational enhancement items, payment for travel expenses (including meals and lodging) to pre-approved training and education seminars, and payment for advertising and sales campaigns.

We pay dealer concessions, wholesaling fees, overrides, bonuses, other allowances and benefits and the costs of all other incentives or training programs from our resources, which include the fees and charges imposed under the contracts.

The following is a list of the top 25 distributors that, during 2017, received the most compensation, in the aggregate from us in connection with the sale of registered variable annuity contracts issued by the Company, ranked by total dollars received:

- Voya Financial Advisors, Inc.
- Lincoln Investment Planning, Inc.
- LPL Financial Corporation
- Morgan Stanley Smith Barney LLC
- Regulus Advisors, LLC
- Kestra Investment Services, LLC
- Cetera Investment Services LLC
- Woodbury Financial Services, Inc.
- American Portfolios Financial Services, Inc.
- PlanMember Securities Corporation
- Lockton Financial Advisors, LLC
- Securities America, Inc.
- NYLIFE Securities LLC
- MSI Financial Services, Inc.
- GWN Securities Inc.
- Lincoln Financial Advisors Corporation
- First Allied Securities, Inc.
- Founders Financial Securities, LLC
- Royal Alliance Associates, Inc.
- Northwestern Mutual Investment Services, Inc.
- Ameriprise Financial Services, Inc.
- Cadaret, Grant & Co., Inc.
- IMA Wealth, Inc.
- Huckin Financial Group, Inc.
- Ameritas Investment Corp.

This is a general discussion of the types and levels of compensation paid by us for the sale of our variable annuity contracts. It is important for you to know that the payment of volume or sales-based compensation to a distributor or registered representative may provide that registered representative a financial incentive to promote our contracts over those of another company, and may also provide a financial incentive to promote one of our contracts and/or services over another.

The names of the distributor and the registered representative responsible for your account are stated in your enrollment materials.

**Third Party Compensation Arrangements.** Please be aware that:

- The Company may seek to promote itself and the contracts by sponsoring or contributing to events sponsored by various associations, professional organizations and labor organizations;
- The Company may make payments to associations and organizations, including labor organizations, which endorse or otherwise recommend the contracts to their membership. If an endorsement is a factor in your contract purchasing decision, more information on the payment arrangement, if any, is available upon your request; and
- At the direction of the contract holder, the Company may make payments to the contract holder, its representatives or third party service providers intended to defray or cover the costs of plan or program related administration.

# OTHER TOPICS

## *Order Processing*

In certain circumstances, we may need to correct the pricing associated with an order that has been processed. In such circumstances, we may incur a loss or receive a gain depending upon the price of the fund when the order was executed and the price of the fund when the order is corrected. Losses may be covered from our assets and gains that may result from such order correction will be retained by us as additional compensation associated with order processing.

## *Anti-Money Laundering*

In order to protect against the possible misuse of our products in money laundering or terrorist financing, we have adopted an anti-money laundering program satisfying the requirements of the USA PATRIOT Act and other current anti-money laundering laws. Among other things, this program requires us, our agents and customers to comply with certain procedures and standards that will allow us to verify the identity of the sponsoring organization and that contributions and loan repayments are not derived from improper sources.

Under our anti-money laundering program, we may require customers, and/or beneficiaries to provide sufficient evidence of identification, and we reserve the right to verify any information provided to us by accessing information databases maintained internally or by outside firms.

We may also refuse to accept certain forms of payments or loan repayments (traveler's cheques, cashier's checks, bank drafts, bank checks and treasurer's checks, for example) or restrict the amount of certain forms of payments or loan repayments (money orders totaling more than $5,000, for example). In addition, we may require information as to why a particular form of payment was used (third party checks, for example) and the source of the funds of such payment in order to determine whether or not we will accept it. Use of an unacceptable form of payment may result in us returning the payment to you.

**Applicable laws designed to prevent terrorist financing and money laundering might, in certain circumstances, require us to block certain transactions until authorization is received from the appropriate regulator. We may also be required to provide additional information about you and your policy to government regulators.**

Our anti-money laundering program is subject to change without notice to take account of changes in applicable laws or regulations and our ongoing assessment of our exposure to illegal activity.

## *Unclaimed Property*

Every state has some form of unclaimed property laws that impose varying legal and practical obligations on insurers and, indirectly, on contract owners, insureds, beneficiaries and other payees of proceeds. Unclaimed property laws generally provide for escheatment to the state of unclaimed proceeds under various circumstances.

Contract owners are urged to keep their own, as well as their beneficiaries' and other payees', information up to date, including full names, postal and electronic media addresses, telephone numbers, dates of birth, and Social Security numbers. Such updates should be communicated to our Service Center in writing at the addresses provided in **"CONTRACT OVERVIEW—Questions: Contacting the Company"** or by calling 1-800-584-6001.

## *Cyber Security*

Like others in our industry, we are subject to operational and information security risks resulting from "cyber-attacks", "hacking" or similar illegal or unauthorized intrusions into computer systems and networks. These risks include, among other things, the theft, misuse, corruption and destruction of data maintained online or digitally, denial of service attacks on websites and other operational disruption and unauthorized release of confidential customer information. Although we seek to limit our vulnerability to such risks through technological and other means and we rely on industry standard commercial technologies to maintain the security of our information systems, it is not possible to anticipate or prevent all potential forms of cyber-attack or to guarantee our ability to fully defend against all such attacks. In addition, due to the sensitive nature of much of the financial and similar personal information we maintain, we may be at particular risk for targeting.

Cyber-attacks affecting us, any third party administrator, the underlying funds, intermediaries and other affiliated or third-party service providers may adversely affect us and your account value. For instance, cyber-attacks may interfere with our processing of contract transactions, including the processing of orders from our website or with the underlying funds, impact our ability to calculate AUVs, cause the release and possible destruction of confidential customer or business information, impede order processing, subject us and/or our service providers and intermediaries to regulatory fines and financial losses and/or cause reputational damage. Cyber security risks may also affect the issuers of securities in which the underlying funds invest, which may cause the funds underlying your contract to lose value. There can be no assurance that we or the underlying funds or our service providers will avoid losses affecting your contract that result from cyber-attacks or information security breaches in the future.

## *Contract Modifications*

We may change the contract as required by federal or state law. We will notify you in writing of any changes.

We reserve the right to amend the contract to include any future changes required to maintain the contract (and the Roth 403(b) account) as a designated Roth 403(b) annuity contract (or Roth 403(b) account) under the Tax Code, regulations, IRS Rulings and requirements.

We may change the tables for determining the amount of income phase payments attributable only to contributions accepted after the effective date of the change, without contract holder consent. Such a change will not become effective earlier than 12 months after (1) the effective date of the contract, or (2) the effective date of a previous change. We will notify the contract holder in writing at least 30 days before the effective date of the change. We may not make contract changes which adversely affect the annuity benefits attributable to contributions already made to the contract.

## *Legal Proceedings*

We are not aware of any pending legal proceedings that are likely to have a material adverse effect upon the Company's ability to meet its obligations under the contract, Voya Financial Partners, LLC ability to distribute the contract or upon the separate account.

- **Litigation.** Notwithstanding the foregoing, the Company and/or Voya Financial Partners, LLC, is a defendant in a number of litigation matters arising from the conduct of its business, both in the ordinary course and otherwise. In some of these matters, claimants seek to recover very large or indeterminate amounts, including compensatory, punitive, treble and exemplary damages. Certain claims are asserted as class actions. Modern pleading practice in the U.S. permits considerable variation in the assertion of monetary damages and other relief. The variability in pleading requirements and past experience demonstrates that the monetary and other relief that may be requested in a lawsuit or claim oftentimes bears little relevance to the merits or potential value of a claim.

- **Regulatory Matters.** As with other financial services companies, the Company and its affiliates, including Voya Financial Partners, LLC, periodically receive informal and formal requests for information from various state and federal governmental agencies and self-regulatory organizations in connection with inquiries and investigations of the products and practices of the Company or the financial services industry. It is the practice of the Company to cooperate fully in these matters. Regulatory investigations, exams, inquiries and audits could result in regulatory action against the Company or subject the Company to settlement payments, fines, penalties and other financial consequences, as well as changes to the Company's policies and procedures.

The outcome of a litigation or regulatory matter and the amount or range of potential loss is difficult to forecast and estimating potential losses requires significant management judgment. It is not possible to predict the ultimate outcome for all pending litigation and regulatory matters and given the large and indeterminate amounts sought and the inherent unpredictability of such matters, it is possible that an adverse outcome in certain litigation or regulatory matters could, from time to time, have a material adverse effect upon the Company's results of operations or cash flows in a particular quarterly or annual period.

## *Payment Delay or Suspension*

We reserve the right to suspend or postpone the date of any payment of benefits or values under the following circumstances:

- On any valuation date when the NYSE is closed (except customary weekend and holiday closings), or when trading on the NYSE is restricted;
- When an emergency exists as determined by the SEC so that disposal of securities held in the subaccounts is not reasonably practicable or it is not reasonably practicable for us fairly to determine the value of the subaccount's assets; or
- During any other periods the SEC may by order permit for the protection of investors.

The conditions under which restricted trading or an emergency exists shall be determined by the rules and regulations of the SEC.

Payment of benefits or values may also be delayed or suspended as required by court order or any regulatory action.

## *Transfer of Ownership Assignment*

An assignment of a contract will only be binding on us if it is made in writing and sent to us at the address listed in **"CONTRACT OVERVIEW–Questions: Contacting the Company."** We will use reasonable procedures to confirm that the assignment is authentic, including verification of signature. If we fail to follow our own procedures, we will be liable for any losses to you directly resulting from the failure. Otherwise, we are not responsible for the validity of any assignment. The rights of the contract holder and the interest of the annuitant and any beneficiary will be subject to the rights of any assignee we have on our records.

## *Account Termination*

Where allowed by state law, we reserve the right to terminate an individual account if the account value is less than $3,500 and this value is not due to negative investment performance. We will notify you or the contract holder 90 days prior to terminating the account.

## *Intent to Confirm Quarterly*

We will provide confirmation of scheduled transactions quarterly rather than immediately to the participant.

# CONTENTS OF THE STATEMENT OF ADDITIONAL INFORMATION

The SAI contains more specific information on the separate account and the contract, as well as the financial statements of the separate account and the Company. A list of the contents of the SAI is set forth below: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| • General Information and History | 2 |
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You may request an SAI by calling us at the number listed in **"CONTRACT OVERVIEW–Questions: Contacting the Company."**

# APPENDIX I
# Fixed Plus Account

The Fixed Plus Account is an investment option that may be available during the accumulation phase.

Amounts allocated to the Fixed Plus Account are held in the Company's general account which supports insurance and annuity obligations.

| Additional information about this option may be found in the contract. |
|---|

**General Disclosure.** Interests in the Fixed Plus Account have not been registered with the SEC in reliance upon exemptions under the Securities Act of 1933, as amended. Disclosure in this prospectus regarding the Fixed Plus Account may be subject to certain generally applicable provisions of the federal securities laws relating to the accuracy and completeness of the statements. Disclosure in this Appendix regarding the Fixed Plus Account has not been reviewed by the SEC.

**Certain Restrictions.** We reserve the right to limit investment in or transfers to the Fixed Plus Account. You may not elect certain withdrawal options, including the systematic distribution option, if you have requested a Fixed Plus Account transfer or withdrawal in the prior 12-month period. Under certain emergency conditions, we may defer payment of a withdrawal from the Fixed Plus Account for a period of up to six months or as provided by federal law.

**Interest Rates.** The Fixed Plus Account guarantees that amounts allocated to this option will earn the minimum interest rate specified in the contract. We may interest at a current rate that may be higher than the guaranteed minimum interest rate and the current rate may be changed at any time, except that we will not apply a decrease to the current rate following a rate change initiated solely by us prior to the last day of the three-month period measured from the first day of the month in which such change was effective. Among other factors, the safety of the interest rate guarantees depends upon the claims-paying ability of the Company. Amounts applied to the Fixed Plus Account will earn the interest rate in effect at the time money is applied. Amounts in the Fixed Plus Account will reflect a compound interest rate as credited by us. The rate we quote is an annual effective yield.

Our determination of credited interest rates reflects a number of factors, which may include mortality and expense risks, interest rate guarantees, the investment income earned on invested assets and the amortization of any capital gains and/or losses realized on the sale of invested assets. Under this option, we assume the risk of investment gain or loss by guaranteeing the amounts you allocate to this option and promising a minimum interest rate and income phase payment.

**Requests for Partial Withdrawals.** The contract holder or you, if permitted by the plan, may take up to 20% of the Fixed Plus Account value as a partial withdrawal in each 12 month period. We determine the amount eligible for partial withdrawal as of the date we receive a request for partial withdrawal in good order. The amount allowed for partial withdrawal is reduced by any Fixed Plus Account withdrawals, transfers, loans or amounts applied to income phase payment options made in the prior 12 months. In calculating the 20% limit, we reserve the right to include payments made due to the election of a systematic distribution option.

**Waiver of Partial Withdrawal Limits.** We waive the 20% limit if the partial withdrawal is due to the election of an income phase payment option. We also waive the 20% limit for withdrawals due to your death before income phase payments begin. The waiver upon death may only be exercised once, must occur within six months after your date of death and must be made proportionally from all subaccounts and the Fixed Plus Account in which the account was invested.

Additionally, we may allow other waivers of the percentage limit on partial withdrawals to participants in certain plans. You can determine what additional waivers, if any, apply to you by referring to the contract or certificate/enrollment materials.

**Requests for Full Withdrawals.** If the contract holder or you, if allowed by the plan, request a full withdrawal of your account value, we will pay any amounts held in the Fixed Plus Account, with interest, in five annual payments equal to:

- One-fifth of the Fixed Plus Account value on the day the request is received in good order, reduced by any Fixed Plus Account withdrawals, transfers or amounts used to fund income phase payments or loans made during the prior 12 months;
- One-fourth of the remaining Fixed Plus Account value 12 months later;
- One-third of the remaining Fixed Plus Account value 12 months later;
- One-half of the remaining Fixed Plus Account value 12 months later; and
- The balance of the Fixed Plus Account value 12 months later.

Once a request is received for a full withdrawal, no further withdrawals, loans, or transfers will be permitted from the Fixed Plus Account. Your request may be cancelled at any time before the end of the five-year period. If any contributions are received to your account at any time during the five-year payment period, the full withdrawal will be cancelled and your Fixed Plus Account installment payments will cease. If your full withdrawal is cancelled (either by your request or due to receipt of a contribution to your account), a new five-year payment period will begin upon any future full withdrawal from the Fixed Plus Account.

**Waiver of Full Withdrawal Provisions.** We will waive the Fixed Plus Account five-installment payout for full withdrawals made due to one or more of the following:

- Due to your death during the accumulation phase; or
- Due to the election of an income phase payment option; or
- When the Fixed Plus Account value is $3,500 or less and no withdrawals, transfers, loans or elections of income phase payment options have been made from the account within the prior 12 months.

Additionally, we will waive the five-payment full withdrawal provision due to one or more of the following:

- Due to financial hardship as defined by the Tax Code and regulations thereunder, if all of the following conditions are met:
  - > The hardship is certified by the employer;
  - > The amount is paid directly to you; and
  - > The amount paid for all withdrawals due to hardship during the previous 12-month period does not exceed 10% of the average value of your account(s) and all other accounts under the relevant contract during that same period;
- Due to your separation from service with the employer, provided that all the following apply:
  - > The withdrawal is due to your separation from service with your employer. Although the Tax Code permits distributions upon a participant's severance from employment, the contracts do not provide for a waiver of the Fixed Plus Account partial withdrawal provision unless the severance from employment would otherwise have qualified as a separation from service under prior IRS guidance;
  - > The employer certifies that you have separated from service;
  - > The amount withdrawn is paid directly to you; and
  - > The amount paid for all partial and full withdrawals due to separation from service during the previous 12-month period does not exceed 20% of the average value of all your account(s) and all other accounts under the relevant contract during that same period; or
- If we terminate your account based on our right to do so for accounts below $3,500.

Additionally, we may allow other waivers of the five installment payout for full withdrawals to participants in certain plans. You can determine what additional waivers, if any, apply to you by referring to the contract or certificate/enrollment materials.

**Charges.** We do not make deductions from amounts in the Fixed Plus Account to cover mortality and expense risks. We consider these risks when determining the credited rate.

**Transfers.** The contract holder or you, if allowed by the plan, may transfer 20% of your account value held in the Fixed Plus Account in each rolling 12-month period. We determine the amount eligible for transfer on the day we receive a transfer request in good order. We will reduce amounts allowed for transfer by any Fixed Plus Account withdrawals, transfers, loans or amounts applied to income phase payment options during the prior 12 months. We also reserve the right to include payments made due to the election of any of the systematic distribution options. We will waive the percentage limit on transfers when the value in the Fixed Plus Account is $1,000 or less.

**Income Phase.** Amounts accumulating under the Fixed Plus Account can be transferred to subaccounts to fund lifetime variable payments during the income phase. The contracts do not permit Fixed Plus Account values to fund nonlifetime income options with variable payments. Availability of subaccounts may vary during the income phase.

**Contract Loans.** If permitted under the plan, loans may be made from account values held in the Fixed Plus Account. See the loan agreement for a description of the amount available and possible consequences upon loan default if Fixed Plus Account values are used for a loan.

**Transfer Credits.** The Company may provide a transfer credit in certain circumstances. The transfer credit is a specified percentage of assets transferred, exchanged or rolled over into the contract from an investment provider not affiliated with the Company and is subject to state approval and certain time limitations and other conditions and restrictions as defined by the Company. This benefit is provided on a nondiscriminatory basis. If a transfer credit is due under the contract, you will be provided with additional information specific to the contract. Any transfer credit will be allocated to and subject to the terms and conditions associated with the Fixed Plus Account.

# APPENDIX II
# Fixed Plus Account II A

The Fixed Plus Account II A is an investment option that may be available during the accumulation phase, if selected by the contract holder. If the Fixed Plus Account II A is available to you, the Fixed Plus Account investment option (hereinafter referred to as "closed fixed account") is closed to new contributions, allocations and transfers, and all contributions, allocations and transfers directed to the closed fixed account investment option will automatically be contributed, allocated or transferred to the Fixed Plus Account II A. This option may not be available in all states, through certain contracts, or in certain plans.

Amounts allocated to the Fixed Plus Account II A are held in the Company's general account which supports our insurance and annuity obligations.

| Additional information about this option may be found in an endorsement to the contract. |
|---|

**General Disclosure.** Interests in the Fixed Plus Account II A have not been registered with the SEC in reliance upon exemptions under the Securities Act of 1933, as amended. Disclosure in this prospectus regarding the Fixed Plus Account II A may be subject to certain generally applicable provisions of the federal securities laws relating to the accuracy and completeness of the statements. Disclosure in this Appendix regarding the Fixed Plus Account II A has not been reviewed by the SEC.

**Certain Restrictions.** We reserve the right to limit investments in or transfers to the Fixed Plus Account II A. You may not elect certain withdrawal options, including the systematic distribution option, if you have requested a Fixed Plus Account II A transfer or withdrawal in the prior 12-month period. Under certain emergency conditions and subject to conditions under state and/or federal law, if applicable, we may defer payment of a withdrawal from the Fixed Plus Account II A for a period of up to six months.

**Interest Rates.** The Fixed Plus Account II A guarantees that amounts allocated to this option will earn the minimum interest rate specified in the contract. We may credit interest at a current rate that may be higher than the guaranteed minimum interest rate and the current rate may be changed at any time, except that we will not apply a decrease to the current rate following a rate change initiated solely by us prior to the last day of the three-month period measured from the first day of the month in which such change was effective. Among other factors, the safety of the interest rate guarantees depends upon the claims-paying ability of the Company. Amounts applied to the Fixed Plus Account II A will earn the interest rate in effect at the time money is applied. Amounts in the Fixed Plus Account II A will reflect a compound interest rate as credited by us. The rate we quote is an annual effective yield.

Our determination of credited interest rates reflects a number of factors, which may include mortality and expense risks, interest rate guarantees, the investment income earned on invested assets, the amortization of any capital gains and/or losses realized on the sale of invested assets, and whether a transfer credit, if applicable, has been selected. Under this option, we assume the risk of investment gain or loss by guaranteeing the amounts you allocate to this option and promising a minimum interest rate and income phase payment.

**Requests for Partial Withdrawals.** The contract holder or you, if permitted by the plan, may take up to 20% of the Fixed Plus Account II A value as a partial withdrawal in each rolling 12-month period. We determine the amount eligible for partial withdrawal as of the date we receive a request for partial withdrawal in good order. The amount allowed for partial withdrawal is reduced by any Fixed Plus Account II A withdrawals, transfers, loans or amounts applied to income phase payment options made in the prior 12 months. In calculating the 20% limit, we reserve the right to include payments made due to the election of a systematic distribution option. We reserve the right to impose new or different restrictions and limits applicable to partial withdrawals.

**Waiver of Partial Withdrawal Limits.** We waive the 20% limit if the partial withdrawal is due to the election of an income phase payment option (contracts with the Fixed Plus Account II A option require that the income phase payment option be a lifetime annuity option or a nonlifetime option on a fixed basis). We also waive the 20% limit for withdrawals due to your death. The waiver upon death may only be exercised once and must occur within six months after your date of death.

For certain plans and subject to certain conditions we may allow other waivers of the 20% limit on partial withdrawals including, but not limited to, partial withdrawals:

- Due to your separation from service (provided, however, that severance of employment must qualify as separation from service under Tax Code) and when:
  - > Separation from service is documented in a form acceptable to us;
  - > The amount withdrawn is paid directly to you or as a direct rollover to another Tax Code Section 403(b), 401 or governmental 457(b) plan or an Individual Retirement Account or Individual Retirement Annuity designated by you; and
  - > The amount paid for all partial and full withdrawals due to separation from service during the previous 12-month period does not exceed 20% of the average value of all your account(s) and all other accounts under the relevant contract during that same period.
- As defined in the Tax Code and subject to certain conditions and limits, due to your:
  - > Financial hardship;
  - > Unforeseeable emergency;
  - > In-service distribution permitted by the plan;
  - > Disability certified by your employer, if applicable, and paid directly to you;
- Due to a loan taken in accordance with the terms of the plan; and
- When the amount in the Fixed Plus Account II A is less than or equal to $2,000.

You can determine what additional waivers, if any, and the required conditions, limits and restrictions that may apply to each waiver by referring to the contract, which includes the Fixed Plus Account II A endorsement. Additionally, we may allow other waivers of the 20% limit or any other restriction or limit on partial withdrawals in certain circumstances on a basis that is not unfairly discriminatory.

Unless we agree otherwise, any request for a partial withdrawal that will be taken from general account assets will be deducted first from amounts allocated to the closed fixed account, if applicable, until depleted, then from the Fixed Plus Account II A.

**Requests for Full Withdrawals.** If the contract holder or you, as applicable, as allowed by the plan and permitted under the contract, request a full withdrawal of your account value or, the value of all individual accounts, we will pay any amounts held in the Fixed Plus Account II A with interest, in five annual payments equal to:

- One-fifth of the individual Fixed Plus Account II A value, or the value of all individual accounts, as applicable, in the Fixed Plus Account II A on the day the request is received, reduced by any Fixed Plus Account II A withdrawals, transfers, amounts used to purchase annuity payments, or loans either by the contract holder or you made during the prior 12 months;
- One-fourth of the remaining Fixed Plus Account II A value 12 months later reduced by any Fixed Plus Account II A withdrawals, transfers, amounts used to purchase annuity payments, or loans either by the contract holder or you made during the prior 12 months;
- One-third of the remaining Fixed Plus Account II A value 12 months later reduced by any Fixed Plus Account II A withdrawals, transfers, amounts used to purchase annuity payments, or loans either by the contract holder or you, made during the prior 12 months;
- One-half of the remaining Fixed Plus Account II A value 12 months later reduced by any Fixed Plus Account II A withdrawals, transfers, amounts used to purchase annuity payments, or loans either by the contract holder or you made during the prior 12 months; and
- The balance of the Fixed Plus Account II A value 12 months later.

We reserve the right to impose new or different restrictions and limits applicable to full withdrawals on a basis that is not unfairly discriminatory.

No early withdrawal charge applies to amounts withdrawn from the Fixed Plus Account II A.

The contract holder or you, as applicable, may cancel a full withdrawal request from the Fixed Plus Account II A at any time.

Once a request is received for a full withdrawal, no further withdrawals, loans, or transfers will be permitted from the Fixed Plus Account II A. Your request may be cancelled at any time before the end of the five-year period. If any contributions are received to your account at any time during the five-year payment period, the full withdrawal will be cancelled and your Fixed Plus Account II A installment payments will cease. If your full withdrawal is cancelled (either by your request or due to receipt of a contribution to your account), a new five-year payment period will begin upon any future full withdrawal from the Fixed Plus Account II A.

**Waiver of Full Withdrawal Provisions.** For certain plans and subject to certain conditions we may waive the Fixed Plus Account II A five-installment payout for full withdrawals made due to one or more of the following:

- Due to your death during the accumulation phase if the amount is paid within six months of your death;
- Due to the election of a lifetime income phase payment option or a nonlifetime income phase payment option on a fixed basis;
- When the Fixed Plus Account II A value is $5,000 or less (or, if applicable, as otherwise allowed by the plan for a lump-sum cash-out without participant consent) and no withdrawals, transfers, loans or elections of income phase payment options have been made from the account within the prior 12 months. However, we reserve the right to lower the waived amount to as low as $2,000;
- Due to your separation from service (provided, however, that severance of employment must qualify as separation from service under Tax Code) and when:
  - > Separation from service is documented in a form acceptable to us;
  - > The amount withdrawn is paid directly to you or as a direct rollover to another Tax Code Section 403(b), 401 or governmental 457(b) plan or an Individual Retirement Account or Individual Retirement Annuity designated by you; and
  - > The amount paid for all partial and full withdrawals due to separation from service during the previous 12-month period does not exceed 20% of the average value of all your account(s) and all other accounts under the relevant contract during that same period.
- As defined in the Tax Code and subject to certain conditions and limits, due to your:
  - > Financial hardship;
  - > Unforeseeable emergency;
  - > In-service distribution permitted by the plan; or
  - > Disability certified by your employer, if applicable, and paid directly to you; and
- Due to a loan taken in accordance with the terms of the plan.

You can determine what additional waivers, if any, and the required conditions, limits and restrictions that may apply to each waiver by referring to the contract, which includes the Fixed Plus Account II A endorsement. Additionally, we may allow other waivers of the five installment payout or any other restriction or limit on full withdrawals in certain circumstances.

Unless we agree otherwise, any request for a full withdrawal from general account assets will be deducted first from amounts allocated to the closed fixed account, if applicable, until depleted then from the Fixed Plus Account II A.

**Charges.** We do not make deductions from amounts in the Fixed Plus Account II A to cover mortality and expense risks. We consider these risks when determining the credited rate.

**Transfers from the Fixed Plus Account II A.** The contract holder or you, if allowed by the plan, may transfer 20% of your account value held in the Fixed Plus Account II A in each rolling 12-month period. We determine the amount eligible for transfer on the day we receive a transfer request in good order. We will reduce amounts allowed for transfer by any Fixed Plus Account II A withdrawals, transfers, loans or amounts applied to income phase payment options during the prior 12 months. We also reserve the right to include payments made due to the election of any of the systematic distribution options. We will waive the percentage limit on transfers when the value in the Fixed Plus Account II A is $5,000. However, we reserve the right to lower the waived amount to as low as $2,000.

If you transfer 20% of your account value held in the Fixed Plus Account II A in each of four consecutive 12-month periods, you may transfer the remaining balance in the succeeding 12-month period provided that no additional amounts are allocated to the Fixed Plus Account II A during the five year period. The 20% amount available to transfer under this provision will be reduced by any amount transferred, taken as a loan or applied to income phase payment options within the 12-month period preceding the first 20% transfer. Also, we may reduce it for payments we made from your Fixed Plus Account II A value under any systematic distribution option.

Unless we agree otherwise, any request for a transfer from general account assets will be deducted first from amounts allocated to the closed fixed account, if applicable, until depleted then from the Fixed Plus Account II A.

We reserve the right to impose new or different restrictions and limits applicable to transfers from the Fixed Plus Account II A and to waive any restriction or limit on transfers on a basis that is not unfairly discriminatory.

**Contract Loans.** If permitted under the plan, loans may be made from account values held in the Fixed Plus Account II A. See the loan agreement for a description of the amount available and possible consequences upon loan default if Fixed Plus Account II A values are used for a loan.

**Transfer Credits.** The Company provides a transfer credit in some cases on transferred assets, as defined by the Company, subject to certain conditions and state approvals. This benefit is provided on a nondiscriminatory basis. If a transfer credit is due under the contract, you will be provided with additional information specific to the contract.

Election of a transfer credit may impact the mortality and expense risk charge and the credited interest rate under certain fixed interest options. **See "FEES" and "Interest Rates" above.**

**Reinstatement.** To the extent permitted under the contract, amounts that would have been reinstated to the closed fixed account, as applicable, may instead be reinstated to the Fixed Plus Account II A.

# APPENDIX III

## Participant Appointment of Employer as Agent under an Annuity Contract

The employer has adopted a plan under Internal Revenue Tax Code Sections 403(b) (including Roth 403(b)) or 401(a) ("Plan") and has purchased an Voya Retirement Insurance and Annuity Company ("Company") group variable annuity contract ("Contract") as the funding vehicle. Contributions under this Plan will be made by the participant through salary reduction to an Employee Account, and by the employer to an Employer Account.

By electing to participate in the employer's Plan, the participant voluntarily appoints the employer, who is the Contract Holder, as the participant's agent for the purposes of all transactions under the Contract in accordance with the terms of the Plan. The Company is not a party to the Plan and does not interpret the Plan provisions.

As a participant in the Plan, the participant understands and agrees to the following terms and conditions:

- The participant owns the value of his/her Employee Account subject to the restrictions of Sections 403(b) (including Roth 403(b)), or 401(a) and the terms of the Plan. Subject to the terms of the vesting schedule in the Plan and the restrictions of Sections 403(b) or 401(a), the participant has ownership in the value of his/her Employer Account;
- The Company will process transactions only with the employer's written direction to the Company. The participant will be bound by the employer's interpretation of the Plan provisions and its written direction to the Company;
- The employer may permit the participant to make investment selections under the Employee Account and/or the Employer Account directly with the Company under the terms of the Contract. Without the employer's written permission, the participant will be unable to make any investment selections under the Contract; and
- On behalf of the participant, the employer may request a loan in accordance with the terms of the Contract and the provisions of the Plan. The Company will make payment of the loan amount directly to the participant. The participant will be responsible for making repayments directly to the Company in a timely manner.
- In the event of the participant's death, the employer is the named Beneficiary under the terms of the Contract. The participant has the right to name a personal Beneficiary as determined under the terms of the Plan and file that Beneficiary election with the employer. It is the employer's responsibility to direct the Company to properly pay any death benefits.

# APPENDIX IV
## Fund Descriptions

**List of Fund Name Changes**

| New Fund Name | Former Fund Name |
|---|---|
| Neuberger Berman Sustainable Equity Fund | Neuberger Berman Socially Responsive Fund® |

**The investment results of the mutual funds (funds) are likely to differ significantly and there is no assurance that any of the funds will achieve their respective investment objectives. You should consider the investment objectives, risks and charges, and expenses of the funds carefully before investing. Please refer to the fund prospectuses for additional information. Shares of the funds will rise and fall in value and you could lose money by investing in the funds. Shares of the funds are not bank deposits and are not guaranteed, endorsed or insured by any financial institution, the FDIC or any other government agency. Fund prospectuses may be obtained free of charge at the address and telephone number listed in "CONTRACT OVERVIEW–Questions: Contacting the Company," by accessing the SEC's website or by contacting the SEC Public Reference Branch. If you received a summary prospectus for any of the funds available through your contract, you may obtain a full prospectus and other fund information free of charge by either accessing the internet address, calling the telephone number or sending an email request to the email address shown on the front of the fund's summary prospectus.**

**Certain funds offered under the contracts have investment objectives and policies similar to other funds managed by the fund's investment adviser. The investment results of a fund may be higher or lower than those of other funds managed by the same adviser. There is no assurance and no representation is made that the investment results of any fund will be comparable to those of another fund managed by the same investment adviser.**

**For the share class of each fund offered through your contract, please see the cover page.**

**Funds Selected By Your Plan That Are Available For Investment Through The Contract Or Were Once Available For Investment**

| Fund Name<br>Investment Adviser/Subadviser | Investment Objective(s) |
|---|---|
| **American Funds® - EuroPacific Growth Fund®**<br><br>**Investment Adviser:** Capital Research and Management Company℠ | Seeks to provide long-term growth of capital. |
| **American Funds® - The Growth Fund of America®**<br><br>**Investment Adviser:** Capital Research and Management Company℠ | Seeks to provide growth of capital. |
| **Fidelity® VIP Contrafund® Portfolio**<br><br>**Investment Adviser:** Fidelity Management & Research Company<br><br>**Subadvisers:** FMR Co., Inc. and other investment advisers | Seeks long-term capital appreciation. |
| **Fidelity® VIP Equity-Income Portfolio**<br><br>**Investment Adviser:** Fidelity Management & Research Company<br><br>**Subadvisers:** FMR Co., Inc. and other investment advisers | Seeks reasonable income. Also considers the potential for capital appreciation. Seeks to achieve a yield which exceeds the composite yield on the securities comprising the S&P 500® Index. |

| Fund Name<br>Investment Adviser/Subadviser | Investment Objective(s) |
|---|---|
| **Invesco V.I. Core Equity Fund**<br><br>**Investment Adviser:** Invesco Advisers, Inc. | Seeks long-term growth of capital. |
| **Lord Abbett Series Fund, Inc. - Mid Cap Stock Portfolio**<br><br>**Investment Adviser:** Lord, Abbett & Co. LLC | Seeks to deliver long-term growth of capital by investing primarily in stocks of mid-sized U.S. companies. |
| **Neuberger Berman Sustainable Equity Fund**<br><br>**Investment Adviser:** Neuberger Berman Investment Advisers LLC | Seeks long-term growth of capital by investing primarily in securities of companies that meet the Fund's financial criteria and social policy. |
| **PIMCO Real Return Portfolio**<br><br>**Investment Adviser:** Pacific Investment Management Company LLC | Seeks maximum real return, consistent with preservation of real capital and prudent investment management. |
| **Voya Balanced Portfolio**<br><br>**Investment Adviser:** Voya Investments, LLC<br><br>**Subadviser:** Voya Investment Management Co. LLC | Seeks total return consisting of capital appreciation (both realized and unrealized) and current income; the secondary investment objective is long-term capital appreciation. |
| **Voya Global Bond Portfolio**<br><br>**Investment Adviser:** Voya Investments, LLC<br><br>**Subadviser:** Voya Investment Management Co. LLC | Seeks to maximize total return through a combination of current income and capital appreciation. |
| **Voya Government Money Market Portfolio***<br><br>**Investment Adviser:** Voya Investments, LLC<br><br>**Subadviser:** Voya Investment Management Co. LLC<br><br>* **There is no guarantee that the Voya Government Money Market Portfolio subaccount will have a positive or level return.** | Seeks to provide high current return consistent with preservation of capital and liquidity, through investment in high-quality money market instruments while maintaining a stable share price of $1.00. |
| **Voya Growth and Income Portfolio**<br><br>**Investment Adviser:** Voya Investments, LLC<br><br>**Subadviser:** Voya Investment Management Co. LLC | Seeks to maximize total return through investments in a diversified portfolio of common stock and securities convertible into common stocks. It is anticipated that capital appreciation and investment income will both be major factors in achieving total return. |
| **Voya Index Plus LargeCap Portfolio**<br><br>**Investment Adviser:** Voya Investments, LLC<br><br>**Subadviser:** Voya Investment Management Co. LLC | Seeks to outperform the total return performance of the S&P 500® Index while maintaining a market level of risk. |

| Fund Name<br>Investment Adviser/Subadviser | Investment Objective(s) |
|---|---|
| **Voya Index Plus MidCap Portfolio**<br><br>**Investment Adviser:** Voya Investments, LLC<br><br>**Subadviser:** Voya Investment Management Co. LLC | Seeks to outperform the total return performance of the S&P MidCap 400® Index while maintaining a market level of risk. |
| **Voya Index Plus SmallCap Portfolio**<br><br>**Investment Adviser:** Voya Investments, LLC<br><br>**Subadviser:** Voya Investment Management Co. LLC | Seeks to outperform the total return performance of the S&P SmallCap 600® Index while maintaining a market level of risk. |
| **Voya Intermediate Bond Portfolio**<br><br>**Investment Adviser:** Voya Investments, LLC<br><br>**Subadviser:** Voya Investment Management Co. LLC | Seeks to maximize total return consistent with reasonable risk. The Portfolio seeks its objective through investments in a diversified portfolio consisting primarily of debt securities. It is anticipated that capital appreciation and investment income will both be major factors in achieving total return. |
| **Voya Large Cap Growth Portfolio**<br><br>**Investment Adviser:** Voya Investments, LLC<br><br>**Subadviser:** Voya Investment Management Co. LLC | Seeks long-term capital growth. |
| **Voya MidCap Opportunities Portfolio**<br><br>**Investment Adviser:** Voya Investments, LLC<br><br>**Subadviser:** Voya Investment Management Co. LLC | Seeks long-term capital appreciation. |
| **Voya Small Company Portfolio**<br><br>**Investment Adviser:** Voya Investments, LLC<br><br>**Subadviser:** Voya Investment Management Co. LLC | Seeks growth of capital primarily through investment in a diversified portfolio of common stock of companies with smaller market capitalizations. |
| **Voya SmallCap Opportunities Portfolio**<br><br>**Investment Adviser:** Voya Investments, LLC<br><br>**Subadviser:** Voya Investment Management Co. LLC | Seeks long-term capital appreciation. |
| **Voya U.S. Stock Index Portfolio**<br><br>**Investment Adviser:** Voya Investments, LLC<br><br>**Subadviser:** Voya Investment Management Co. LLC | Seeks total return. |
| **VY® Baron Growth Portfolio**<br><br>**Investment Adviser:** Voya Investments, LLC<br><br>**Subadviser:** BAMCO, Inc. | Seeks capital appreciation. |

| Fund Name<br>Investment Adviser/Subadviser | Investment Objective(s) |
|---|---|
| **VY® Invesco Equity and Income Portfolio**<br><br>**Investment Adviser:** Voya Investments, LLC<br><br>**Subadviser:** Invesco Advisers, Inc. | Seeks total return consisting of long-term capital appreciation and current income. |
| **VY® Invesco Growth and Income Portfolio**<br><br>**Investment Adviser:** Voya Investments, LLC<br><br>**Subadviser:** Invesco Advisers, Inc. | Seeks long-term growth of capital and income. |
| **VY® Oppenheimer Global Portfolio**<br><br>**Investment Adviser:** Voya Investments, LLC<br><br>**Subadviser:** OppenheimerFunds, Inc. | Seeks capital appreciation. |
| **VY® T. Rowe Price Capital Appreciation Portfolio**<br><br>**Investment Adviser:** Voya Investments, LLC<br><br>**Subadviser:** T. Rowe Price Associates, Inc. | Seeks, over the long-term, a high total investment return, consistent with the preservation of capital and with prudent investment risk. |
| **VY® T. Rowe Price Growth Equity Portfolio**<br><br>**Investment Adviser:** Voya Investments, LLC<br><br>**Subadviser:** T. Rowe Price Associates, Inc. | Seeks long-term growth through investments in stocks. |
| **Wanger Select**<br><br>**Investment Adviser:** Columbia Wanger Asset Management, LLC | Seeks long-term capital appreciation. |

# APPENDIX V
# CONDENSED FINANCIAL INFORMATION

**Except for subaccounts which did not commence operations as of December 31, 2017, the following table gives (1) the accumulation unit value ("AUV") at the beginning of the period, (2) the AUV at the end of the period and (3) the total number of accumulation units outstanding at the end of the period for each subaccount of Variable Annuity Account I available under the contracts for the indicated periods. For those subaccounts that commenced operations during the period ended December 31, 2017, the "Value at beginning of period" shown is the value at first date of investment. Portfolio name changes after December 31, 2017 are not reflected in the following information.**

**Table 1**

FOR CONTRACTS WITH TOTAL SEPARATE ACCOUNT CHARGES OF 0.90%

(Selected data for annuity units outstanding throughout each period)

| | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|---|---|---|---|---|---|---|
| **AMERICAN FUNDS® - THE GROWTH FUND OF AMERICA® (CLASS R-4)** | | | | | | |
| (Funds were first received in this option during June 2012) | | | | | | |
| Value at beginning of period | $16.90 | $15.73 | $15.06 | $13.91 | $10.49 | $9.08 |
| Value at end of period | $21.12 | $16.90 | $15.73 | $15.06 | $13.91 | $10.49 |
| Number of accumulation units outstanding at end of period | 2,450,513 | 2,669,071 | 2,966,871 | 3,130,490 | 3,170,926 | 3,165,881 |
| **FIDELITY® VIP CONTRAFUND® PORTFOLIO (INITIAL CLASS)** | | | | | | |
| (Funds were first received in this option during June 2012) | | | | | | |
| Value at beginning of period | $15.66 | $14.63 | $14.66 | $13.22 | $10.16 | $8.97 |
| Value at end of period | $18.92 | $15.66 | $14.63 | $14.66 | $13.22 | $10.16 |
| Number of accumulation units outstanding at end of period | 1,677,683 | 1,863,565 | 2,127,982 | 2,176,440 | 1,967,087 | 1,777,433 |
| **FIDELITY® VIP EQUITY-INCOME PORTFOLIO (INITIAL CLASS)** | | | | | | |
| (Funds were first received in this option during June 2012) | | | | | | |
| Value at beginning of period | $16.12 | $13.78 | $14.48 | $13.44 | $10.58 | $9.18 |
| Value at end of period | $18.04 | $16.12 | $13.78 | $14.48 | $13.44 | $10.58 |
| Number of accumulation units outstanding at end of period | 855,360 | 945,696 | 1,025,661 | 1,106,135 | 1,093,059 | 1,074,179 |
| **INVESCO V.I. CORE EQUITY FUND (SERIES I)** | | | | | | |
| (Funds were first received in this option during June 2012) | | | | | | |
| Value at beginning of period | $14.22 | $13.01 | $13.94 | $13.00 | $10.15 | $9.04 |
| Value at end of period | $15.95 | $14.22 | $13.01 | $13.94 | $13.00 | $10.15 |
| Number of accumulation units outstanding at end of period | 407,950 | 465,948 | 495,958 | 544,239 | 569,578 | 605,222 |
| **NEUBERGER BERMAN SOCIALLY RESPONSIVE FUND® (TRUST CLASS)** | | | | | | |
| (Funds were first received in this option during June 2012) | | | | | | |
| Value at beginning of period | $16.00 | $14.70 | $14.91 | $13.64 | $9.98 | $8.90 |
| Value at end of period | $18.78 | $16.00 | $14.70 | $14.91 | $13.64 | $9.98 |
| Number of accumulation units outstanding at end of period | 120,081 | 140,836 | 156,512 | 174,411 | 186,612 | 114,674 |
| **PIMCO REAL RETURN PORTFOLIO (ADMINISTRATIVE CLASS)** | | | | | | |
| (Funds were first received in this option during June 2012) | | | | | | |
| Value at beginning of period | $9.85 | $9.45 | $9.80 | $9.60 | $10.67 | $10.49 |
| Value at end of period | $10.12 | $9.85 | $9.45 | $9.80 | $9.60 | $10.67 |
| Number of accumulation units outstanding at end of period | 54 | 54 | 54 | 54 | 54 | 54 |

# Condensed Financial Information (continued)

| | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|---|---|---|---|---|---|---|
| **VOYA BALANCED PORTFOLIO (CLASS I)** | | | | | | |
| (Funds were first received in this option during June 2012) | | | | | | |
| Value at beginning of period | $13.13 | $12.29 | $12.64 | $12.00 | $10.38 | $9.27 |
| Value at end of period | $14.93 | $13.13 | $12.29 | $12.64 | $12.00 | $10.38 |
| Number of accumulation units outstanding at end of period | 813,386 | 915,908 | 1,026,837 | 1,146,715 | 1,128,566 | 1,188,493 |
| **VOYA GLOBAL BOND PORTFOLIO (CLASS I)** | | | | | | |
| (Funds were first received in this option during June 2012) | | | | | | |
| Value at beginning of period | $9.86 | $9.35 | $9.87 | $9.91 | $10.42 | $9.85 |
| Value at end of period | $10.71 | $9.86 | $9.35 | $9.87 | $9.91 | $10.42 |
| Number of accumulation units outstanding at end of period | 916,407 | 966,112 | 1,035,868 | 1,171,744 | 1,100,181 | 1,135,245 |
| **VOYA GOVERNMENT MONEY MARKET PORTFOLIO (CLASS I)** | | | | | | |
| (Funds were first received in this option during June 2012) | | | | | | |
| Value at beginning of period | $9.60 | $9.67 | $9.76 | $9.84 | $9.93 | $9.98 |
| Value at end of period | $9.57 | $9.60 | $9.67 | $9.76 | $9.84 | $9.93 |
| Number of accumulation units outstanding at end of period | 708,223 | 1,045,101 | 963,167 | 928,944 | 1,001,749 | 846,098 |
| **VOYA GROWTH AND INCOME PORTFOLIO (CLASS I)** | | | | | | |
| (Funds were first received in this option during June 2012) | | | | | | |
| Value at beginning of period | $15.41 | $14.16 | $14.50 | $13.21 | $10.20 | $9.05 |
| Value at end of period | $18.38 | $15.41 | $14.16 | $14.50 | $13.21 | $10.20 |
| Number of accumulation units outstanding at end of period | 36 | 36 | 36 | 36 | 36 | 64 |
| **VOYA INDEX PLUS LARGECAP PORTFOLIO (CLASS I)** | | | | | | |
| (Funds were first received in this option during June 2012) | | | | | | |
| Value at beginning of period | $16.46 | $15.06 | $15.07 | $13.35 | $10.14 | $9.06 |
| Value at end of period | $20.33 | $16.46 | $15.06 | $15.07 | $13.35 | $10.14 |
| Number of accumulation units outstanding at end of period | 1,187 | 1,163 | 1,222 | 1,231 | 1,260 | 1,259 |
| **VOYA INDEX PLUS MIDCAP PORTFOLIO (CLASS I)** | | | | | | |
| (Funds were first received in this option during June 2012) | | | | | | |
| Value at beginning of period | $16.78 | $14.33 | $14.72 | $13.56 | $10.17 | $8.90 |
| Value at end of period | $18.89 | $16.78 | $14.33 | $14.72 | $13.56 | $10.17 |
| Number of accumulation units outstanding at end of period | 1,979,667 | 2,192,685 | 2,425,382 | 2,544,324 | 2,483,331 | 2,383,894 |
| **VOYA INDEX PLUS SMALLCAP PORTFOLIO (CLASS I)** | | | | | | |
| (Funds were first received in this option during June 2012) | | | | | | |
| Value at beginning of period | $18.11 | $14.36 | $14.97 | $14.32 | $10.13 | $8.88 |
| Value at end of period | $19.73 | $18.11 | $14.36 | $14.97 | $14.32 | $10.13 |
| Number of accumulation units outstanding at end of period | 760 | 760 | 760 | 1,164 | 1,102 | 1,034 |
| **VOYA INTERMEDIATE BOND PORTFOLIO (CLASS I)** | | | | | | |
| (Funds were first received in this option during June 2012) | | | | | | |
| Value at beginning of period | $11.49 | $11.12 | $11.15 | $10.55 | $10.65 | $10.14 |
| Value at end of period | $11.96 | $11.49 | $11.12 | $11.15 | $10.55 | $10.65 |
| Number of accumulation units outstanding at end of period | 1,581,927 | 1,657,396 | 1,805,943 | 676,291 | 642,396 | 662,622 |
| **VOYA LARGE CAP GROWTH PORTFOLIO (CLASS I)** | | | | | | |
| (Funds were first received in this option during June 2012) | | | | | | |
| Value at beginning of period | $16.13 | $15.65 | $14.85 | $13.19 | $10.16 | $9.15 |
| Value at end of period | $20.74 | $16.13 | $15.65 | $14.85 | $13.19 | $10.16 |
| Number of accumulation units outstanding at end of period | 94 | 94 | 94 | 3,227 | 2,937 | 2,636 |
| **VOYA MIDCAP OPPORTUNITIES PORTFOLIO (CLASS I)** | | | | | | |
| (Funds were first received in this option during March 2013) | | | | | | |
| Value at beginning of period | $14.72 | $13.85 | $13.90 | $13.89 | $10.77 | |
| Value at end of period | $18.25 | $14.72 | $13.85 | $13.90 | $12.89 | |
| Number of accumulation units outstanding at end of period | 464,127 | 486,311 | 518,888 | 458,665 | 411,857 | |

# Condensed Financial Information (continued)

| | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|---|---|---|---|---|---|---|
| **VOYA SMALLCAP OPPORTUNITIES PORTFOLIO (CLASS I)** | | | | | | |
| (Funds were first received in this option during June 2012) | | | | | | |
| Value at beginning of period | $16.09 | $14.31 | $14.58 | $13.92 | $10.10 | $8.91 |
| Value at end of period | $18.93 | $16.09 | $14.31 | $14.58 | $13.92 | $10.10 |
| Number of accumulation units outstanding at end of period | 55 | 208 | 208 | 208 | 504 | 770 |
| **VOYA SMALL COMPANY PORTFOLIO (CLASS I)** | | | | | | |
| (Funds were first received in this option during June 2012) | | | | | | |
| Value at beginning of period | $17.57 | $14.24 | $14.49 | $13.72 | $10.05 | $8.92 |
| Value at end of period | $19.38 | $17.57 | $14.24 | $14.49 | $13.72 | $10.05 |
| Number of accumulation units outstanding at end of period | 2,010,050 | 2,235,098 | 2,451,452 | 2,522,742 | 2,499,975 | 2,437,695 |
| **VOYA U.S. STOCK INDEX PORTFOLIO (CLASS I)** | | | | | | |
| (Funds were first received in this option during June 2012) | | | | | | |
| Value at beginning of period | $16.73 | $15.12 | $15.09 | $13.43 | $10.26 | $9.13 |
| Value at end of period | $20.14 | $16.73 | $15.12 | $15.09 | $13.43 | $10.26 |
| Number of accumulation units outstanding at end of period | 1,514,177 | 1,601,986 | 1,709,710 | 1,804,182 | 1,730,246 | 1,808,626 |
| **VY® BARON GROWTH PORTFOLIO (CLASS S)** | | | | | | |
| (Funds were first received in this option during June 2012) | | | | | | |
| Value at beginning of period | $15.08 | $14.44 | $15.35 | $14.84 | $10.78 | $9.19 |
| Value at end of period | $19.16 | $15.08 | $14.44 | $15.35 | $14.84 | $10.78 |
| Number of accumulation units outstanding at end of period | 554,197 | 593,086 | 705,114 | 736,580 | 720,402 | 595,726 |
| **VY® INVESCO GROWTH AND INCOME PORTFOLIO (CLASS S)** | | | | | | |
| (Funds were first received in this option during June 2012) | | | | | | |
| Value at beginning of period | $17.16 | $14.44 | $15.01 | $13.75 | $10.37 | $9.17 |
| Value at end of period | $19.37 | $17.16 | $14.44 | $15.01 | $13.75 | $10.37 |
| Number of accumulation units outstanding at end of period | 937 | 937 | 936 | 898 | 815 | 724 |
| **VY® OPPENHEIMER GLOBAL PORTFOLIO (CLASS I)** | | | | | | |
| (Funds were first received in this option during June 2012) | | | | | | |
| Value at beginning of period | $13.98 | $14.08 | $13.64 | $13.45 | $10.68 | $8.60 |
| Value at end of period | $18.91 | $13.98 | $14.08 | $13.64 | $13.45 | $10.68 |
| Number of accumulation units outstanding at end of period | 1,513,292 | 1,610,511 | 1,803,077 | 1,846,661 | 1,797,131 | 1,766,503 |
| **VY® T. ROWE PRICE CAPITAL APPRECIATION PORTFOLIO (CLASS S)** | | | | | | |
| (Funds were first received in this option during June 2012) | | | | | | |
| Value at beginning of period | $15.62 | $14.59 | $13.99 | $12.58 | $10.39 | $9.43 |
| Value at end of period | $17.82 | $15.62 | $14.59 | $13.99 | $12.58 | $10.39 |
| Number of accumulation units outstanding at end of period | 3,160,464 | 3,134,497 | 3,357,066 | 3,101,867 | 2,777,586 | 2,212,422 |
| **VY® T. ROWE PRICE GROWTH EQUITY PORTFOLIO (CLASS I)** | | | | | | |
| (Funds were first received in this option during June 2012) | | | | | | |
| Value at beginning of period | $16.54 | $16.44 | $14.97 | $13.90 | $10.07 | $9.14 |
| Value at end of period | $21.89 | $16.54 | $16.44 | $14.97 | $13.90 | $10.07 |
| Number of accumulation units outstanding at end of period | 502,892 | 482,324 | 554,113 | 554,809 | 464,662 | 440,833 |
| **WANGER SELECT** | | | | | | |
| (Funds were first received in this option during June 2012) | | | | | | |
| Value at beginning of period | $15.01 | $13.36 | $13.45 | $13.16 | $9.86 | $8.76 |
| Value at end of period | $18.84 | $15.01 | $13.36 | $13.45 | $13.16 | $9.86 |
| Number of accumulation units outstanding at end of period | 89 | 89 | 89 | 89 | 89 | 89 |

**Table 2**

FOR CONTRACTS WITH TOTAL SEPARATE ACCOUNT CHARGES OF 1.00%

(Selected data for annuity units outstanding throughout each period)

| | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
|---|---|---|---|---|---|---|---|---|---|---|
| **AMERICAN FUNDS® - THE GROWTH FUND OF AMERICA® (CLASS R-4)** | | | | | | | | | | |
| Value at beginning of period | $23.80 | $22.17 | $21.25 | $19.65 | $14.83 | $12.43 | $13.19 | $11.87 | $8.91 | $14.77 |
| Value at end of period | $29.71 | $23.80 | $22.17 | $21.25 | $19.65 | $14.83 | $12.43 | $13.19 | $11.87 | $8.91 |
| Number of accumulation units outstanding at end of period | 64,489 | 66,161 | 70,116 | 71,181 | 69,741 | 68,554 | 2,430,373 | 2,475,763 | 2,382,442 | 1,899,083 |
| **FIDELITY® VIP CONTRAFUND® PORTFOLIO (INITIAL CLASS)** | | | | | | | | | | |
| Value at beginning of period | $26.13 | $24.44 | $24.52 | $22.12 | $17.02 | $14.77 | $15.30 | $13.19 | $9.81 | $17.24 |
| Value at end of period | $31.53 | $26.13 | $24.44 | $24.52 | $22.12 | $17.02 | $14.77 | $15.30 | $13.19 | $9.81 |
| Number of accumulation units outstanding at end of period | 30,113 | 31,987 | 33,157 | 30,513 | 28,411 | 23,436 | 899,964 | 677,213 | 507,248 | 372,183 |
| **FIDELITY® VIP EQUITY-INCOME PORTFOLIO (INITIAL CLASS)** | | | | | | | | | | |
| Value at beginning of period | $21.89 | $18.74 | $19.71 | $18.31 | $14.43 | $12.43 | $12.43 | $10.90 | $8.46 | $14.90 |
| Value at end of period | $24.47 | $21.89 | $18.74 | $19.71 | $18.31 | $14.43 | $12.43 | $12.43 | $10.90 | $8.46 |
| Number of accumulation units outstanding at end of period | 13,628 | 14,312 | 20,910 | 19,727 | 17,130 | 15,855 | 839,703 | 859,891 | 855,409 | 703,277 |
| **INVESCO V.I. CORE EQUITY FUND (SERIES I)** | | | | | | | | | | |
| Value at beginning of period | $15.55 | $14.25 | $15.27 | $14.26 | $11.14 | $9.88 | $9.99 | $9.21 | $7.25 | $10.48 |
| Value at end of period | $17.43 | $15.55 | $14.25 | $15.27 | $14.26 | $11.14 | $9.88 | $9.99 | $9.21 | $7.25 |
| Number of accumulation units outstanding at end of period | 36,379 | 42,865 | 40,702 | 39,766 | 40,884 | 43,285 | 667,190 | 684,394 | 709,070 | 623,556 |
| **NEUBERGER BERMAN SOCIALLY RESPONSIVE FUND® (TRUST CLASS)** | | | | | | | | | | |
| (Funds were first received in this option during June 2010) | | | | | | | | | | |
| Value at beginning of period | $18.13 | $16.66 | $16.92 | $15.50 | $11.35 | $10.35 | $10.78 | $8.94 | | |
| Value at end of period | $21.25 | $18.13 | $16.66 | $16.92 | $15.50 | $11.35 | $10.35 | $10.78 | | |
| Number of accumulation units outstanding at end of period | 402 | 782 | 127 | 1 | 0 | 22 | 92,627 | 35,186 | | |
| **PIMCO REAL RETURN PORTFOLIO (ADMINISTRATIVE CLASS)** | | | | | | | | | | |
| Value at beginning of period | $15.08 | $14.48 | $15.03 | $14.73 | $16.39 | $15.22 | $13.77 | $12.86 | $10.97 | $11.93 |
| Value at end of period | $15.47 | $15.08 | $14.48 | $15.03 | $14.73 | $16.39 | $15.22 | $13.77 | $12.86 | $10.97 |
| Number of accumulation units outstanding at end of period | 0 | 0 | 0 | 0 | 0 | 0 | 35 | 35 | 35 | 35 |
| **VOYA BALANCED PORTFOLIO (CLASS I)** | | | | | | | | | | |
| Value at beginning of period | $17.14 | $16.06 | $16.53 | $15.71 | $13.60 | $12.09 | $12.37 | $10.95 | $9.28 | $13.03 |
| Value at end of period | $19.47 | $17.14 | $16.06 | $16.53 | $15.71 | $13.60 | $12.09 | $12.37 | $10.95 | $9.28 |
| Number of accumulation units outstanding at end of period | 27,529 | 31,204 | 37,013 | 38,183 | 44,853 | 40,933 | 1,081,229 | 1,159,219 | 1,241,138 | 1,218,053 |
| **VOYA GLOBAL BOND PORTFOLIO (CLASS I)** | | | | | | | | | | |
| Value at beginning of period | $13.84 | $13.15 | $13.88 | $13.96 | $14.69 | $13.75 | $13.39 | $11.67 | $9.70 | $11.59 |
| Value at end of period | $15.03 | $13.84 | $13.15 | $13.88 | $13.96 | $14.69 | $13.75 | $13.39 | $11.67 | $9.70 |
| Number of accumulation units outstanding at end of period | 12,303 | 17,032 | 18,180 | 17,019 | 16,442 | 20,726 | 757,132 | 679,633 | 701,265 | 589,920 |
| **VOYA GOVERNMENT MONEY MARKET PORTFOLIO (CLASS I)** | | | | | | | | | | |
| Value at beginning of period | $11.44 | $11.54 | $11.65 | $11.77 | $11.88 | $12.00 | $12.12 | $12.21 | $12.29 | $12.09 |
| Value at end of period | $11.40 | $11.44 | $11.54 | $11.65 | $11.77 | $11.88 | $12.00 | $12.12 | $12.21 | $12.29 |
| Number of accumulation units outstanding at end of period | 8,926 | 9,780 | 23,933 | 7,380 | 6,403 | 9,392 | 706,180 | 632,358 | 594,664 | 654,193 |
| **VOYA GROWTH AND INCOME PORTFOLIO (CLASS I)** | | | | | | | | | | |
| Value at beginning of period | $14.89 | $13.70 | $14.04 | $12.81 | $9.90 | $8.64 | $8.75 | $7.74 | $6.00 | $9.72 |
| Value at end of period | $17.74 | $14.89 | $13.70 | $14.04 | $12.81 | $9.90 | $8.64 | $8.75 | $7.74 | $6.00 |
| Number of accumulation units outstanding at end of period | 82 | 82 | 82 | 82 | 82 | 82 | 148 | 457 | 4,597 | 4,599 |

# Condensed Financial Information (continued)

| | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
|---|---|---|---|---|---|---|---|---|---|---|
| **VOYA INDEX PLUS LARGECAP PORTFOLIO (CLASS I)** | | | | | | | | | | |
| Value at beginning of period | $16.77 | $15.36 | $15.39 | $13.65 | $10.37 | $9.15 | $9.25 | $8.20 | $6.72 | $10.82 |
| Value at end of period | $20.70 | $16.77 | $15.36 | $15.39 | $13.65 | $10.37 | $9.15 | $9.25 | $8.20 | $6.72 |
| Number of accumulation units outstanding at end of period | 0 | 0 | 0 | 0 | 0 | 0 | 1,286 | 1,264 | 1,249 | 1,207 |
| **VOYA INDEX PLUS MIDCAP PORTFOLIO (CLASS I)** | | | | | | | | | | |
| Value at beginning of period | $37.52 | $32.07 | $32.99 | $30.41 | $22.83 | $19.59 | $20.02 | $16.58 | $12.72 | $20.57 |
| Value at end of period | $42.19 | $37.52 | $32.07 | $32.99 | $30.41 | $22.83 | $19.59 | $20.02 | $16.58 | $12.72 |
| Number of accumulation units outstanding at end of period | 20,061 | 21,422 | 21,562 | 21,094 | 20,803 | 20,818 | 1,034,632 | 902,695 | 818,453 | 696,873 |
| **VOYA INDEX PLUS SMALLCAP PORTFOLIO (CLASS I)** | | | | | | | | | | |
| Value at beginning of period | $35.92 | $28.50 | $29.74 | $28.49 | $20.16 | $18.12 | $18.44 | $15.16 | $12.27 | $18.65 |
| Value at end of period | $39.09 | $35.92 | $28.50 | $29.74 | $28.49 | $20.16 | $18.12 | $18.44 | $15.16 | $12.27 |
| Number of accumulation units outstanding at end of period | 0 | 0 | 0 | 0 | 0 | 0 | 472 | 416 | 359 | 286 |
| **VOYA INTERMEDIATE BOND PORTFOLIO (CLASS I)** | | | | | | | | | | |
| Value at beginning of period | $20.22 | $19.57 | $19.65 | $18.61 | $18.82 | $17.37 | $16.32 | $15.00 | $13.58 | $14.99 |
| Value at end of period | $21.02 | $20.22 | $19.57 | $19.65 | $18.61 | $18.82 | $17.37 | $16.32 | $15.00 | $13.58 |
| Number of accumulation units outstanding at end of period | 26,644 | 30,496 | 31,036 | 13,726 | 10,771 | 12,830 | 346,680 | 297,836 | 249,437 | 174,260 |
| **VOYA LARGE CAP GROWTH PORTFOLIO (CLASS I)** | | | | | | | | | | |
| (Funds were first received in this option during January 2011) | | | | | | | | | | |
| Value at beginning of period | $18.83 | $18.29 | $17.37 | $15.44 | $11.91 | $10.19 | $10.18 | | | |
| Value at end of period | $24.19 | $18.83 | $18.29 | $17.37 | $15.44 | $11.91 | $10.19 | | | |
| Number of accumulation units outstanding at end of period | 0 | 0 | 0 | 0 | 0 | 0 | 3,532 | | | |
| **VOYA MIDCAP OPPORTUNITIES PORTFOLIO (CLASS I)** | | | | | | | | | | |
| (Funds were first received in this option during March 2013) | | | | | | | | | | |
| Value at beginning of period | $27.84 | $26.22 | $26.34 | $24.45 | $20.43 | | | | | |
| Value at end of period | $34.48 | $27.84 | $26.22 | $26.34 | $24.45 | | | | | |
| Number of accumulation units outstanding at end of period | 10,798 | 11,657 | 12,564 | 12,250 | 12,657 | | | | | |
| **VOYA SMALLCAP OPPORTUNITIES PORTFOLIO (CLASS I)** | | | | | | | | | | |
| Value at beginning of period | $19.55 | $17.41 | $17.75 | $16.97 | $12.33 | $10.81 | $10.83 | $8.26 | $6.37 | $9.82 |
| Value at end of period | $22.98 | $19.55 | $17.41 | $17.75 | $16.97 | $12.33 | $10.81 | $10.83 | $8.26 | $6.37 |
| Number of accumulation units outstanding at end of period | 0 | 0 | 0 | 0 | 0 | 0 | 474 | 4,740 | 4,536 | 73 |
| **VOYA SMALL COMPANY PORTFOLIO (CLASS I)** | | | | | | | | | | |
| Value at beginning of period | $38.43 | $31.18 | $31.74 | $30.09 | $22.07 | $19.46 | $20.16 | $16.37 | $12.96 | $18.99 |
| Value at end of period | $42.34 | $38.43 | $31.18 | $31.74 | $30.09 | $22.07 | $19.46 | $20.16 | $16.37 | $12.96 |
| Number of accumulation units outstanding at end of period | 35,557 | 34,914 | 36,112 | 36,229 | 37,997 | 36,045 | 1,121,640 | 1,066,905 | 1,002,964 | 876,466 |
| **VOYA U.S. STOCK INDEX PORTFOLIO (CLASS I)** | | | | | | | | | | |
| Value at beginning of period | $22.47 | $20.32 | $20.30 | $18.09 | $13.84 | $12.07 | $11.98 | $10.54 | $8.44 | $13.55 |
| Value at end of period | $27.02 | $22.47 | $20.32 | $20.30 | $18.09 | $13.84 | $12.07 | $11.98 | $10.54 | $8.44 |
| Number of accumulation units outstanding at end of period | 27,778 | 29,411 | 25,887 | 28,518 | 33,754 | 38,643 | 1,474,813 | 1,483,379 | 1,524,761 | 1,428,915 |
| **VY® BARON GROWTH PORTFOLIO (CLASS S)** | | | | | | | | | | |
| Value at beginning of period | $30.21 | $28.96 | $30.80 | $29.82 | $21.69 | $18.31 | $18.09 | $14.45 | $10.79 | $18.55 |
| Value at end of period | $38.34 | $30.21 | $28.96 | $30.80 | $29.82 | $21.69 | $18.31 | $18.09 | $14.45 | $10.79 |
| Number of accumulation units outstanding at end of period | 8,198 | 8,070 | 7,933 | 8,325 | 8,481 | 5,363 | 253,840 | 189,219 | 146,037 | 88,341 |
| **VY® INVESCO GROWTH AND INCOME PORTFOLIO (CLASS S)** | | | | | | | | | | |
| Value at beginning of period | $21.43 | $18.05 | $18.78 | $17.23 | $13.00 | $12.29 | $12.25 | $11.29 | $9.29 | $12.25 |
| Value at end of period | $24.17 | $21.43 | $18.05 | $18.78 | $17.23 | $13.00 | $12.29 | $12.55 | $11.29 | $9.29 |
| Number of accumulation units outstanding at end of period | 0 | 0 | 0 | 0 | 0 | 0 | 123 | 100 | 78 | 55 |
| **VY® OPPENHEIMER GLOBAL PORTFOLIO (CLASS I)** | | | | | | | | | | |
| Value at beginning of period | $19.30 | $19.45 | $18.87 | $18.62 | $14.80 | $12.28 | $13.50 | $11.75 | $8.50 | $14.39 |
| Value at end of period | $26.08 | $19.30 | $19.45 | $18.87 | $18.62 | $14.80 | $12.28 | $13.50 | $11.75 | $8.50 |
| Number of accumulation units outstanding at end of period | 33,808 | 36,111 | 44,218 | 42,235 | 42,786 | 40,524 | 1,371,692 | 1,334,885 | 1,373,947 | 1,321,011 |

# Condensed Financial Information (continued)

| | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
|---|---|---|---|---|---|---|---|---|---|---|
| **VY® T. ROWE PRICE CAPITAL APPRECIATION PORTFOLIO (CLASS S)** | | | | | | | | | | |
| (Funds were first received in this option during May 2010) | | | | | | | | | | |
| Value at beginning of period | $23.73 | $22.19 | $21.30 | $19.18 | $15.85 | $13.99 | $13.73 | $12.18 | | |
| Value at end of period | $27.05 | $23.73 | $22.19 | $21.30 | $19.18 | $15.85 | $13.99 | $13.73 | | |
| Number of accumulation units outstanding at end of period | 37,810 | 36,455 | 29,983 | 27,835 | 24,744 | 16,690 | 936,781 | 342,777 | | |
| **VY® T. ROWE PRICE GROWTH EQUITY PORTFOLIO (CLASS I)** | | | | | | | | | | |
| Value at beginning of period | $23.26 | $23.14 | $21.10 | $19.61 | $14.22 | $12.08 | $12.33 | $10.66 | $7.53 | $13.16 |
| Value at end of period | $30.76 | $23.26 | $23.14 | $21.10 | $19.61 | $14.22 | $12.08 | $12.33 | $10.66 | $7.53 |
| Number of accumulation units outstanding at end of period | 7,727 | 8,608 | 12,932 | 13,144 | 12,354 | 12,321 | 194,202 | 128,947 | 87,478 | 35,551 |
| **WANGER SELECT** | | | | | | | | | | |
| (Funds were first received in this option during January 2011) | | | | | | | | | | |
| Value at beginning of period | $24.16 | $21.53 | $21.69 | $21.24 | $15.94 | $13.59 | $16.64 | | | |
| Value at end of period | $30.30 | $24.16 | $21.53 | $21.69 | $21.24 | $15.94 | $13.59 | | | |
| Number of accumulation units outstanding at end of period | 0 | 0 | 0 | 0 | 0 | 0 | 36 | | | |

## *FOR MASTER APPLICATIONS ONLY*

*I hereby acknowledge receipt of Variable Annuity Account I Retirement Master prospectus dated May 1, 2018.*

*___ Please send a Variable Annuity Account I Statement of Additional Information (Form No. SAI.130822-18) dated May 1, 2018.*

*___ Please send the most recent annual and/or quarterly report of Voya Retirement Insurance and Annuity Company.*

**CONTRACT HOLDER'S SIGNATURE**

**DATE**

# VARIABLE ANNUITY ACCOUNT I
# OF VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY

## Statement of Additional Information dated May 1, 2018

## Retirement Master

This Statement of Additional Information is not a prospectus and should be read in conjunction with the current prospectus for Variable Annuity Account I (the "separate account") dated May 1, 2018.

A free prospectus is available upon request from the local Voya Retirement Insurance and Annuity Company office or by writing to or calling:

Customer Service
Defined Contribution Administration
P.O. Box 990063
Hartford, CT 06199-0063

1-800-584-6001

Read the prospectus before you invest. Unless otherwise indicated, terms used in this Statement of Additional Information shall have the same meaning as in the prospectus.

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## GENERAL INFORMATION AND HISTORY

Voya Retirement Insurance and Annuity Company (the "Company," "we," "us," "our") issues the contracts described in the prospectus and is responsible for providing each contract's insurance and annuity benefits. All guarantees and benefits provided under the contracts that are not related to the separate account are subject to the claims paying ability of the Company and our general account. We are a stock life insurance company organized under the insurance laws of the State of Connecticut in 1976. Prior to January 1, 2002, the Company was known as Aetna Life Insurance and Annuity Company. From January 1, 2002 until August 31, 2014, the Company was known as ING Life Insurance and Annuity Company.

We are an indirect, wholly owned subsidiary of Voya Financial, Inc. ("Voya"), which until April 7, 2014, was known as ING U.S., Inc. In May, 2013, the common stock of Voya began trading on the New York Stock Exchange under the symbol "VOYA."

The Company serves as the depositor for the separate account.

Other than the mortality and expense risk charge and administrative expense charge, if any, described in the prospectus, all expenses incurred in the operations of the separate account are borne by the Company. However, the Company does receive compensation for certain administrative costs or distribution costs from the funds or affiliates of the funds used as funding options under the contract. **See "FEES" in the prospectus**.

The assets of the separate account are held by the Company. The separate account has no custodian. However, the funds in whose shares the assets of the separate account are invested each have custodians, as discussed in their respective prospectuses.

From this point forward, the term "contract(s)" refers only to those offered through the prospectus.

## VARIABLE ANNUITY ACCOUNT I

Variable Annuity Account I (the "separate account") was established in 1994 as a separate account of Aetna Insurance Company of America, which became ING Insurance Company of America. In connection with the merger of ING Insurance Company of America with and into ING Life Insurance and Annuity Company, the separate account was transferred to ING Life Insurance and Annuity Company on December 31, 2005. The separate account retained its name, Variable Annuity Account I. Variable Annuity Account I is a segregated asset account used to fund our variable annuity contracts. The separate account is registered as a unit investment trust under the Investment Company Act of 1940 (the "1940 Act"). It also meets the definition of "separate account" under the federal securities laws. Purchase payments to accounts under the contract may be allocated to one or more of the subaccounts. Each subaccount invests in the shares of only one of the funds offered under the contract.

We may make additions to, deletions from or substitutions of available investment options as permitted by law and subject to the conditions of the contract. The availability of the funds is subject to applicable regulatory authorization. Not all funds are available in all jurisdictions or under all contracts.

A complete description of each of the funds, including their investment objectives, policies, risks and fees and expenses, are contained in the prospectuses and statements of additional information for each of the funds.

## OFFERING AND PURCHASE OF CONTRACTS

The Company's subsidiary, Voya Financial Partners, LLC serves as the principal underwriter for the contracts. Voya Financial Partners, LLC, a Delaware limited liability company, is registered as a broker-dealer with the Securities and Exchange Commission. Voya Financial Partners, LLC is also a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. Voya Financial Partners, LLC's principal office is located at One Orange Way, Windsor, CT 06095-4774. The contracts are distributed through life insurance agents licensed to sell variable annuities who are registered representatives of Voya Financial Partners, LLC or of other registered broker-dealers who have entered into sales arrangements with Voya Financial Partners, LLC. The offering of the contracts is continuous. A description of the manner in which contracts are purchased may be found in the prospectus under the sections entitled **"CONTRACT OWNERSHIP AND RIGHTS"** and **"YOUR ACCOUNT VALUE."**

Compensation paid to the principal underwriter, Voya Financial Partners, LLC, for the years ending December 31, 2017, 2016 and 2015 amounted to $54,635.35, $61,507.24 and $92,270.50, respectively. These amounts reflect compensation paid to Voya Financial Partners, LLC attributable to regulatory and operating expenses associated with the distribution of all registered variable annuity products issued by Variable Annuity Account I of the Company.

## INCOME PHASE PAYMENTS

When you begin receiving payments under the contract during the income phase **(see "INCOME PHASE" in the prospectus)**, the value of your account is determined using accumulation unit values as of the tenth valuation before the first payment is due. Such value (less any applicable premium tax) is applied to provide payments to you in accordance with the payment option and investment options elected.

The annuity option tables found in the contract show, for each option, the amount of the first payment for each $1,000 of value applied. When you select variable income payments, your account value purchases annuity units ("Annuity Units") of the separate account subaccounts corresponding to the funds you select. The number of Annuity Units purchased is based on your account value and the value of each unit on the day the Annuity Units are purchased. Thereafter, the variable payments fluctuate as the annuity unit value(s) fluctuates with the investment experience of the selected investment option(s). The first payment and subsequent payments also vary depending on the assumed net investment rate selected (3.5% or 5% per annum). Selection of a 5% rate causes a higher first payment, but payments will increase thereafter only to the extent that the net investment rate increases by more than 5% on an annual basis. Payments would decline if the rate failed to increase by 5%. Use of the 3.5% assumed rate causes a lower first payment, but subsequent payments would increase more rapidly or decline more slowly as changes occur in the net investment rate.

When the income phase begins, the annuitant is credited with a fixed number of annuity units (which does not change thereafter) in each of the designated investment options. This number is calculated by dividing (a) by (b), where (a) is the amount of the first payment based on a particular investment option, and (b) is the then current annuity unit value for that investment option. As noted, annuity unit values fluctuate from one valuation to the next **(see "YOUR ACCOUNT VALUE" in the prospectus)**; such fluctuations reflect changes in the net investment factor for the appropriate subaccount(s) (with a 10 day valuation lag which gives the Company time to process payments) and a mathematical adjustment which offsets the assumed net investment rate of 3.5% or 5% per annum.

The operation of all these factors can be illustrated by the following hypothetical example. These procedures will be performed separately for the investment options selected during the income phase.

## EXAMPLE:

Assume that, at the date payments are to begin, there are 3,000 accumulation units credited under a particular contract or account and that the value of an accumulation unit for the tenth valuation prior to retirement was $13.650000. This produces a total value of $40,950.

Assume also that no premium tax is payable and that the annuity option table in the contract provides, for the payment option elected, a first monthly variable payment of $6.68 per $1000 of value applied; the annuitant's first monthly payment would thus be 40.950 multiplied by $6.68, or $273.55.

Assume then that the value of an annuity unit for the valuation on which the first payment was due was $13.400000. When this value is divided into the first monthly payment, the number of annuity units is determined to be 20.414. The value of this number of annuity units will be paid in each subsequent month.

Suppose there were 30 days between the initial and second payment valuation dates. If the net investment factor with respect to the appropriate subaccount is 1.0032737 as of the 10th valuation preceding the due date of the second monthly income phase payment, multiplying this factor by .9971779* = .9999058^30 (to take into account 30 days of the assumed net investment rate of 3.5% per annum built into the number of Annuity Units determined above) produces a result of 1.000442. This is then multiplied by the Annuity Unit value for the prior valuation ($13.400000 from above) to produce an Annuity Unit value of $13.405928 for the valuation occurring when the second income phase payment is due.

The second monthly income phase payment is then determined by multiplying the number of Annuity Units by the current Annuity Unit value, or 20.414 times $13.405928, which produces a payment of $273.67.

*If an assumed net investment rate of 5% is elected, the appropriate factor to take into account such assumed rate would be .9959968 = .9998663^30.

## PERFORMANCE REPORTING

We may advertise different types of historical performance for the subaccounts including:

- Standardized average annual total returns; and
- Non-standardized average annual total returns.

We may also advertise certain ratings, rankings or other information related to the Company, the subaccounts or the funds.

**Standardized Average Annual Total Returns.** We calculate standardized average annual total returns according to a formula prescribed by the SEC. This shows the percentage return applicable to $1,000 invested in the subaccount over the most recent month-end, one, five and 10-year periods. If the investment option was not available for the full period, we give a history from the date money was first received in that option under the separate account or from the date the fund was first available under the separate account. As an alternative to providing the most recent month-end performance, we may provide a phone number, website or both where these returns may be obtained.

We include all recurring charges during each period (e.g., mortality and expense risk charges and administrative expense charges (if any)).

**Non-Standardized Average Annual Total Returns.** We calculate non-standardized average annual total returns in a similar manner as that stated above, except non-standardized returns may also include monthly, quarterly, year-to-date and three-year periods, and may include returns calculated from the fund's inception date and/or the date the fund was added to the separate account.

## SALES MATERIAL AND ADVERTISING

We may include hypothetical illustrations in our sales literature that explain the mathematical principles of dollar cost averaging, compounded interest, tax deferred accumulation, and the mechanics of variable annuity contracts.

We may also discuss the difference between variable annuity contracts and other types of savings or investment products such as personal savings accounts and certificates of deposit. We may distribute sales literature that compares the percentage change in accumulation unit values for any of the subaccounts to established market indices such as the Standard & Poor's 500 Stock Index and the Dow Jones Industrial Average or to the percentage change in values of other management investment companies that have investment objectives similar to the subaccount being compared.

We may publish in advertisements and reports, the ratings and other information assigned to us by one or more independent rating organizations such as A.M. Best Company, Duff & Phelps, Standard & Poor's Corporation and Moody's Investors Service, Inc. The purpose of the ratings is to reflect our financial strength and/or claims-paying ability. We may also quote ranking services such as Morningstar, Inc. and Lipper Analytical Services, Inc. which rank variable annuity or life subaccounts or their underlying funds by performance and/or investment objective. We may categorize the underlying funds in terms of the assets classes they represent and use such categories in marketing materials for the contracts. We may illustrate in advertisements the performance of the underlying funds, if accompanied by performance which also shows the performance of such funds reduced by applicable charges under the separate account. We may also show in advertisements the portfolio holdings of the underlying funds, updated at various intervals. From time to time, we will quote articles from newspapers and magazines or other publications or reports such as The Wall Street Journal, Money Magazine, USA Today and The VARDS Report.

We may provide in advertising, sales literature, periodic publications or other materials information on various topics of interest to current and prospective contract holders. These topics may include the relationship between sectors of the economy and the economy as a whole and its effect on various securities markets, investment strategies and techniques (such as value investing, market timing, dollar cost averaging, asset allocation, constant ratio transfer and account rebalancing), the advantages and disadvantages of investing in tax-deferred and taxable investments, customer profiles and hypothetical purchase and investment scenarios, financial management and tax and retirement planning, and investment alternatives to certificates of deposit and other financial instruments, including comparison between the contracts and the characteristics of and market for such financial instruments.

## EXPERTS

The statements of assets and liabilities of Variable Annuity Account I as of December 31, 2017, and the related statements of operations and changes in net assets for the periods disclosed in the financial statements, and the consolidated financial statements of the Company as of December 31, 2017 and 2016, and for each of the three years in the period ended December 31, 2017, included in the Statement of Additional Information, have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their reports thereon appearing elsewhere herein, and are included in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

The primary business address of Ernst & Young LLP is 200 Clarendon St., Boston, MA 02116.

# FINANCIAL STATEMENTS
## Variable Annuity Account I of
## Voya Retirement Insurance and Annuity Company
***Year Ended December 31, 2017***
***with Report of Independent Registered Public Accounting Firm***

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**VARIABLE ANNUITY ACCOUNT I OF**
**VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**
**Financial Statements**
**Year Ended December 31, 2017**

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Report of Independent Registered Public Accounting Firm

To the Board of Directors of Voya Retirement Insurance and Annuity Company and Contract Owners of Variable Annuity Account I of Voya Retirement Insurance and Annuity Company

**Opinion on the Financial Statements**

We have audited the accompanying statements of assets and liabilities of Variable Annuity Account I of Voya Retirement Insurance and Annuity Company (the Separate Account) comprised of the subaccounts described in the appendix to this opinion (collectively referred to as the "subaccounts"), as of December 31, 2017, the related statements of operations for the year then ended, and the statements of changes in net assets for the two years in the period then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of each of the subaccounts comprising Variable Annuity Account I of Voya Retirement Insurance and Annuity Company at December 31, 2017, the results of its operations for the year then ended and the changes in net assets for each of the two years then ended, in conformity with U.S. generally accepted accounting principles.

**Basis for Opinion**

These financial statements are the responsibility of the Separate Account's management. Our responsibility is to express an opinion on each of the subaccounts' financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Separate Accounts in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Separate Account is not required to have, nor were we engaged to perform, an audit of the Separate Account's internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Separate Account's internal control over financial reporting. Accordingly, we express no such opinion.

Building a better working world

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of December 31, 2017, by correspondence with the fund companies or their transfer agents, as applicable. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Ernst & Young LLP

We have served as the Separate Accounts Auditor since 2001.

April 18, 2018

Building a better working world

**Appendix**

The statement of operations and statement of changes in net assets are reported for the following periods:

| Subaccount | Statement of Operations | Statement of Changes in Net Assets |
|---|---|---|
| Invesco V.I. Core Equity Fund - Series I Shares<br>Artisan International Fund - Investor Shares<br>Calvert VP SRI Balanced Portfolio<br>EuroPacific Growth Fund® - Class R-4<br>Federated Fund for U.S. Government Securities II - Primary Shares<br>Federated Government Money Fund II - Service Shares<br>Federated High Income Bond Fund II - Primary Shares<br>Federated Kaufmann Fund II - Primary Shares<br>Federated Managed Tail Risk Fund II - Primary Shares<br>Federated Managed Volatility Fund II<br>Fidelity® VIP Equity-Income Portfolio - Initial Class<br>Fidelity® VIP High Income Portfolio - Initial Class<br>Fidelity® VIP Contrafund® Portfolio - Initial Class<br>Fidelity® VIP Index 500 Portfolio - Initial Class<br>Fidelity® VIP Investment Grade Bond Portfolio - Initial Class<br>Growth Fund of America® - Class R-4<br>Neuberger Berman Socially Responsive Fund - Trust Class<br>Oppenheimer Main Street Fund®/VA<br>PIMCO Real Return Portfolio - Administrative Class<br>Pioneer Equity Income VCT Portfolio - Class I<br>Pioneer Mid Cap Value VCT Portfolio - Class I<br>Voya Balanced Portfolio - Class I<br>Voya Intermediate Bond Portfolio - Class I<br>Voya Global Perspectives® Portfolio - Class A<br>Voya High Yield Portfolio - Service Class<br>Voya Large Cap Growth Portfolio - Institutional Class<br>Voya Large Cap Value Portfolio - Institutional Class<br>Voya Large Cap Value Portfolio - Service Class<br>Voya Retirement Conservative Portfolio - Adviser Class<br>Voya Retirement Growth Portfolio - Adviser Class<br>Voya Retirement Moderate Growth Portfolio - Adviser Class<br>Voya Retirement Moderate Portfolio - Adviser Class | For the year ended December 31, 2017 | For each of the two years in the period ended December 31, 2017 |

| Subaccount | Statement of Operations | Statement of Changes in Net Assets |
|---|---|---|
| Voya U.S. Stock Index Portfolio - Institutional Class<br>VY® BlackRock Inflation Protected Bond Portfolio - Service Class<br>VY® Franklin Income Portfolio - Service Class<br>VY® Invesco Growth and Income Portfolio - Service Class<br>VY® JPMorgan Emerging Markets Equity Portfolio - Institutional Class<br>VY® JPMorgan Small Cap Core Equity Portfolio - Institutional Class<br>VY® T. Rowe Price Capital Appreciation Portfolio - Service Class<br>VY® T. Rowe Price International Stock Portfolio - Service Class<br>Voya Government Money Market Portfolio - Class I<br>Voya Global Bond Portfolio - Initial Class<br>Voya Solution Moderately Aggressive Portfolio - Service Class<br>VY® Baron Growth Portfolio - Service Class<br>VY® Invesco Equity and Income Portfolio - Initial Class<br>VY® Oppenheimer Global Portfolio - Initial Class<br>VY® Pioneer High Yield Portfolio - Initial Class<br>VY® T. Rowe Price Diversified Mid Cap Growth Portfolio - Initial Class<br>VY® T. Rowe Price Growth Equity Portfolio - Initial Class<br>VY® Templeton Foreign Equity Portfolio - Initial Class<br>Voya Strategic Allocation Conservative Portfolio - Class I<br>Voya Strategic Allocation Growth Portfolio - Class I<br>Voya Strategic Allocation Moderate Portfolio - Class I<br>Voya Growth and Income Portfolio - Class I<br>Voya Global Equity Portfolio - Class S<br>Voya Index Plus LargeCap Portfolio - Class I<br>Voya Index Plus MidCap Portfolio - Class I<br>Voya Index Plus SmallCap Portfolio - Class I<br>Voya International Index Portfolio - Class I<br>Voya Russell™ Large Cap Growth Index Portfolio - Class I<br>Voya Russell™ Large Cap Index Portfolio - Class I<br>Voya Russell™ Large Cap Value Index Portfolio - Class I<br>Voya Russell™ Large Cap Value Index Portfolio - Class S<br>Voya Small Company Portfolio - Class I | For the year ended December 31, 2017 | For each of the two years in the period ended December 31, 2017 |

| Subaccount | Statement of Operations | Statement of Changes in Net Assets |
|---|---|---|
| Voya MidCap Opportunities Portfolio - Class S<br>Voya MidCap Opportunities Portfolio - Class I<br>Voya SmallCap Opportunities Portfolio - Class I<br>Voya SmallCap Opportunities Portfolio - Class S<br>Wanger Select | For the year ended December 31, 2017 | For each of the two years in the period ended December 31, 2017 |

**VARIABLE ANNUITY ACCOUNT I OF**
**VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**
**Statements of Assets and Liabilities**
**December 31, 2017**
*(Dollars in thousands)*

| | Invesco V.I. Core Equity Fund - Series I Shares | Artisan International Fund - Investor Shares | Calvert VP SRI Balanced Portfolio | EuroPacific Growth Fund® - Class R-4 | Federated Fund for U.S. Government Securities II - Primary Shares |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Investments in mutual funds at fair value | $ 7,141 | $ 35 | $ 71 | $ 32,355 | $ 202 |
| Total assets | 7,141 | 35 | 71 | 32,355 | 202 |
| Net assets | $ 7,141 | $ 35 | $ 71 | $ 32,355 | $ 202 |
| **Net assets** | | | | | |
| Accumulation units | $ 7,141 | $ 35 | $ 71 | $ 32,355 | $ 202 |
| Contracts in payout (annuitization) | — | — | — | — | — |
| Total net assets | $ 7,141 | $ 35 | $ 71 | $ 32,355 | $ 202 |
| Total number of mutual fund shares | 194,469 | 1,050 | 31,780 | 587,317 | 18,782 |
| Cost of mutual fund shares | $ 6,066 | $ 32 | $ 65 | $ 24,924 | $ 210 |

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT I OF**
**VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**
**Statements of Assets and Liabilities**
**December 31, 2017**
*(Dollars in thousands)*

| | Federated Government Money Fund II - Service Shares | Federated High Income Bond Fund II - Primary Shares | Federated Kaufmann Fund II - Primary Shares | Federated Managed Tail Risk Fund II - Primary Shares | Federated Managed Volatility Fund II |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Investments in mutual funds at fair value | $ 564 | $ 392 | $ 1,434 | $ 2,252 | $ 1,970 |
| Total assets | 564 | 392 | 1,434 | 2,252 | 1,970 |
| Net assets | $ 564 | $ 392 | $ 1,434 | $ 2,252 | $ 1,970 |
| **Net assets** | | | | | |
| Accumulation units | $ 562 | $ 383 | $ 1,434 | $ 2,248 | $ 1,955 |
| Contracts in payout (annuitization) | 2 | 9 | — | 4 | 15 |
| Total net assets | $ 564 | $ 392 | $ 1,434 | $ 2,252 | $ 1,970 |
| Total number of mutual fund shares | 564,035 | 57,443 | 74,831 | 428,894 | 182,380 |
| Cost of mutual fund shares | $ 564 | $ 386 | $ 1,243 | $ 2,509 | $ 1,757 |

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT I OF**
**VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**
**Statements of Assets and Liabilities**
**December 31, 2017**
*(Dollars in thousands)*

| | Fidelity® VIP Equity-Income Portfolio - Initial Class | Fidelity® VIP High Income Portfolio - Initial Class | Fidelity® VIP Contrafund® Portfolio - Initial Class | Fidelity® VIP Index 500 Portfolio - Initial Class | Fidelity® VIP Investment Grade Bond Portfolio - Initial Class |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Investments in mutual funds at fair value | $ 15,764 | $ 3 | $ 32,691 | $ 5,787 | $ 88 |
| Total assets | 15,764 | 3 | 32,691 | 5,787 | 88 |
| Net assets | $ 15,764 | $ 3 | $ 32,691 | $ 5,787 | $ 88 |
| **Net assets** | | | | | |
| Accumulation units | $ 15,764 | $ — | $ 32,691 | $ 5,787 | $ 88 |
| Contracts in payout (annuitization) | — | 3 | — | — | — |
| Total net assets | $ 15,764 | $ 3 | $ 32,691 | $ 5,787 | $ 88 |
| Total number of mutual fund shares | 659,865 | 567 | 861,656 | 21,342 | 6,881 |
| Cost of mutual fund shares | $ 14,400 | $ 3 | $ 26,495 | $ 3,284 | $ 85 |

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT I OF**
**VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**
**Statements of Assets and Liabilities**
**December 31, 2017**
*(Dollars in thousands)*

| | Growth Fund of America® - Class R-4 | Neuberger Berman Socially Responsive Fund - Trust Class | Oppenheimer Main Street Fund®/VA | PIMCO Real Return Portfolio - Administrative Class | Pioneer Equity Income VCT Portfolio - Class I |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Investments in mutual funds at fair value | $ 53,671 | $ 2,264 | $ 68 | $ 1 | $ 31 |
| Total assets | 53,671 | 2,264 | 68 | 1 | 31 |
| Net assets | $ 53,671 | $ 2,264 | $ 68 | $ 1 | $ 31 |
| **Net assets** | | | | | |
| Accumulation units | $ 53,671 | $ 2,264 | $ — | $ 1 | $ 31 |
| Contracts in payout (annuitization) | — | — | 68 | — | — |
| Total net assets | $ 53,671 | $ 2,264 | $ 68 | $ 1 | $ 31 |
| Total number of mutual fund shares | 1,093,092 | 59,274 | 2,106 | 44 | 941 |
| Cost of mutual fund shares | $ 39,737 | $ 2,198 | $ 51 | $ 1 | $ 24 |

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT I OF**
**VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**
**Statements of Assets and Liabilities**
**December 31, 2017**
*(Dollars in thousands)*

| | Pioneer Mid Cap Value VCT Portfolio - Class I | Voya Balanced Portfolio - Class I | Voya Intermediate Bond Portfolio - Class I | Voya Global Perspectives® Portfolio - Class A | Voya High Yield Portfolio - Service Class |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Investments in mutual funds at fair value | $ 1 | $ 14,515 | $ 21,817 | $ 30 | $ 1,230 |
| Total assets | 1 | 14,515 | 21,817 | 30 | 1,230 |
| Net assets | $ 1 | $ 14,515 | $ 21,817 | $ 30 | $ 1,230 |
| **Net assets** | | | | | |
| Accumulation units | $ 1 | $ 14,479 | $ 21,810 | $ 30 | $ 1,230 |
| Contracts in payout (annuitization) | — | 36 | 7 | — | — |
| Total net assets | $ 1 | $ 14,515 | $ 21,817 | $ 30 | $ 1,230 |
| Total number of mutual fund shares | 25 | 869,681 | 1,696,504 | 2,596 | 123,714 |
| Cost of mutual fund shares | $ 1 | $ 10,732 | $ 21,955 | $ 27 | $ 1,227 |

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT I OF**
**VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**
**Statements of Assets and Liabilities**
**December 31, 2017**
*(Dollars in thousands)*

| | Voya Large Cap Growth Portfolio - Institutional Class | Voya Large Cap Value Portfolio - Institutional Class | Voya Large Cap Value Portfolio - Service Class | Voya Retirement Conservative Portfolio - Adviser Class | Voya Retirement Growth Portfolio - Adviser Class |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Investments in mutual funds at fair value | $ 13,645 | $ 1 | $ 135 | $ 161 | $ 37 |
| Total assets | 13,645 | 1 | 135 | 161 | 37 |
| Net assets | $ 13,645 | $ 1 | $ 135 | $ 161 | $ 37 |
| **Net assets** | | | | | |
| Accumulation units | $ 13,616 | $ 1 | $ 135 | $ 161 | $ 37 |
| Contracts in payout (annuitization) | 29 | — | — | — | — |
| Total net assets | $ 13,645 | $ 1 | $ 135 | $ 161 | $ 37 |
| Total number of mutual fund shares | 656,016 | 55 | 10,277 | 17,382 | 2,664 |
| Cost of mutual fund shares | $ 11,740 | $ 1 | $ 125 | $ 154 | $ 35 |

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT I OF**
**VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**
**Statements of Assets and Liabilities**
**December 31, 2017**
*(Dollars in thousands)*

| | Voya Retirement Moderate Growth Portfolio - Adviser Class | Voya Retirement Moderate Portfolio - Adviser Class | Voya U.S. Stock Index Portfolio - Institutional Class | VY® BlackRock Inflation Protected Bond Portfolio - Service Class | VY® Franklin Income Portfolio - Service Class |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Investments in mutual funds at fair value | $ 2 | $ 69 | $ 31,246 | $ 88 | $ 87 |
| Total assets | 2 | 69 | 31,246 | 88 | 87 |
| Net assets | $ 2 | $ 69 | $ 31,246 | $ 88 | $ 87 |
| **Net assets** | | | | | |
| Accumulation units | $ 2 | $ 69 | $ 31,246 | $ 88 | $ 87 |
| Contracts in payout (annuitization) | — | — | — | — | — |
| Total net assets | $ 2 | $ 69 | $ 31,246 | $ 88 | $ 87 |
| Total number of mutual fund shares | 178 | 5,857 | 1,991,465 | 9,149 | 7,542 |
| Cost of mutual fund shares | $ 2 | $ 72 | $ 26,256 | $ 86 | $ 86 |

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**VARIABLE ANNUITY ACCOUNT I OF**
**VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**
**Statements of Assets and Liabilities**
**December 31, 2017**
*(Dollars in thousands)*

| | VY® Invesco Growth and Income Portfolio - Service Class | VY® JPMorgan Emerging Markets Equity Portfolio - Institutional Class | VY® JPMorgan Small Cap Core Equity Portfolio - Institutional Class | VY® T. Rowe Price Capital Appreciation Portfolio - Service Class | VY® T. Rowe Price International Stock Portfolio - Service Class |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Investments in mutual funds at fair value | $ 18 | $ 373 | $ 146 | $ 58,036 | $ 163 |
| Total assets | 18 | 373 | 146 | 58,036 | 163 |
| Net assets | $ 18 | $ 373 | $ 146 | $ 58,036 | $ 163 |
| **Net assets** | | | | | |
| Accumulation units | $ 18 | $ 373 | $ 146 | $ 58,036 | $ 163 |
| Contracts in payout (annuitization) | — | — | — | — | — |
| Total net assets | $ 18 | $ 373 | $ 146 | $ 58,036 | $ 163 |
| Total number of mutual fund shares | 638 | 17,352 | 6,859 | 2,098,945 | 10,084 |
| Cost of mutual fund shares | $ 15 | $ 324 | $ 139 | $ 56,885 | $ 108 |

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT I OF**
**VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**
**Statements of Assets and Liabilities**
**December 31, 2017**
*(Dollars in thousands)*

| | Voya Government Money Market Portfolio - Class I | Voya Global Bond Portfolio - Initial Class | Voya Solution Moderately Aggressive Portfolio - Service Class | VY® Baron Growth Portfolio - Service Class | VY® Invesco Equity and Income Portfolio - Initial Class |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Investments in mutual funds at fair value | $ 11,013 | $ 11,610 | $ 3 | $ 11,103 | $ 5,049 |
| Total assets | 11,013 | 11,610 | 3 | 11,103 | 5,049 |
| Net assets | $ 11,013 | $ 11,610 | $ 3 | $ 11,103 | $ 5,049 |
| **Net assets** | | | | | |
| Accumulation units | $ 10,997 | $ 11,608 | $ 3 | $ 11,103 | $ 5,049 |
| Contracts in payout (annuitization) | 16 | 2 | — | — | — |
| Total net assets | $ 11,013 | $ 11,610 | $ 3 | $ 11,103 | $ 5,049 |
| Total number of mutual fund shares | 11,013,109 | 1,042,207 | 211 | 378,814 | 106,273 |
| Cost of mutual fund shares | $ 11,013 | $ 11,473 | $ 2 | $ 10,479 | $ 4,971 |

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**VARIABLE ANNUITY ACCOUNT I OF**
**VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**
**Statements of Assets and Liabilities**
**December 31, 2017**
*(Dollars in thousands)*

| | VY® Oppenheimer Global Portfolio - Initial Class | VY® Pioneer High Yield Portfolio - Initial Class | VY® T. Rowe Price Diversified Mid Cap Growth Portfolio - Initial Class | VY® T. Rowe Price Growth Equity Portfolio - Initial Class | VY® Templeton Foreign Equity Portfolio - Initial Class |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Investments in mutual funds at fair value | $ 37,970 | $ 1,488 | $ 2,419 | $ 16,461 | $ 348 |
| Total assets | 37,970 | 1,488 | 2,419 | 16,461 | 348 |
| Net assets | $ 37,970 | $ 1,488 | $ 2,419 | $ 16,461 | $ 348 |
| **Net assets** | | | | | |
| Accumulation units | $ 37,926 | $ 1,488 | $ 2,419 | $ 16,219 | $ 325 |
| Contracts in payout (annuitization) | 44 | — | — | 242 | 23 |
| Total net assets | $ 37,970 | $ 1,488 | $ 2,419 | $ 16,461 | $ 348 |
| Total number of mutual fund shares | 1,700,388 | 124,553 | 209,290 | 176,641 | 26,322 |
| Cost of mutual fund shares | $ 25,750 | $ 1,477 | $ 2,118 | $ 14,657 | $ 323 |

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT I OF**
**VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**
**Statements of Assets and Liabilities**
**December 31, 2017**
*(Dollars in thousands)*

| | Voya Strategic Allocation Conservative Portfolio - Class I | Voya Strategic Allocation Growth Portfolio - Class I | Voya Strategic Allocation Moderate Portfolio - Class I | Voya Growth and Income Portfolio - Class I | Voya Global Equity Portfolio - Class S |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Investments in mutual funds at fair value | $ 683 | $ 1,508 | $ 1,522 | $ 4,567 | $ 50 |
| Total assets | 683 | 1,508 | 1,522 | 4,567 | 50 |
| Net assets | $ 683 | $ 1,508 | $ 1,522 | $ 4,567 | $ 50 |
| **Net assets** | | | | | |
| Accumulation units | $ 647 | $ 1,508 | $ 1,522 | $ 4,429 | $ 50 |
| Contracts in payout (annuitization) | 36 | — | — | 138 | — |
| Total net assets | $ 683 | $ 1,508 | $ 1,522 | $ 4,567 | $ 50 |
| Total number of mutual fund shares | 50,532 | 94,060 | 102,815 | 155,494 | 4,540 |
| Cost of mutual fund shares | $ 610 | $ 923 | $ 1,157 | $ 4,376 | $ 44 |

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT I OF**
**VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**
**Statements of Assets and Liabilities**
**December 31, 2017**
*(Dollars in thousands)*

| | Voya Index Plus LargeCap Portfolio - Class I | Voya Index Plus MidCap Portfolio - Class I | Voya Index Plus SmallCap Portfolio - Class I | Voya International Index Portfolio - Class I | Voya Russell™ Large Cap Growth Index Portfolio - Class I |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Investments in mutual funds at fair value | $ 1,095 | $ 38,242 | $ 15 | $ 873 | $ 3,279 |
| Total assets | 1,095 | 38,242 | 15 | 873 | 3,279 |
| Net assets | $ 1,095 | $ 38,242 | $ 15 | $ 873 | $ 3,279 |
| **Net assets** | | | | | |
| Accumulation units | $ 1,020 | $ 38,242 | $ 15 | $ 866 | $ 3,279 |
| Contracts in payout (annuitization) | 75 | — | — | 7 | — |
| Total net assets | $ 1,095 | $ 38,242 | $ 15 | $ 873 | $ 3,279 |
| Total number of mutual fund shares | 37,622 | 1,666,331 | 560 | 81,326 | 92,760 |
| Cost of mutual fund shares | $ 603 | $ 32,494 | $ 9 | $ 697 | $ 1,288 |

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT I OF**
**VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**
**Statements of Assets and Liabilities**
**December 31, 2017**
*(Dollars in thousands)*

| | Voya Russell™ Large Cap Index Portfolio - Class I | Voya Russell™ Large Cap Value Index Portfolio - Class I | Voya Russell™ Large Cap Value Index Portfolio - Class S | Voya Small Company Portfolio - Class I | Voya MidCap Opportunities Portfolio - Class I |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Investments in mutual funds at fair value | $ 1,430 | $ 6,156 | $ 567 | $ 42,492 | $ 9,747 |
| Total assets | 1,430 | 6,156 | 567 | 42,492 | 9,747 |
| Net assets | $ 1,430 | $ 6,156 | $ 567 | $ 42,492 | $ 9,747 |
| **Net assets** | | | | | |
| Accumulation units | $ 1,430 | $ 6,156 | $ 567 | $ 42,394 | $ 9,747 |
| Contracts in payout (annuitization) | — | — | — | 98 | — |
| Total net assets | $ 1,430 | $ 6,156 | $ 567 | $ 42,492 | $ 9,747 |
| Total number of mutual fund shares | 68,112 | 263,746 | 24,460 | 1,930,581 | 669,436 |
| Cost of mutual fund shares | $ 932 | $ 5,103 | $ 374 | $ 38,426 | $ 9,319 |

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT I OF**
**VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**
**Statements of Assets and Liabilities**
**December 31, 2017**
*(Dollars in thousands)*

| | Voya MidCap Opportunities Portfolio - Class S | Voya SmallCap Opportunities Portfolio - Class I | Voya SmallCap Opportunities Portfolio - Class S | Wanger Select |
|---|---|---|---|---|
| **Assets** | | | | |
| Investments in mutual funds at fair value | $ 65 | $ 1 | $ 71 | $ 2 |
| Total assets | 65 | 1 | 71 | 2 |
| Net assets | $ 65 | $ 1 | $ 71 | $ 2 |
| **Net assets** | | | | |
| Accumulation units | $ 65 | $ 1 | $ 71 | $ 2 |
| Contracts in payout (annuitization) | — | — | — | — |
| Total net assets | $ 65 | $ 1 | $ 71 | $ 2 |
| Total number of mutual fund shares | 4,735 | 36 | 2,619 | 80 |
| Cost of mutual fund shares | $ 56 | $ 1 | $ 65 | $ 2 |

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT I OF**
**VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**
**Statements of Operations**
**For the Year Ended December 31, 2017**
*(Dollars in thousands)*

| | Invesco V.I. Core Equity Fund - Series I Shares | Artisan International Fund - Investor Shares | Calvert VP SRI Balanced Portfolio | EuroPacific Growth Fund® - Class R-4 | Federated Fund for U.S. Government Securities II - Primary Shares |
|---|---|---|---|---|---|
| **Net investment income (loss)** | | | | | |
| Investment Income: | | | | | |
| Dividends | $ 72 | $ — | $ 3 | $ 276 | $ 5 |
| Expenses: | | | | | |
| Mortality and expense risk charges | 65 | — | 2 | 270 | 3 |
| Total expenses | 65 | — | 2 | 270 | 3 |
| Net investment income (loss) | 7 | — | 1 | 6 | 2 |
| **Realized and unrealized gain (loss) on investments** | | | | | |
| Net realized gain (loss) on investments | 413 | — | 6 | 709 | (1) |
| Capital gains distributions | 359 | — | 1 | 1,220 | — |
| Total realized gain (loss) on investments and capital gains distributions | 772 | — | 7 | 1,929 | (1) |
| Net unrealized appreciation (depreciation) of investments | 40 | 8 | 3 | 5,659 | — |
| Net realized and unrealized gain (loss) on investments | 812 | 8 | 10 | 7,588 | (1) |
| Net increase (decrease) in net assets resulting from operations | $ 819 | $ 8 | $ 11 | $ 7,594 | $ 1 |

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT I OF**
**VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**
**Statements of Operations**
**For the Year Ended December 31, 2017**
*(Dollars in thousands)*

| | Federated Government Money Fund II - Service Shares | Federated High Income Bond Fund II - Primary Shares | Federated Kaufmann Fund II - Primary Shares | Federated Managed Tail Risk Fund II - Primary Shares | Federated Managed Volatility Fund II |
|---|---|---|---|---|---|
| **Net investment income (loss)** | | | | | |
| Investment Income: | | | | | |
| Dividends | $ 2 | $ 34 | $ — | $ 43 | $ 82 |
| Expenses: | | | | | |
| Mortality and expense risk charges | 10 | 6 | 21 | 34 | 28 |
| Total expenses | 10 | 6 | 21 | 34 | 28 |
| Net investment income (loss) | (8) | 28 | (21) | 9 | 54 |
| **Realized and unrealized gain (loss) on investments** | | | | | |
| Net realized gain (loss) on investments | — | (7) | 106 | (115) | 54 |
| Capital gains distributions | — | — | 165 | — | — |
| Total realized gain (loss) on investments and capital gains distributions | — | (7) | 271 | (115) | 54 |
| Net unrealized appreciation (depreciation) of investments | — | 5 | 102 | 328 | 200 |
| Net realized and unrealized gain (loss) on investments | — | (2) | 373 | 213 | 254 |
| Net increase (decrease) in net assets resulting from operations | $ (8) | $ 26 | $ 352 | $ 222 | $ 308 |

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT I OF**
**VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**
**Statements of Operations**
**For the Year Ended December 31, 2017**
*(Dollars in thousands)*

| | Fidelity® VIP Equity-Income Portfolio - Initial Class | Fidelity® VIP High Income Portfolio - Initial Class | Fidelity® VIP Contrafund® Portfolio - Initial Class | Fidelity® VIP Index 500 Portfolio - Initial Class | Fidelity® VIP Investment Grade Bond Portfolio - Initial Class |
|---|---|---|---|---|---|
| **Net investment income (loss)** | | | | | |
| Investment Income: | | | | | |
| Dividends | $ 262 | $ — | $ 311 | $ 99 | $ 2 |
| Expenses: | | | | | |
| Mortality and expense risk charges | 143 | — | 284 | 78 | 1 |
| Total expenses | 143 | — | 284 | 78 | 1 |
| Net investment income (loss) | 119 | — | 27 | 21 | 1 |
| **Realized and unrealized gain (loss) on investments** | | | | | |
| Net realized gain (loss) on investments | 399 | — | 1,203 | 432 | — |
| Capital gains distributions | 327 | — | 1,673 | 18 | — |
| Total realized gain (loss) on investments and capital gains distributions | 726 | — | 2,876 | 450 | — |
| Net unrealized appreciation (depreciation) of investments | 922 | — | 3,030 | 557 | 1 |
| Net realized and unrealized gain (loss) on investments | 1,648 | — | 5,906 | 1,007 | 1 |
| Net increase (decrease) in net assets resulting from operations | $ 1,767 | $ — | $ 5,933 | $ 1,028 | $ 2 |

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT I OF**
**VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**
**Statements of Operations**
**For the Year Ended December 31, 2017**
*(Dollars in thousands)*

| | Growth Fund of America® - Class R-4 | Neuberger Berman Socially Responsive Fund - Trust Class | Oppenheimer Main Street Fund®/VA | Oppenheimer Main Street Small Cap Fund®/VA | PIMCO Real Return Portfolio - Administrative Class |
|---|---|---|---|---|---|
| **Net investment income (loss)** | | | | | |
| Investment Income: | | | | | |
| Dividends | $ 231 | $ 10 | $ 1 | $ — | $ — |
| Expenses: | | | | | |
| Mortality and expense risk charges | 453 | 20 | 1 | — | — |
| Total expenses | 453 | 20 | 1 | — | — |
| Net investment income (loss) | (222) | (10) | — | — | — |
| **Realized and unrealized gain (loss) on investments** | | | | | |
| Net realized gain (loss) on investments | 2,804 | (59) | 1 | 1 | — |
| Capital gains distributions | 3,308 | 118 | 1 | — | — |
| Total realized gain (loss) on investments and capital gains distributions | 6,112 | 59 | 2 | 1 | — |
| Net unrealized appreciation (depreciation) of investments | 5,242 | 311 | 7 | — | — |
| Net realized and unrealized gain (loss) on investments | 11,354 | 370 | 9 | 1 | — |
| Net increase (decrease) in net assets resulting from operations | $ 11,132 | $ 360 | $ 9 | $ 1 | $ — |

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT I OF**
**VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**
**Statements of Operations**
**For the Year Ended December 31, 2017**
*(Dollars in thousands)*

| | Pioneer Equity Income VCT Portfolio - Class I | Pioneer Mid Cap Value VCT Portfolio - Class I | Voya Balanced Portfolio - Class I | Voya Intermediate Bond Portfolio - Class I | Voya Global Perspectives® Portfolio - Class A |
|---|---|---|---|---|---|
| **Net investment income (loss)** | | | | | |
| Investment Income: | | | | | |
| Dividends | $ — | $ — | $ 375 | $ 748 | $ 1 |
| Expenses: | | | | | |
| Mortality and expense risk charges | — | — | 140 | 213 | — |
| Total expenses | — | — | 140 | 213 | — |
| Net investment income (loss) | — | — | 235 | 535 | 1 |
| **Realized and unrealized gain (loss) on investments** | | | | | |
| Net realized gain (loss) on investments | — | — | 771 | (21) | — |
| Capital gains distributions | 2 | — | — | — | — |
| Total realized gain (loss) on investments and capital gains distributions | 2 | — | 771 | (21) | — |
| Net unrealized appreciation (depreciation) of investments | 1 | — | 850 | 374 | 4 |
| Net realized and unrealized gain (loss) on investments | 3 | — | 1,621 | 353 | 4 |
| Net increase (decrease) in net assets resulting from operations | $ 3 | $ — | $ 1,856 | $ 888 | $ 5 |

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT I OF**
**VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**
**Statements of Operations**
**For the Year Ended December 31, 2017**
*(Dollars in thousands)*

| | Voya High Yield Portfolio - Service Class | Voya Large Cap Growth Portfolio - Institutional Class | Voya Large Cap Value Portfolio - Institutional Class | Voya Large Cap Value Portfolio - Service Class | Voya Multi-Manager Large Cap Core Portfolio - Institutional Class |
|---|---|---|---|---|---|
| **Net investment income (loss)** | | | | | |
| Investment Income: | | | | | |
| Dividends | $ 90 | $ 87 | $ — | $ 3 | $ — |
| Expenses: | | | | | |
| Mortality and expense risk charges | 19 | 184 | — | 1 | — |
| Total expenses | 19 | 184 | — | 1 | — |
| Net investment income (loss) | 71 | (97) | — | 2 | — |
| **Realized and unrealized gain (loss) on investments** | | | | | |
| Net realized gain (loss) on investments | 23 | 246 | — | — | — |
| Capital gains distributions | — | 951 | — | — | — |
| Total realized gain (loss) on investments and capital gains distributions | 23 | 1,197 | — | — | — |
| Net unrealized appreciation (depreciation) of investments | (34) | 2,158 | — | 10 | — |
| Net realized and unrealized gain (loss) on investments | (11) | 3,355 | — | 10 | — |
| Net increase (decrease) in net assets resulting from operations | $ 60 | $ 3,258 | $ — | $ 12 | $ — |

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT I OF**
**VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**
**Statements of Operations**
**For the Year Ended December 31, 2017**
*(Dollars in thousands)*

| | Voya Retirement Conservative Portfolio - Adviser Class | Voya Retirement Growth Portfolio - Adviser Class | Voya Retirement Moderate Growth Portfolio - Adviser Class | Voya Retirement Moderate Portfolio - Adviser Class | Voya U.S. Stock Index Portfolio - Institutional Class |
|---|---|---|---|---|---|
| **Net investment income (loss)** | | | | | |
| Investment Income: | | | | | |
| Dividends | $ 2 | $ 1 | $ — | $ 1 | $ 520 |
| Expenses: | | | | | |
| Mortality and expense risk charges | 5 | — | — | 1 | 265 |
| Total expenses | 5 | — | — | 1 | 265 |
| Net investment income (loss) | (3) | 1 | — | — | 255 |
| **Realized and unrealized gain (loss) on investments** | | | | | |
| Net realized gain (loss) on investments | 20 | — | — | — | 1,095 |
| Capital gains distributions | 4 | 2 | 1 | 4 | 1,411 |
| Total realized gain (loss) on investments and capital gains distributions | 24 | 2 | 1 | 4 | 2,506 |
| Net unrealized appreciation (depreciation) of investments | 3 | 2 | — | 3 | 2,685 |
| Net realized and unrealized gain (loss) on investments | 27 | 4 | 1 | 7 | 5,191 |
| Net increase (decrease) in net assets resulting from operations | $ 24 | $ 5 | $ 1 | $ 7 | $ 5,446 |

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT I OF**
**VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**
**Statements of Operations**
**For the Year Ended December 31, 2017**
*(Dollars in thousands)*

| | VY® BlackRock Inflation Protected Bond Portfolio - Service Class | VY® FMR® Diversified Mid Cap Portfolio - Institutional Class | VY® Franklin Income Portfolio - Service Class | VY® Invesco Growth and Income Portfolio - Service Class | VY® JPMorgan Emerging Markets Equity Portfolio - Institutional Class |
|---|---|---|---|---|---|
| **Net investment income (loss)** | | | | | |
| Investment Income: | | | | | |
| Dividends | $ 2 | $ 4 | $ 5 | $ — | $ 2 |
| Expenses: | | | | | |
| Mortality and expense risk charges | 2 | 7 | 1 | — | 5 |
| Total expenses | 2 | 7 | 1 | — | 5 |
| Net investment income (loss) | — | (3) | 4 | — | (3) |
| **Realized and unrealized gain (loss) on investments** | | | | | |
| Net realized gain (loss) on investments | (3) | (169) | 1 | — | (8) |
| Capital gains distributions | — | 194 | — | 1 | — |
| Total realized gain (loss) on investments and capital gains distributions | (3) | 25 | 1 | 1 | (8) |
| Net unrealized appreciation (depreciation) of investments | 4 | 61 | 4 | 1 | 121 |
| Net realized and unrealized gain (loss) on investments | 1 | 86 | 5 | 2 | 113 |
| Net increase (decrease) in net assets resulting from operations | $ 1 | $ 83 | $ 9 | $ 2 | $ 110 |

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT I OF**
**VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**
**Statements of Operations**
**For the Year Ended December 31, 2017**
*(Dollars in thousands)*

| | VY® JPMorgan Small Cap Core Equity Portfolio - Institutional Class | VY® T. Rowe Price Capital Appreciation Portfolio - Service Class | VY® T. Rowe Price International Stock Portfolio - Service Class | Voya Government Money Market Portfolio - Class I | Voya Global Bond Portfolio - Initial Class |
|---|---|---|---|---|---|
| **Net investment income (loss)** | | | | | |
| Investment Income: | | | | | |
| Dividends | $ 1 | $ 671 | $ 2 | $ 70 | $ 292 |
| Expenses: | | | | | |
| Mortality and expense risk charges | 1 | 490 | 2 | 130 | 110 |
| Total expenses | 1 | 490 | 2 | 130 | 110 |
| Net investment income (loss) | — | 181 | — | (60) | 182 |
| **Realized and unrealized gain (loss) on investments** | | | | | |
| Net realized gain (loss) on investments | 3 | 487 | 7 | — | (148) |
| Capital gains distributions | 4 | 2,543 | — | 3 | — |
| Total realized gain (loss) on investments and capital gains distributions | 7 | 3,030 | 7 | 3 | (148) |
| Net unrealized appreciation (depreciation) of investments | 6 | 3,832 | 33 | — | 902 |
| Net realized and unrealized gain (loss) on investments | 13 | 6,862 | 40 | 3 | 754 |
| Net increase (decrease) in net assets resulting from operations | $ 13 | $ 7,043 | $ 40 | $ (57) | $ 936 |

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT I OF**
**VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**
**Statements of Operations**
**For the Year Ended December 31, 2017**
*(Dollars in thousands)*

| | Voya Solution Moderately Aggressive Portfolio - Service Class | VY® Baron Growth Portfolio - Service Class | VY® Invesco Equity and Income Portfolio - Initial Class | VY® Oppenheimer Global Portfolio - Initial Class | VY® Pioneer High Yield Portfolio - Initial Class |
|---|---|---|---|---|---|
| **Net investment income (loss)** | | | | | |
| Investment Income: | | | | | |
| Dividends | $ — | $ 78 | $ 110 | $ 373 | $ 77 |
| Expenses: | | | | | |
| Mortality and expense risk charges | — | 93 | 72 | 347 | 22 |
| Total expenses | — | 93 | 72 | 347 | 22 |
| Net investment income (loss) | — | (15) | 38 | 26 | 55 |
| **Realized and unrealized gain (loss) on investments** | | | | | |
| Net realized gain (loss) on investments | — | 336 | 9 | 1,175 | (17) |
| Capital gains distributions | — | 1,141 | 126 | 53 | — |
| Total realized gain (loss) on investments and capital gains distributions | — | 1,477 | 135 | 1,228 | (17) |
| Net unrealized appreciation (depreciation) of investments | — | 955 | 288 | 8,925 | 53 |
| Net realized and unrealized gain (loss) on investments | — | 2,432 | 423 | 10,153 | 36 |
| Net increase (decrease) in net assets resulting from operations | $ — | $ 2,417 | $ 461 | $ 10,179 | $ 91 |

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT I OF**
**VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**
**Statements of Operations**
**For the Year Ended December 31, 2017**
*(Dollars in thousands)*

| | VY® T. Rowe Price Diversified Mid Cap Growth Portfolio - Initial Class | VY® T. Rowe Price Growth Equity Portfolio - Initial Class | VY® Templeton Foreign Equity Portfolio - Initial Class | Voya Strategic Allocation Conservative Portfolio - Class I | Voya Strategic Allocation Growth Portfolio - Class I |
|---|---|---|---|---|---|
| **Net investment income (loss)** | | | | | |
| Investment Income: | | | | | |
| Dividends | $ 14 | $ 8 | $ 7 | $ 68 | $ 26 |
| Expenses: | | | | | |
| Mortality and expense risk charges | 34 | 155 | 6 | 36 | 21 |
| Total expenses | 34 | 155 | 6 | 36 | 21 |
| Net investment income (loss) | (20) | (147) | 1 | 32 | 5 |
| **Realized and unrealized gain (loss) on investments** | | | | | |
| Net realized gain (loss) on investments | 162 | 654 | 33 | 521 | 69 |
| Capital gains distributions | 160 | 1,471 | — | — | — |
| Total realized gain (loss) on investments and capital gains distributions | 322 | 2,125 | 33 | 521 | 69 |
| Net unrealized appreciation (depreciation) of investments | 213 | 1,970 | 46 | (335) | 149 |
| Net realized and unrealized gain (loss) on investments | 535 | 4,095 | 79 | 186 | 218 |
| Net increase (decrease) in net assets resulting from operations | $ 515 | $ 3,948 | $ 80 | $ 218 | $ 223 |

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT I OF**
**VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**
**Statements of Operations**
**For the Year Ended December 31, 2017**
*(Dollars in thousands)*

| | Voya Strategic Allocation Moderate Portfolio - Class I | Voya Growth and Income Portfolio - Class I | Voya Global Equity Portfolio - Class S | Voya Index Plus LargeCap Portfolio - Class I | Voya Index Plus MidCap Portfolio - Class I |
|---|---|---|---|---|---|
| **Net investment income (loss)** | | | | | |
| Investment Income: | | | | | |
| Dividends | $ 27 | $ 80 | $ 1 | $ 17 | $ 509 |
| Expenses: | | | | | |
| Mortality and expense risk charges | 20 | 64 | 1 | 14 | 341 |
| Total expenses | 20 | 64 | 1 | 14 | 341 |
| Net investment income (loss) | 7 | 16 | — | 3 | 168 |
| **Realized and unrealized gain (loss) on investments** | | | | | |
| Net realized gain (loss) on investments | 37 | 146 | 4 | 44 | 2,213 |
| Capital gains distributions | — | 501 | — | 19 | 2,447 |
| Total realized gain (loss) on investments and capital gains distributions | 37 | 647 | 4 | 63 | 4,660 |
| Net unrealized appreciation (depreciation) of investments | 133 | 139 | 8 | 150 | (376) |
| Net realized and unrealized gain (loss) on investments | 170 | 786 | 12 | 213 | 4,284 |
| Net increase (decrease) in net assets resulting from operations | $ 177 | $ 802 | $ 12 | $ 216 | $ 4,452 |

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT I OF**
**VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**
**Statements of Operations**
**For the Year Ended December 31, 2017**
*(Dollars in thousands)*

| | Voya Index Plus SmallCap Portfolio - Class I | Voya International Index Portfolio - Class I | Voya Russell™ Large Cap Growth Index Portfolio - Class I | Voya Russell™ Large Cap Index Portfolio - Class I | Voya Russell™ Large Cap Value Index Portfolio - Class I |
|---|---|---|---|---|---|
| **Net investment income (loss)** | | | | | |
| Investment Income: | | | | | |
| Dividends | $ — | $ 22 | $ 35 | $ 23 | $ 130 |
| Expenses: | | | | | |
| Mortality and expense risk charges | — | 12 | 43 | 18 | 86 |
| Total expenses | — | 12 | 43 | 18 | 86 |
| Net investment income (loss) | — | 10 | (8) | 5 | 44 |
| **Realized and unrealized gain (loss) on investments** | | | | | |
| Net realized gain (loss) on investments | — | 49 | 267 | 151 | 117 |
| Capital gains distributions | 1 | — | — | — | — |
| Total realized gain (loss) on investments and capital gains distributions | 1 | 49 | 267 | 151 | 117 |
| Net unrealized appreciation (depreciation) of investments | — | 123 | 537 | 97 | 536 |
| Net realized and unrealized gain (loss) on investments | 1 | 172 | 804 | 248 | 653 |
| Net increase (decrease) in net assets resulting from operations | $ 1 | $ 182 | $ 796 | $ 253 | $ 697 |

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT I OF**
**VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**
**Statements of Operations**
**For the Year Ended December 31, 2017**
*(Dollars in thousands)*

| | Voya Russell™ Large Cap Value Index Portfolio - Class S | Voya Small Company Portfolio - Class I | Voya MidCap Opportunities Portfolio - Class I | Voya MidCap Opportunities Portfolio - Class S | Voya SmallCap Opportunities Portfolio - Class I |
|---|---|---|---|---|---|
| **Net investment income (loss)** | | | | | |
| Investment Income: | | | | | |
| Dividends | $ 10 | $ 145 | $ 12 | $ — | $ — |
| Expenses: | | | | | |
| Mortality and expense risk charges | 8 | 393 | 80 | 1 | — |
| Total expenses | 8 | 393 | 80 | 1 | — |
| Net investment income (loss) | 2 | (248) | (68) | (1) | — |
| **Realized and unrealized gain (loss) on investments** | | | | | |
| Net realized gain (loss) on investments | 22 | 2,195 | (50) | (8) | 1 |
| Capital gains distributions | — | 4,465 | 452 | 6 | — |
| Total realized gain (loss) on investments and capital gains distributions | 22 | 6,660 | 402 | (2) | 1 |
| Net unrealized appreciation (depreciation) of investments | 36 | (2,289) | 1,497 | 24 | — |
| Net realized and unrealized gain (loss) on investments | 58 | 4,371 | 1,899 | 22 | 1 |
| Net increase (decrease) in net assets resulting from operations | $ 60 | $ 4,123 | $ 1,831 | $ 21 | $ 1 |

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT I OF**
**VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**
**Statements of Operations**
**For the Year Ended December 31, 2017**
*(Dollars in thousands)*

| | Voya SmallCap Opportunities Portfolio - Class S | Wanger Select |
|---|---|---|
| **Net investment income (loss)** | | |
| Investment Income: | | |
| Dividends | $ — | $ — |
| Expenses: | | |
| Mortality and expense risk charges | 1 | — |
| Total expenses | 1 | — |
| Net investment income (loss) | (1) | — |
| **Realized and unrealized gain (loss) on investments** | | |
| Net realized gain (loss) on investments | (2) | — |
| Capital gains distributions | 4 | — |
| Total realized gain (loss) on investments and capital gains distributions | 2 | — |
| Net unrealized appreciation (depreciation) of investments | 12 | — |
| Net realized and unrealized gain (loss) on investments | 14 | — |
| Net increase (decrease) in net assets resulting from operations | $ 13 | $ — |

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT I OF**
**VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**
**Statements of Changes in Net Assets**
**For the Years Ended December 31, 2017 and 2016**
*(Dollars in thousands)*

| | Invesco V.I. Core Equity Fund - Series I Shares | Artisan International Fund - Investor Shares | Calvert VP SRI Balanced Portfolio | EuroPacific Growth Fund® - Class R-4 |
|---|---|---|---|---|
| **Net assets at January 1, 2016** | $ 7,032 | $ 30 | $ 134 | $ 29,194 |
| **Increase (decrease) in net assets** | | | | |
| Operations: | | | | |
| Net investment income (loss) | (10) | — | — | 87 |
| Total realized gain (loss) on investments and capital gains distributions | 816 | — | 5 | 520 |
| Net unrealized appreciation (depreciation) of investments | (158) | (3) | 3 | (700) |
| Net increase (decrease) in net assets resulting from operations | 648 | (3) | 8 | (93) |
| Changes from principal transactions: | | | | |
| Total unit transactions | (388) | — | (12) | (2,687) |
| Increase (decrease) in net assets derived from principal transactions | (388) | — | (12) | (2,687) |
| Total increase (decrease) in net assets | 260 | (3) | (4) | (2,780) |
| **Net assets at December 31, 2016** | 7,292 | 27 | 130 | 26,414 |
| **Increase (decrease) in net assets** | | | | |
| Operations: | | | | |
| Net investment income (loss) | 7 | — | 1 | 6 |
| Total realized gain (loss) on investments and capital gains distributions | 772 | — | 7 | 1,929 |
| Net unrealized appreciation (depreciation) of investments | 40 | 8 | 3 | 5,659 |
| Net increase (decrease) in net assets resulting from operations | 819 | 8 | 11 | 7,594 |
| Changes from principal transactions: | | | | |
| Total unit transactions | (970) | — | (70) | (1,653) |
| Increase (decrease) in net assets derived from principal transactions | (970) | — | (70) | (1,653) |
| Total increase (decrease) in net assets | (151) | 8 | (59) | 5,941 |
| **Net assets at December 31, 2017** | $ 7,141 | $ 35 | $ 71 | $ 32,355 |

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT I OF**
**VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**
**Statements of Changes in Net Assets**
**For the Years Ended December 31, 2017 and 2016**
*(Dollars in thousands)*

| | Federated Fund for U.S. Government Securities II - Primary Shares | Federated Government Money Fund II - Service Shares | Federated High Income Bond Fund II - Primary Shares | Federated Kaufmann Fund II - Primary Shares |
|---|---|---|---|---|
| **Net assets at January 1, 2016** | $ 247 | $ 795 | $ 753 | $ 1,676 |
| **Increase (decrease) in net assets** | | | | |
| Operations: | | | | |
| Net investment income (loss) | 2 | (11) | 38 | (21) |
| Total realized gain (loss) on investments and capital gains distributions | — | — | — | 155 |
| Net unrealized appreciation (depreciation) of investments | (1) | — | 50 | (119) |
| Net increase (decrease) in net assets resulting from operations | 1 | (11) | 88 | 15 |
| Changes from principal transactions: | | | | |
| Total unit transactions | (41) | 8 | (340) | (255) |
| Increase (decrease) in net assets derived from principal transactions | (41) | 8 | (340) | (255) |
| Total increase (decrease) in net assets | (40) | (3) | (252) | (240) |
| **Net assets at December 31, 2016** | 207 | 792 | 501 | 1,436 |
| **Increase (decrease) in net assets** | | | | |
| Operations: | | | | |
| Net investment income (loss) | 2 | (8) | 28 | (21) |
| Total realized gain (loss) on investments and capital gains distributions | (1) | — | (7) | 271 |
| Net unrealized appreciation (depreciation) of investments | — | — | 5 | 102 |
| Net increase (decrease) in net assets resulting from operations | 1 | (8) | 26 | 352 |
| Changes from principal transactions: | | | | |
| Total unit transactions | (6) | (220) | (135) | (354) |
| Increase (decrease) in net assets derived from principal transactions | (6) | (220) | (135) | (354) |
| Total increase (decrease) in net assets | (5) | (228) | (109) | (2) |
| **Net assets at December 31, 2017** | $ 202 | $ 564 | $ 392 | $ 1,434 |

*The accompanying notes are an integral part of these financial statements.*

# VARIABLE ANNUITY ACCOUNT I OF
# VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY
## Statements of Changes in Net Assets
## For the Years Ended December 31, 2017 and 2016
*(Dollars in thousands)*

| | Federated Managed Tail Risk Fund II - Primary Shares | Federated Managed Volatility Fund II | Fidelity® VIP Equity-Income Portfolio - Initial Class | Fidelity® VIP High Income Portfolio - Initial Class |
|---|---|---|---|---|
| **Net assets at January 1, 2016** | $ 3,367 | $ 2,499 | $ 14,525 | $ 3 |
| **Increase (decrease) in net assets** | | | | |
| Operations: | | | | |
| Net investment income (loss) | 13 | 82 | 203 | — |
| Total realized gain (loss) on investments and capital gains distributions | (137) | 44 | 1,040 | — |
| Net unrealized appreciation (depreciation) of investments | (57) | (3) | 1,062 | — |
| Net increase (decrease) in net assets resulting from operations | (181) | 123 | 2,305 | — |
| Changes from principal transactions: | | | | |
| Total unit transactions | (505) | (557) | (1,272) | — |
| Increase (decrease) in net assets derived from principal transactions | (505) | (557) | (1,272) | — |
| Total increase (decrease) in net assets | (686) | (434) | 1,033 | — |
| **Net assets at December 31, 2016** | 2,681 | 2,065 | 15,558 | 3 |
| **Increase (decrease) in net assets** | | | | |
| Operations: | | | | |
| Net investment income (loss) | 9 | 54 | 119 | — |
| Total realized gain (loss) on investments and capital gains distributions | (115) | 54 | 726 | — |
| Net unrealized appreciation (depreciation) of investments | 328 | 200 | 922 | — |
| Net increase (decrease) in net assets resulting from operations | 222 | 308 | 1,767 | — |
| Changes from principal transactions: | | | | |
| Total unit transactions | (651) | (403) | (1,561) | — |
| Increase (decrease) in net assets derived from principal transactions | (651) | (403) | (1,561) | — |
| Total increase (decrease) in net assets | (429) | (95) | 206 | — |
| **Net assets at December 31, 2017** | $ 2,252 | $ 1,970 | $ 15,764 | $ 3 |

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT I OF**
**VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**
**Statements of Changes in Net Assets**
**For the Years Ended December 31, 2017 and 2016**
*(Dollars in thousands)*

| | Fidelity® VIP Contrafund® Portfolio - Initial Class | Fidelity® VIP Index 500 Portfolio - Initial Class | Fidelity® VIP Investment Grade Bond Portfolio - Initial Class | Growth Fund of America® - Class R-4 |
|---|---|---|---|---|
| **Net assets at January 1, 2016** | $ 31,943 | $ 5,331 | $ 91 | $ 48,223 |
| **Increase (decrease) in net assets** | | | | |
| Operations: | | | | |
| Net investment income (loss) | (34) | 4 | 1 | (155) |
| Total realized gain (loss) on investments and capital gains distributions | 3,788 | 282 | — | 5,064 |
| Net unrealized appreciation (depreciation) of investments | (1,741) | 225 | 2 | (1,655) |
| Net increase (decrease) in net assets resulting from operations | 2,013 | 511 | 3 | 3,254 |
| Changes from principal transactions: | | | | |
| Total unit transactions | (3,937) | (477) | (4) | (4,795) |
| Increase (decrease) in net assets derived from principal transactions | (3,937) | (477) | (4) | (4,795) |
| Total increase (decrease) in net assets | (1,924) | 34 | (1) | (1,541) |
| **Net assets at December 31, 2016** | 30,019 | 5,365 | 90 | 46,682 |
| **Increase (decrease) in net assets** | | | | |
| Operations: | | | | |
| Net investment income (loss) | 27 | 21 | 1 | (222) |
| Total realized gain (loss) on investments and capital gains distributions | 2,876 | 450 | — | 6,112 |
| Net unrealized appreciation (depreciation) of investments | 3,030 | 557 | 1 | 5,242 |
| Net increase (decrease) in net assets resulting from operations | 5,933 | 1,028 | 2 | 11,132 |
| Changes from principal transactions: | | | | |
| Total unit transactions | (3,261) | (606) | (4) | (4,143) |
| Increase (decrease) in net assets derived from principal transactions | (3,261) | (606) | (4) | (4,143) |
| Total increase (decrease) in net assets | 2,672 | 422 | (2) | 6,989 |
| **Net assets at December 31, 2017** | $ 32,691 | $ 5,787 | $ 88 | $ 53,671 |

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT I OF**
**VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**
**Statements of Changes in Net Assets**
**For the Years Ended December 31, 2017 and 2016**
*(Dollars in thousands)*

| | Neuberger Berman Socially Responsive Fund - Trust Class | Oppenheimer Main Street Fund®/VA | Oppenheimer Main Street Small Cap Fund®/VA | PIMCO Real Return Portfolio - Administrative Class |
|---|---|---|---|---|
| **Net assets at January 1, 2016** | $ 2,303 | $ 59 | $ 3 | $ 1 |
| **Increase (decrease) in net assets** | | | | |
| Operations: | | | | |
| Net investment income (loss) | 4 | — | — | — |
| Total realized gain (loss) on investments and capital gains distributions | 112 | 8 | — | — |
| Net unrealized appreciation (depreciation) of investments | 69 | (2) | — | — |
| Net increase (decrease) in net assets resulting from operations | 185 | 6 | — | — |
| Changes from principal transactions: | | | | |
| Total unit transactions | (220) | (3) | — | — |
| Increase (decrease) in net assets derived from principal transactions | (220) | (3) | — | — |
| Total increase (decrease) in net assets | (35) | 3 | — | — |
| **Net assets at December 31, 2016** | 2,268 | 62 | 3 | 1 |
| **Increase (decrease) in net assets** | | | | |
| Operations: | | | | |
| Net investment income (loss) | (10) | — | — | — |
| Total realized gain (loss) on investments and capital gains distributions | 59 | 2 | 1 | — |
| Net unrealized appreciation (depreciation) of investments | 311 | 7 | — | — |
| Net increase (decrease) in net assets resulting from operations | 360 | 9 | 1 | — |
| Changes from principal transactions: | | | | |
| Total unit transactions | (364) | (3) | (4) | — |
| Increase (decrease) in net assets derived from principal transactions | (364) | (3) | (4) | — |
| Total increase (decrease) in net assets | (4) | 6 | (3) | — |
| **Net assets at December 31, 2017** | $ 2,264 | $ 68 | $ — | $ 1 |

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT I OF**
**VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**
**Statements of Changes in Net Assets**
**For the Years Ended December 31, 2017 and 2016**
*(Dollars in thousands)*

| | Pioneer Equity Income VCT Portfolio - Class I | Pioneer Mid Cap Value VCT Portfolio - Class I | Voya Balanced Portfolio - Class I | Voya Intermediate Bond Portfolio - Class I |
|---|---|---|---|---|
| **Net assets at January 1, 2016** | $ 22 | $ — | $ 15,020 | $ 23,732 |
| **Increase (decrease) in net assets** | | | | |
| Operations: | | | | |
| Net investment income (loss) | — | — | 121 | 304 |
| Total realized gain (loss) on investments and capital gains distributions | 1 | — | 824 | 225 |
| Net unrealized appreciation (depreciation) of investments | 3 | — | (10) | 257 |
| Net increase (decrease) in net assets resulting from operations | 4 | — | 935 | 786 |
| Changes from principal transactions: | | | | |
| Total unit transactions | 1 | — | (1,697) | (2,129) |
| Increase (decrease) in net assets derived from principal transactions | 1 | — | (1,697) | (2,129) |
| Total increase (decrease) in net assets | 5 | — | (762) | (1,343) |
| **Net assets at December 31, 2016** | 27 | — | 14,258 | 22,389 |
| **Increase (decrease) in net assets** | | | | |
| Operations: | | | | |
| Net investment income (loss) | — | — | 235 | 535 |
| Total realized gain (loss) on investments and capital gains distributions | 2 | — | 771 | (21) |
| Net unrealized appreciation (depreciation) of investments | 1 | — | 850 | 374 |
| Net increase (decrease) in net assets resulting from operations | 3 | — | 1,856 | 888 |
| Changes from principal transactions: | | | | |
| Total unit transactions | 1 | 1 | (1,599) | (1,460) |
| Increase (decrease) in net assets derived from principal transactions | 1 | 1 | (1,599) | (1,460) |
| Total increase (decrease) in net assets | 4 | 1 | 257 | (572) |
| **Net assets at December 31, 2017** | $ 31 | $ 1 | $ 14,515 | $ 21,817 |

*The accompanying notes are an integral part of these financial statements.*

# VARIABLE ANNUITY ACCOUNT I OF
# VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY
## Statements of Changes in Net Assets
## For the Years Ended December 31, 2017 and 2016
*(Dollars in thousands)*

| | Voya Global Perspectives® Portfolio - Class A | Voya High Yield Portfolio - Service Class | Voya Large Cap Growth Portfolio - Institutional Class | Voya Large Cap Value Portfolio - Institutional Class |
|---|---|---|---|---|
| **Net assets at January 1, 2016** | $ 25 | $ 1,069 | $ 13,208 | $ 1 |
| **Increase (decrease) in net assets** | | | | |
| Operations: | | | | |
| Net investment income (loss) | 1 | 65 | (103) | — |
| Total realized gain (loss) on investments and capital gains distributions | — | (42) | 1,682 | — |
| Net unrealized appreciation (depreciation) of investments | 1 | 129 | (1,277) | — |
| Net increase (decrease) in net assets resulting from operations | 2 | 152 | 302 | — |
| Changes from principal transactions: | | | | |
| Total unit transactions | 46 | 309 | (1,084) | — |
| Increase (decrease) in net assets derived from principal transactions | 46 | 309 | (1,084) | — |
| Total increase (decrease) in net assets | 48 | 461 | (782) | — |
| **Net assets at December 31, 2016** | 73 | 1,530 | 12,426 | 1 |
| **Increase (decrease) in net assets** | | | | |
| Operations: | | | | |
| Net investment income (loss) | 1 | 71 | (97) | — |
| Total realized gain (loss) on investments and capital gains distributions | — | 23 | 1,197 | — |
| Net unrealized appreciation (depreciation) of investments | 4 | (34) | 2,158 | — |
| Net increase (decrease) in net assets resulting from operations | 5 | 60 | 3,258 | — |
| Changes from principal transactions: | | | | |
| Total unit transactions | (48) | (360) | (2,039) | — |
| Increase (decrease) in net assets derived from principal transactions | (48) | (360) | (2,039) | — |
| Total increase (decrease) in net assets | (43) | (300) | 1,219 | — |
| **Net assets at December 31, 2017** | $ 30 | $ 1,230 | $ 13,645 | $ 1 |

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT I OF**
**VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**
**Statements of Changes in Net Assets**
**For the Years Ended December 31, 2017 and 2016**
*(Dollars in thousands)*

| | Voya Large Cap Value Portfolio - Service Class | Voya Multi-Manager Large Cap Core Portfolio - Institutional Class | Voya Retirement Conservative Portfolio - Adviser Class | Voya Retirement Growth Portfolio - Adviser Class |
|---|---|---|---|---|
| **Net assets at January 1, 2016** | $ 28 | $ 3 | $ 608 | $ 31 |
| **Increase (decrease) in net assets** | | | | |
| Operations: | | | | |
| Net investment income (loss) | 1 | — | — | 1 |
| Total realized gain (loss) on investments and capital gains distributions | 1 | — | 12 | 2 |
| Net unrealized appreciation (depreciation) of investments | 2 | — | 7 | — |
| Net increase (decrease) in net assets resulting from operations | 4 | — | 19 | 3 |
| Changes from principal transactions: | | | | |
| Total unit transactions | (7) | — | 7 | (2) |
| Increase (decrease) in net assets derived from principal transactions | (7) | — | 7 | (2) |
| Total increase (decrease) in net assets | (3) | — | 26 | 1 |
| **Net assets at December 31, 2016** | 25 | 3 | 634 | 32 |
| **Increase (decrease) in net assets** | | | | |
| Operations: | | | | |
| Net investment income (loss) | 2 | — | (3) | 1 |
| Total realized gain (loss) on investments and capital gains distributions | — | — | 24 | 2 |
| Net unrealized appreciation (depreciation) of investments | 10 | — | 3 | 2 |
| Net increase (decrease) in net assets resulting from operations | 12 | — | 24 | 5 |
| Changes from principal transactions: | | | | |
| Total unit transactions | 98 | (3) | (497) | — |
| Increase (decrease) in net assets derived from principal transactions | 98 | (3) | (497) | — |
| Total increase (decrease) in net assets | 110 | (3) | (473) | 5 |
| **Net assets at December 31, 2017** | $ 135 | $ — | $ 161 | $ 37 |

*The accompanying notes are an integral part of these financial statements.*

# VARIABLE ANNUITY ACCOUNT I OF
# VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY
## Statements of Changes in Net Assets
## For the Years Ended December 31, 2017 and 2016
*(Dollars in thousands)*

| | Voya Retirement Moderate Growth Portfolio - Adviser Class | Voya Retirement Moderate Portfolio - Adviser Class | Voya U.S. Stock Index Portfolio - Institutional Class | VY® BlackRock Inflation Protected Bond Portfolio - Service Class |
|---|---|---|---|---|
| **Net assets at January 1, 2016** | $ 6 | $ 78 | $ 26,377 | $ 175 |
| **Increase (decrease) in net assets** | | | | |
| Operations: | | | | |
| Net investment income (loss) | — | — | 299 | (2) |
| Total realized gain (loss) on investments and capital gains distributions | — | 2 | 2,927 | (4) |
| Net unrealized appreciation (depreciation) of investments | — | 1 | (519) | 10 |
| Net increase (decrease) in net assets resulting from operations | — | 3 | 2,707 | 4 |
| Changes from principal transactions: | | | | |
| Total unit transactions | — | (18) | (1,622) | (21) |
| Increase (decrease) in net assets derived from principal transactions | — | (18) | (1,622) | (21) |
| Total increase (decrease) in net assets | — | (15) | 1,085 | (17) |
| **Net assets at December 31, 2016** | 6 | 63 | 27,462 | 158 |
| **Increase (decrease) in net assets** | | | | |
| Operations: | | | | |
| Net investment income (loss) | — | — | 255 | — |
| Total realized gain (loss) on investments and capital gains distributions | 1 | 4 | 2,506 | (3) |
| Net unrealized appreciation (depreciation) of investments | — | 3 | 2,685 | 4 |
| Net increase (decrease) in net assets resulting from operations | 1 | 7 | 5,446 | 1 |
| Changes from principal transactions: | | | | |
| Total unit transactions | (5) | (1) | (1,662) | (71) |
| Increase (decrease) in net assets derived from principal transactions | (5) | (1) | (1,662) | (71) |
| Total increase (decrease) in net assets | (4) | 6 | 3,784 | (70) |
| **Net assets at December 31, 2017** | $ 2 | $ 69 | $ 31,246 | $ 88 |

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT I OF**
**VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**
**Statements of Changes in Net Assets**
**For the Years Ended December 31, 2017 and 2016**
*(Dollars in thousands)*

| | VY® FMR® Diversified Mid Cap Portfolio - Institutional Class | VY® Franklin Income Portfolio - Service Class | VY® Invesco Growth and Income Portfolio - Service Class | VY® JPMorgan Emerging Markets Equity Portfolio - Institutional Class |
|---|---|---|---|---|
| **Net assets at January 1, 2016** | $ 762 | $ 69 | $ 14 | $ 296 |
| **Increase (decrease) in net assets** | | | | |
| Operations: | | | | |
| Net investment income (loss) | (4) | 3 | — | — |
| Total realized gain (loss) on investments and capital gains distributions | 70 | — | 2 | (37) |
| Net unrealized appreciation (depreciation) of investments | 11 | 6 | 1 | 71 |
| Net increase (decrease) in net assets resulting from operations | 77 | 9 | 3 | 34 |
| Changes from principal transactions: | | | | |
| Total unit transactions | (38) | (11) | (1) | (54) |
| Increase (decrease) in net assets derived from principal transactions | (38) | (11) | (1) | (54) |
| Total increase (decrease) in net assets | 39 | (2) | 2 | (20) |
| **Net assets at December 31, 2016** | 801 | 67 | 16 | 276 |
| **Increase (decrease) in net assets** | | | | |
| Operations: | | | | |
| Net investment income (loss) | (3) | 4 | — | (3) |
| Total realized gain (loss) on investments and capital gains distributions | 25 | 1 | 1 | (8) |
| Net unrealized appreciation (depreciation) of investments | 61 | 4 | 1 | 121 |
| Net increase (decrease) in net assets resulting from operations | 83 | 9 | 2 | 110 |
| Changes from principal transactions: | | | | |
| Total unit transactions | (884) | 11 | — | (13) |
| Increase (decrease) in net assets derived from principal transactions | (884) | 11 | — | (13) |
| Total increase (decrease) in net assets | (801) | 20 | 2 | 97 |
| **Net assets at December 31, 2017** | $ — | $ 87 | $ 18 | $ 373 |

*The accompanying notes are an integral part of these financial statements.*

# VARIABLE ANNUITY ACCOUNT I OF
# VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY
## Statements of Changes in Net Assets
## For the Years Ended December 31, 2017 and 2016
*(Dollars in thousands)*

| | VY® JPMorgan Small Cap Core Equity Portfolio - Institutional Class | VY® T. Rowe Price Capital Appreciation Portfolio - Service Class | VY® T. Rowe Price International Stock Portfolio - Service Class | Voya Government Money Market Portfolio - Class I |
|---|---|---|---|---|
| **Net assets at January 1, 2016** | $ 59 | $ 49,803 | $ 226 | $ 13,519 |
| **Increase (decrease) in net assets** | | | | |
| Operations: | | | | |
| Net investment income (loss) | (1) | 206 | — | (132) |
| Total realized gain (loss) on investments and capital gains distributions | 3 | 5,011 | 2 | 13 |
| Net unrealized appreciation (depreciation) of investments | 8 | (1,721) | (1) | — |
| Net increase (decrease) in net assets resulting from operations | 10 | 3,496 | 1 | (119) |
| Changes from principal transactions: | | | | |
| Total unit transactions | 13 | (2,977) | (54) | 291 |
| Increase (decrease) in net assets derived from principal transactions | 13 | (2,977) | (54) | 291 |
| Total increase (decrease) in net assets | 23 | 519 | (53) | 172 |
| **Net assets at December 31, 2016** | 82 | 50,322 | 173 | 13,691 |
| **Increase (decrease) in net assets** | | | | |
| Operations: | | | | |
| Net investment income (loss) | — | 181 | — | (60) |
| Total realized gain (loss) on investments and capital gains distributions | 7 | 3,030 | 7 | 3 |
| Net unrealized appreciation (depreciation) of investments | 6 | 3,832 | 33 | — |
| Net increase (decrease) in net assets resulting from operations | 13 | 7,043 | 40 | (57) |
| Changes from principal transactions: | | | | |
| Total unit transactions | 51 | 671 | (50) | (2,621) |
| Increase (decrease) in net assets derived from principal transactions | 51 | 671 | (50) | (2,621) |
| Total increase (decrease) in net assets | 64 | 7,714 | (10) | (2,678) |
| **Net assets at December 31, 2017** | $ 146 | $ 58,036 | $ 163 | $ 11,013 |

*The accompanying notes are an integral part of these financial statements.*

# VARIABLE ANNUITY ACCOUNT I OF
# VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY
## Statements of Changes in Net Assets
## For the Years Ended December 31, 2017 and 2016
*(Dollars in thousands)*

| | Voya Global Bond Portfolio - Initial Class | Voya Solution Moderately Aggressive Portfolio - Service Class | VY® Baron Growth Portfolio - Service Class | VY® Invesco Equity and Income Portfolio - Initial Class |
|---|---|---|---|---|
| **Net assets at January 1, 2016** | $ 11,391 | $ 2 | $ 10,479 | $ 5,239 |
| **Increase (decrease) in net assets** | | | | |
| Operations: | | | | |
| Net investment income (loss) | 87 | — | (88) | 32 |
| Total realized gain (loss) on investments and capital gains distributions | (173) | — | 1,599 | 346 |
| Net unrealized appreciation (depreciation) of investments | 702 | — | (1,104) | 277 |
| Net increase (decrease) in net assets resulting from operations | 616 | — | 407 | 655 |
| Changes from principal transactions: | | | | |
| Total unit transactions | (818) | — | (1,637) | (672) |
| Increase (decrease) in net assets derived from principal transactions | (818) | — | (1,637) | (672) |
| Total increase (decrease) in net assets | (202) | — | (1,230) | (17) |
| **Net assets at December 31, 2016** | 11,189 | 2 | 9,249 | 5,222 |
| **Increase (decrease) in net assets** | | | | |
| Operations: | | | | |
| Net investment income (loss) | 182 | — | (15) | 38 |
| Total realized gain (loss) on investments and capital gains distributions | (148) | — | 1,477 | 135 |
| Net unrealized appreciation (depreciation) of investments | 902 | — | 955 | 288 |
| Net increase (decrease) in net assets resulting from operations | 936 | — | 2,417 | 461 |
| Changes from principal transactions: | | | | |
| Total unit transactions | (515) | 1 | (563) | (634) |
| Increase (decrease) in net assets derived from principal transactions | (515) | 1 | (563) | (634) |
| Total increase (decrease) in net assets | 421 | 1 | 1,854 | (173) |
| **Net assets at December 31, 2017** | $ 11,610 | $ 3 | $ 11,103 | $ 5,049 |

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT I OF**
**VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**
**Statements of Changes in Net Assets**
**For the Years Ended December 31, 2017 and 2016**
*(Dollars in thousands)*

| | VY® Oppenheimer Global Portfolio - Initial Class | VY® Pioneer High Yield Portfolio - Initial Class | VY® T. Rowe Price Diversified Mid Cap Growth Portfolio - Initial Class | VY® T. Rowe Price Growth Equity Portfolio - Initial Class |
|---|---|---|---|---|
| **Net assets at January 1, 2016** | $ 33,997 | $ 1,666 | $ 2,592 | $ 14,315 |
| **Increase (decrease) in net assets** | | | | |
| Operations: | | | | |
| Net investment income (loss) | 68 | 65 | (27) | (138) |
| Total realized gain (loss) on investments and capital gains distributions | 2,324 | (22) | 452 | 2,358 |
| Net unrealized appreciation (depreciation) of investments | (2,790) | 156 | (289) | (2,220) |
| Net increase (decrease) in net assets resulting from operations | (398) | 199 | 136 | — |
| Changes from principal transactions: | | | | |
| Total unit transactions | (3,415) | (238) | (290) | (1,880) |
| Increase (decrease) in net assets derived from principal transactions | (3,415) | (238) | (290) | (1,880) |
| Total increase (decrease) in net assets | (3,813) | (39) | (154) | (1,880) |
| **Net assets at December 31, 2016** | 30,184 | 1,627 | 2,438 | 12,435 |
| **Increase (decrease) in net assets** | | | | |
| Operations: | | | | |
| Net investment income (loss) | 26 | 55 | (20) | (147) |
| Total realized gain (loss) on investments and capital gains distributions | 1,228 | (17) | 322 | 2,125 |
| Net unrealized appreciation (depreciation) of investments | 8,925 | 53 | 213 | 1,970 |
| Net increase (decrease) in net assets resulting from operations | 10,179 | 91 | 515 | 3,948 |
| Changes from principal transactions: | | | | |
| Total unit transactions | (2,393) | (230) | (534) | 78 |
| Increase (decrease) in net assets derived from principal transactions | (2,393) | (230) | (534) | 78 |
| Total increase (decrease) in net assets | 7,786 | (139) | (19) | 4,026 |
| **Net assets at December 31, 2017** | $ 37,970 | $ 1,488 | $ 2,419 | $ 16,461 |

*The accompanying notes are an integral part of these financial statements.*

# VARIABLE ANNUITY ACCOUNT I OF
# VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY
## Statements of Changes in Net Assets
## For the Years Ended December 31, 2017 and 2016
*(Dollars in thousands)*

| | VY® Templeton Foreign Equity Portfolio - Initial Class | Voya Strategic Allocation Conservative Portfolio - Class I | Voya Strategic Allocation Growth Portfolio - Class I | Voya Strategic Allocation Moderate Portfolio - Class I |
|---|---|---|---|---|
| **Net assets at January 1, 2016** | $ 441 | $ 2,571 | $ 1,457 | $ 1,464 |
| **Increase (decrease) in net assets** | | | | |
| Operations: | | | | |
| Net investment income (loss) | 7 | 42 | 18 | 19 |
| Total realized gain (loss) on investments and capital gains distributions | 4 | 27 | 40 | 188 |
| Net unrealized appreciation (depreciation) of investments | (11) | 38 | 18 | (131) |
| Net increase (decrease) in net assets resulting from operations | — | 107 | 76 | 76 |
| Changes from principal transactions: | | | | |
| Total unit transactions | (43) | (85) | (100) | (142) |
| Increase (decrease) in net assets derived from principal transactions | (43) | (85) | (100) | (142) |
| Total increase (decrease) in net assets | (43) | 22 | (24) | (66) |
| **Net assets at December 31, 2016** | 398 | 2,593 | 1,433 | 1,398 |
| **Increase (decrease) in net assets** | | | | |
| Operations: | | | | |
| Net investment income (loss) | 1 | 32 | 5 | 7 |
| Total realized gain (loss) on investments and capital gains distributions | 33 | 521 | 69 | 37 |
| Net unrealized appreciation (depreciation) of investments | 46 | (335) | 149 | 133 |
| Net increase (decrease) in net assets resulting from operations | 80 | 218 | 223 | 177 |
| Changes from principal transactions: | | | | |
| Total unit transactions | (130) | (2,128) | (148) | (53) |
| Increase (decrease) in net assets derived from principal transactions | (130) | (2,128) | (148) | (53) |
| Total increase (decrease) in net assets | (50) | (1,910) | 75 | 124 |
| **Net assets at December 31, 2017** | $ 348 | $ 683 | $ 1,508 | $ 1,522 |

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT I OF**
**VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**
**Statements of Changes in Net Assets**
**For the Years Ended December 31, 2017 and 2016**
*(Dollars in thousands)*

| | Voya Growth and Income Portfolio - Class I | Voya Global Equity Portfolio - Class S | Voya Index Plus LargeCap Portfolio - Class I | Voya Index Plus MidCap Portfolio - Class I |
|---|---|---|---|---|
| **Net assets at January 1, 2016** | $ 4,759 | $ 75 | $ 1,040 | $ 35,447 |
| **Increase (decrease) in net assets** | | | | |
| Operations: | | | | |
| Net investment income (loss) | 29 | — | 4 | 47 |
| Total realized gain (loss) on investments and capital gains distributions | 514 | (3) | 32 | 5,238 |
| Net unrealized appreciation (depreciation) of investments | (176) | 4 | 45 | 342 |
| Net increase (decrease) in net assets resulting from operations | 367 | 1 | 81 | 5,627 |
| Changes from principal transactions: | | | | |
| Total unit transactions | (406) | (22) | (150) | (3,477) |
| Increase (decrease) in net assets derived from principal transactions | (406) | (22) | (150) | (3,477) |
| Total increase (decrease) in net assets | (39) | (21) | (69) | 2,150 |
| **Net assets at December 31, 2016** | 4,720 | 54 | 971 | 37,597 |
| **Increase (decrease) in net assets** | | | | |
| Operations: | | | | |
| Net investment income (loss) | 16 | — | 3 | 168 |
| Total realized gain (loss) on investments and capital gains distributions | 647 | 4 | 63 | 4,660 |
| Net unrealized appreciation (depreciation) of investments | 139 | 8 | 150 | (376) |
| Net increase (decrease) in net assets resulting from operations | 802 | 12 | 216 | 4,452 |
| Changes from principal transactions: | | | | |
| Total unit transactions | (955) | (16) | (92) | (3,807) |
| Increase (decrease) in net assets derived from principal transactions | (955) | (16) | (92) | (3,807) |
| Total increase (decrease) in net assets | (153) | (4) | 124 | 645 |
| **Net assets at December 31, 2017** | $ 4,567 | $ 50 | $ 1,095 | $ 38,242 |

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT I OF**
**VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**
**Statements of Changes in Net Assets**
**For the Years Ended December 31, 2017 and 2016**
*(Dollars in thousands)*

| | Voya Index Plus SmallCap Portfolio - Class I | Voya International Index Portfolio - Class I | Voya Russell™ Large Cap Growth Index Portfolio - Class I | Voya Russell™ Large Cap Index Portfolio - Class I |
|---|---|---|---|---|
| **Net assets at January 1, 2016** | $ 11 | $ 970 | $ 3,196 | $ 1,196 |
| **Increase (decrease) in net assets** | | | | |
| Operations: | | | | |
| Net investment income (loss) | — | 15 | (1) | 6 |
| Total realized gain (loss) on investments and capital gains distributions | — | 18 | 345 | 100 |
| Net unrealized appreciation (depreciation) of investments | 2 | (45) | (201) | 3 |
| Net increase (decrease) in net assets resulting from operations | 2 | (12) | 143 | 109 |
| Changes from principal transactions: | | | | |
| Total unit transactions | 1 | (138) | (530) | 23 |
| Increase (decrease) in net assets derived from principal transactions | 1 | (138) | (530) | 23 |
| Total increase (decrease) in net assets | 3 | (150) | (387) | 132 |
| **Net assets at December 31, 2016** | 14 | 820 | 2,809 | 1,328 |
| **Increase (decrease) in net assets** | | | | |
| Operations: | | | | |
| Net investment income (loss) | — | 10 | (8) | 5 |
| Total realized gain (loss) on investments and capital gains distributions | 1 | 49 | 267 | 151 |
| Net unrealized appreciation (depreciation) of investments | — | 123 | 537 | 97 |
| Net increase (decrease) in net assets resulting from operations | 1 | 182 | 796 | 253 |
| Changes from principal transactions: | | | | |
| Total unit transactions | — | (129) | (326) | (151) |
| Increase (decrease) in net assets derived from principal transactions | — | (129) | (326) | (151) |
| Total increase (decrease) in net assets | 1 | 53 | 470 | 102 |
| **Net assets at December 31, 2017** | $ 15 | $ 873 | $ 3,279 | $ 1,430 |

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT I OF**
**VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**
**Statements of Changes in Net Assets**
**For the Years Ended December 31, 2017 and 2016**
*(Dollars in thousands)*

| | Voya Russell™ Large Cap Value Index Portfolio - Class I | Voya Russell™ Large Cap Value Index Portfolio - Class S | Voya Small Company Portfolio - Class I | Voya MidCap Opportunities Portfolio - Class I |
|---|---|---|---|---|
| **Net assets at January 1, 2016** | $ 6,359 | $ 556 | $ 38,135 | $ 7,611 |
| **Increase (decrease) in net assets** | | | | |
| Operations: | | | | |
| Net investment income (loss) | 16 | — | (182) | (67) |
| Total realized gain (loss) on investments and capital gains distributions | 84 | 41 | 4,658 | 676 |
| Net unrealized appreciation (depreciation) of investments | 700 | 25 | 3,814 | (165) |
| Net increase (decrease) in net assets resulting from operations | 800 | 66 | 8,290 | 444 |
| Changes from principal transactions: | | | | |
| Total unit transactions | (931) | (73) | (3,457) | (505) |
| Increase (decrease) in net assets derived from principal transactions | (931) | (73) | (3,457) | (505) |
| Total increase (decrease) in net assets | (131) | (7) | 4,833 | (61) |
| **Net assets at December 31, 2016** | 6,228 | 549 | 42,968 | 7,550 |
| **Increase (decrease) in net assets** | | | | |
| Operations: | | | | |
| Net investment income (loss) | 44 | 2 | (248) | (68) |
| Total realized gain (loss) on investments and capital gains distributions | 117 | 22 | 6,660 | 402 |
| Net unrealized appreciation (depreciation) of investments | 536 | 36 | (2,289) | 1,497 |
| Net increase (decrease) in net assets resulting from operations | 697 | 60 | 4,123 | 1,831 |
| Changes from principal transactions: | | | | |
| Total unit transactions | (769) | (42) | (4,599) | 366 |
| Increase (decrease) in net assets derived from principal transactions | (769) | (42) | (4,599) | 366 |
| Total increase (decrease) in net assets | (72) | 18 | (476) | 2,197 |
| **Net assets at December 31, 2017** | $ 6,156 | $ 567 | $ 42,492 | $ 9,747 |

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT I OF**
**VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**
**Statements of Changes in Net Assets**
**For the Years Ended December 31, 2017 and 2016**
*(Dollars in thousands)*

| | Voya MidCap Opportunities Portfolio - Class S | Voya SmallCap Opportunities Portfolio - Class I | Voya SmallCap Opportunities Portfolio - Class S | Wanger Select |
|---|---|---|---|---|
| **Net assets at January 1, 2016** | $ 73 | $ 3 | $ 76 | $ 1 |
| **Increase (decrease) in net assets** | | | | |
| Operations: | | | | |
| Net investment income (loss) | (2) | — | (1) | — |
| Total realized gain (loss) on investments and capital gains distributions | 11 | — | 6 | — |
| Net unrealized appreciation (depreciation) of investments | (3) | — | 4 | — |
| Net increase (decrease) in net assets resulting from operations | 6 | — | 9 | — |
| Changes from principal transactions: | | | | |
| Total unit transactions | 62 | — | 13 | — |
| Increase (decrease) in net assets derived from principal transactions | 62 | — | 13 | — |
| Total increase (decrease) in net assets | 68 | — | 22 | — |
| **Net assets at December 31, 2016** | 141 | 3 | 98 | 1 |
| **Increase (decrease) in net assets** | | | | |
| Operations: | | | | |
| Net investment income (loss) | (1) | — | (1) | — |
| Total realized gain (loss) on investments and capital gains distributions | (2) | 1 | 2 | — |
| Net unrealized appreciation (depreciation) of investments | 24 | — | 12 | — |
| Net increase (decrease) in net assets resulting from operations | 21 | 1 | 13 | — |
| Changes from principal transactions: | | | | |
| Total unit transactions | (97) | (3) | (40) | 1 |
| Increase (decrease) in net assets derived from principal transactions | (97) | (3) | (40) | 1 |
| Total increase (decrease) in net assets | (76) | (2) | (27) | 1 |
| **Net assets at December 31, 2017** | $ 65 | $ 1 | $ 71 | $ 2 |

*The accompanying notes are an integral part of these financial statements.*

## 1. Organization

Variable Annuity Account I of Voya Retirement Insurance and Annuity Company (the "Account") was established by Voya Retirement Insurance and Annuity Company ("VRIAC" or the "Company") to support the operations of variable annuity contracts ("Contracts"). The Company is an indirect, wholly owned subsidiary of Voya Financial, Inc. ("Voya Financial"), a holding company domiciled in the State of Delaware.

Prior to May 2013, Voya Financial, which together with its subsidiaries, including the Company, was an indirect, wholly-owned subsidiary of ING Groep N.V. ("ING"), a global financial services holding company based in The Netherlands. In May 2013, Voya Financial, Inc. completed its initial public offering of common stock, including the issuance and sale of common stock by Voya Financial, Inc. and the sale of shares of common stock owned indirectly by ING. Between October 2013 and March 2015, ING completed the sale of its remaining shares of common stock of Voya Financial, Inc. in a series of registered public offerings. ING continues to hold certain warrants to purchase shares of Voya Financial, Inc. common stock.

The Account is registered as a unit investment trust with the Securities Exchange Commission ("SEC") under the Investment Company Act of 1940, as amended. VRIAC provides for variable accumulation and benefits under the Contracts by crediting annuity considerations to one or more divisions within the Account or the fixed account (an investment option in the Company's general account), as directed by the contract owners. The portion of the Account's assets applicable to Contracts will not be charged with liabilities arising out of any other business VRIAC may conduct, but obligations of the Account, including the promise to make benefit payments, are obligations of VRIAC. Under applicable insurance law, the assets and liabilities of the Account are clearly identified and distinguished from the other assets and liabilities of VRIAC.

At December 31, 2017, the Account had 69 active investment divisions (the "Divisions"), 22 of which invest in independently managed mutual funds and 47 of which invest in mutual funds managed by an affiliate, Voya Investments, LLC ("VIL"). The assets in each Division are invested in shares of a designated fund ("Fund") of various investment trusts (the "Trusts").

The Divisions with asset balances at December 31, 2017 and related Trusts are as follows:

**AIM Variable Insurance Funds:**
- Invesco V.I. Core Equity Fund - Series I Shares

**Artisan Funds, Inc.:**
- Artisan International Fund - Investor Shares

**Calvert Variable Series, Inc.:**
- Calvert VP SRI Balanced Portfolio

**EuroPacific Growth Fund®:**
- EuroPacific Growth Fund® - Class R-4

**Federated Insurance Series:**
- Federated Fund for U.S. Government Securities II - Primary Shares

**Federated Insurance Series (continued):**
- Federated Government Money Fund II - Service Shares
- Federated High Income Bond Fund II - Primary Shares
- Federated Kaufmann Fund II - Primary Shares
- Federated Managed Tail Risk Fund II - Primary Shares
- Federated Managed Volatility Fund II

**Fidelity® Variable Insurance Products:**
- Fidelity® VIP Equity-Income Portfolio - Initial Class
- Fidelity® VIP High Income Portfolio - Initial Class

**Fidelity® Variable Insurance Products II:**
- Fidelity® VIP Contrafund® Portfolio - Initial Class

**Fidelity® Variable Insurance Products II (continued):**
Fidelity® VIP Index 500 Portfolio - Initial Class
**Fidelity® Variable Insurance Products V:**
Fidelity® VIP Investment Grade Bond Portfolio - Initial Class
**Growth Fund of America®:**
Growth Fund of America® - Class R-4
**Neuberger Berman Equity Funds®:**
Neuberger Berman Socially Responsive Fund - Trust Class
**Oppenheimer Main Street Fund®:**
Oppenheimer Main Street Fund®/VA
**PIMCO Variable Insurance Trust:**
PIMCO Real Return Portfolio - Administrative Class
**Pioneer Variable Contracts Trust:**
Pioneer Equity Income VCT Portfolio - Class I
Pioneer Mid Cap Value VCT Portfolio - Class I
**Voya Balanced Portfolio, Inc.:**
Voya Balanced Portfolio - Class I
**Voya Intermediate Bond Portfolio:**
Voya Intermediate Bond Portfolio - Class I
**Voya Investors Trust:**
Voya Global Perspectives® Portfolio - Class A
Voya High Yield Portfolio - Service Class
Voya Large Cap Growth Portfolio - Institutional Class
Voya Large Cap Value Portfolio - Institutional Class
Voya Large Cap Value Portfolio - Service Class
Voya Retirement Conservative Portfolio - Adviser Class
Voya Retirement Growth Portfolio - Adviser Class
Voya Retirement Moderate Growth Portfolio - Adviser Class
Voya Retirement Moderate Portfolio - Adviser Class
Voya U.S. Stock Index Portfolio - Institutional Class
VY® BlackRock Inflation Protected Bond Portfolio - Service Class
VY® Franklin Income Portfolio - Service Class
VY® Invesco Growth and Income Portfolio - Service Class
VY® JPMorgan Emerging Markets Equity Portfolio - Institutional Class
VY® JPMorgan Small Cap Core Equity Portfolio - Institutional Class
VY® T. Rowe Price Capital Appreciation Portfolio - Service Class
**Voya Investors Trust (continued):**
VY® T. Rowe Price International Stock Portfolio - Service Class
**Voya Money Market Portfolio:**
Voya Government Money Market Portfolio - Class I
**Voya Partners, Inc.:**
Voya Global Bond Portfolio - Initial Class
Voya Solution Moderately Aggressive Portfolio - Service Class
VY® Baron Growth Portfolio - Service Class
VY® Invesco Equity and Income Portfolio - Initial Class
VY® Oppenheimer Global Portfolio - Initial Class
VY® Pioneer High Yield Portfolio - Initial Class
VY® T. Rowe Price Diversified Mid Cap Growth Portfolio - Initial Class
VY® T. Rowe Price Growth Equity Portfolio - Initial Class
VY® Templeton Foreign Equity Portfolio - Initial Class
**Voya Strategic Allocation Portfolios, Inc.:**
Voya Strategic Allocation Conservative Portfolio - Class I
Voya Strategic Allocation Growth Portfolio - Class I
Voya Strategic Allocation Moderate Portfolio - Class I
**Voya Variable Funds:**
Voya Growth and Income Portfolio - Class I
**Voya Variable Portfolios, Inc.:**
Voya Global Equity Portfolio - Class S
Voya Index Plus LargeCap Portfolio - Class I
Voya Index Plus MidCap Portfolio - Class I
Voya Index Plus SmallCap Portfolio - Class I
Voya International Index Portfolio - Class I
Voya Russell™ Large Cap Growth Index Portfolio - Class I
Voya Russell™ Large Cap Index Portfolio - Class I
Voya Russell™ Large Cap Value Index Portfolio - Class I
Voya Russell™ Large Cap Value Index Portfolio - Class S
Voya Small Company Portfolio - Class I
**Voya Variable Products Trust:**
Voya MidCap Opportunities Portfolio - Class I
Voya MidCap Opportunities Portfolio - Class S
Voya SmallCap Opportunities Portfolio - Class I
Voya SmallCap Opportunities Portfolio - Class S
**Wanger Advisors Trust:**
Wanger Select

The names of certain Divisions were changed during 2017. The following is a summary of current and former names for those Divisions:

| Current Name | Former Name |
|---|---|
| **Oppenheimer Main Street Fund®:** | **Oppenheimer Variable Account Funds:** |
| Oppenheimer Main Street Fund®/VA | Oppenheimer Main Street Fund®/VA |
| Oppenheimer Main Street Small Cap Fund®/VA | Oppenheimer Main Street Small Cap Fund®/VA |

During 2017, the following Divisions were closed to contract owners

**Oppenheimer Main Street Fund®:**

Oppenheimer Main Street Small Cap Fund®/VA

**Voya Investors Trust:**

Voya Multi-Manager Large Cap Core Portfolio - Institutional Class

VY® FMR® Diversified Mid Cap Portfolio - Institutional Class

## 2. Significant Accounting Policies

The following is a summary of the significant accounting policies of the Account:

*Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

*Investments*

Investments are made in shares of a Division and are recorded at fair value, determined by the net asset value per share of the respective Division. Investment transactions in each Division are recorded on the trade date. Distributions of net investment income and capital gains from each Division are recognized on the ex-distribution date. Realized gains and losses on redemptions of the shares of the Division are determined on a first-in, first-out basis. The difference between cost and current fair value of investments owned on the day of measurement is recorded as unrealized appreciation or depreciation of investments.

*Federal Income Taxes*

Operations of the Account form a part of, and are taxed with, the total operations of VRIAC, which is taxed as a life insurance company under the Internal Revenue Code ("IRC"). Under the current provisions of the IRC, the Company does not expect to incur federal income taxes on the earnings of the Account to the extent the earnings are credited to contract owners. Accordingly, earnings and realized capital gains of the Account attributable to the contract owners are excluded in the determination of the federal income tax liability of VRIAC, and no charge is being made to the Account for federal income taxes for these amounts. The Company will review this tax accounting in the event of changes in the tax law. Such changes in the law may result in a charge for federal income taxes. Uncertain tax positions are assessed at the parent level on a consolidated basis, including taxes of the operations of the Separate Account.

*Contract Owner Reserves*

The annuity reserves of the Account are represented by net assets on the Statements of Assets and Liabilities and are equal to the aggregate account values of the contract owners invested in the Account Divisions. Net assets allocated to contracts in the payout period are computed

according to the industry standard mortality tables. The assumed investment return is elected by the annuitant and may vary from 3.5% to 5.0%. The mortality risk is fully borne by the Company. To the extent that benefits to be paid to the contract owners exceed their account values, VRIAC will contribute additional funds to the benefit proceeds. Conversely, if amounts allocated exceed amounts required, transfers may be made to VRIAC. Prior to the annuitization date, the Contracts are redeemable for the net cash surrender value of the Contracts.

*Changes from Principal Transactions*

Included in Changes from principal transactions on the Statements of Changes in Net Assets are items which relate to contract owner activity, including deposits, surrenders and withdrawals, benefits, and contract charges. Also included are transfers between the fixed account and the Divisions, transfers between Divisions, and transfers to (from) VRIAC related to gains and losses resulting from actual mortality experience (the full responsibility for which is assumed by VRIAC).

*Subsequent Events*

The Account has evaluated subsequent events for recognition and disclosure through the date the financial statements were issued.

## 3. Financial Instruments

The Account invests assets in shares of open-end mutual funds, which process orders to purchase and redeem shares on a daily basis at the fund's next computed net asset values ("NAV"). The fair value of the Account's assets is based on the NAVs of mutual funds, which are obtained from the transfer agents or fund companies and reflect the fair values of the mutual fund investments. The NAV is calculated daily upon close of the New York Stock Exchange and is based on the fair values of the underlying securities.

The Account's assets are recorded at fair value on the Statements of Assets and Liabilities and are categorized as Level 1 as of December 31, 2017 based on the priority of the inputs to the valuation technique below. There were no transfers among the levels for the year ended December 31, 2017. The Account had no liabilities as of December 31, 2017.

The Account categorizes its financial instruments into a three-level hierarchy based on the priority of the inputs to the valuation technique. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure fair value fall within different levels of the hierarchy, the category level is based on the lowest priority level input that is significant to the fair value measurement of the instrument.

- Level 1 - Unadjusted quoted prices for identical assets or liabilities in an active market. The Account defines an active market as a market in which transactions take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

- Level 2 - Quoted prices in markets that are not active or valuation techniques that require inputs that are observable either directly or indirectly for substantially the full term of the asset or liability. Level 2 inputs include the following:
  a) Quoted prices for similar assets or liabilities in active markets;
  b) Quoted prices for identical or similar assets or liabilities in non-active markets;
  c) Inputs other than quoted market prices that are observable; and
  d) Inputs that are derived principally from or corroborated by observable market data through correlation or other means.
- Level 3 - Prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These valuations, whether derived internally or obtained from a third party, use critical assumptions that are not widely available to estimate market participant expectations in valuing the asset or liability.

## 4. Charges and Fees

Under the terms of the Contracts, certain charges and fees are incurred by the Contracts to cover VRIAC's expenses in connection with the issuance and administration of the Contracts. Following is a summary of these charges and fees:

*Mortality and Expense Risk Charges*

VRIAC assumes mortality and expense risks related to the operations of the Account and, in accordance with the terms of the Contracts, deducts a daily charge from the assets of the Account. Daily charges are deducted at annual rates of up to 1.25% of the average daily net asset value of each Division of the Account to cover these risks, as specified in the Contracts. These charges are assessed through a reduction in unit values.

*Asset Based Administrative Charges*

A charge to cover administrative expenses of the Account is deducted at annual rates of up to 0.15% of the assets attributable to the Contracts. These charges are assessed through a reduction in unit values.

*Contract Maintenance Charges*

An annual Contract or certificate maintenance fee of up to $30 may be deducted from the accumulation value of Contracts to cover ongoing administrative expenses, as specified in the Contract. These charges are assessed through the redemption of units.

*Contingent Deferred Sales Charges*

For certain Contracts, a contingent deferred sales charge ("Surrender Charge") is imposed as a percentage that ranges up to 7.00% of each premium payment if the Contract is surrendered or an excess partial withdrawal is taken, as specified in the Contract. These charges are assessed through the redemption of units.

*Fees Waived by VRIAC*

Certain charges and fees for various types of Contracts may be waived by VRIAC. VRIAC reserves the right to discontinue these waivers at its discretion or to conform with changes in the law.

## 5. Related Party Transactions

On or about May 1, 2017, VIL was appointed investment adviser for these certain additional U.S. registered investment companies previously managed by Directed Services LLC ("DSL"), which in turn caused DSL and VRIAC to terminate a separate intercompany agreement dated as of December 22, 2010 between DSL and VRIAC by which DSL had paid a portion of the revenue DSL earned as investment adviser.

Until the termination of the intercompany agreement management fees were paid to DSL in its capacity as investment adviser to Voya Investors Trust and Voya Partners, Inc. The Trusts' advisory agreements provide for fees at annual rates ranging from 0.20% to 1.25% of the average net assets of each respective Fund.

Management fees were also paid to VIL, an affiliate of the Company, in its capacity as investment adviser to Voya Balanced Portfolio, Inc., Voya Intermediate Bond Portfolio, Voya Investors Trust, Voya Money Market Portfolio, Voya Partners, Inc., Voya Strategic Allocation Portfolios, Inc., Voya Variable Funds, Voya Variable Portfolios, Inc., and Voya Variable Products Trust. The Trusts' advisory agreements provide for fees at annual rates ranging from 0.19% to 1.25% of the average net assets of each respective Fund.

## 6. Purchases and Sales of Investment Securities

The aggregate cost of purchases and proceeds from sales of investments for the year ended December 31, 2017 follow:

| | Purchases | Sales |
|---|---|---|
| | *(Dollars in thousands)* | |
| AIM Variable Insurance Funds: | | |
| Invesco V.I. Core Equity Fund - Series I Shares | $ 496 | $ 1,100 |
| Artisan Funds, Inc.: | | |
| Artisan International Fund - Investor Shares | — | — |
| Calvert Variable Series, Inc.: | | |
| Calvert VP SRI Balanced Portfolio | 7 | 76 |
| EuroPacific Growth Fund®: | | |
| EuroPacific Growth Fund® - Class R-4 | 2,050 | 2,476 |
| Federated Insurance Series: | | |
| Federated Fund for U.S. Government Securities II - Primary Shares | 5 | 9 |
| Federated Government Money Fund II - Service Shares | 319 | 547 |
| Federated High Income Bond Fund II - Primary Shares | 46 | 153 |
| Federated Kaufmann Fund II - Primary Shares | 188 | 399 |
| Federated Managed Tail Risk Fund II - Primary Shares | 51 | 693 |
| Federated Managed Volatility Fund II | 101 | 450 |

| | Purchases | Sales |
|---|---|---|
| | *(Dollars in thousands)* | |
| Fidelity® Variable Insurance Products: | | |
| Fidelity® VIP Equity-Income Portfolio - Initial Class | $ 1,253 | $ 2,368 |
| Fidelity® VIP High Income Portfolio - Initial Class | — | — |
| Fidelity® Variable Insurance Products II: | | |
| Fidelity® VIP Contrafund® Portfolio - Initial Class | 2,326 | 3,888 |
| Fidelity® VIP Index 500 Portfolio - Initial Class | 145 | 711 |
| Fidelity® Variable Insurance Products V: | | |
| Fidelity® VIP Investment Grade Bond Portfolio - Initial Class | 3 | 6 |
| Growth Fund of America®: | | |
| Growth Fund of America® - Class R-4 | 4,293 | 5,350 |
| Neuberger Berman Equity Funds®: | | |
| Neuberger Berman Socially Responsive Fund - Trust Class | 322 | 577 |
| Oppenheimer Variable Account Funds: | | |
| Oppenheimer Main Street Fund®/VA | 2 | 4 |
| Oppenheimer Main Street Small Cap Fund®/VA | — | 4 |
| PIMCO Variable Insurance Trust: | | |
| PIMCO Real Return Portfolio - Administrative Class | — | — |
| Pioneer Variable Contracts Trust: | | |
| Pioneer Equity Income VCT Portfolio - Class I | 2 | — |
| Pioneer Mid Cap Value VCT Portfolio - Class I | — | — |
| Voya Balanced Portfolio, Inc.: | | |
| Voya Balanced Portfolio - Class I | 458 | 1,822 |
| Voya Intermediate Bond Portfolio: | | |
| Voya Intermediate Bond Portfolio - Class I | 2,492 | 3,417 |
| Voya Investors Trust: | | |
| Voya Global Perspectives® Portfolio - Class A | 1 | 48 |
| Voya High Yield Portfolio - Service Class | 465 | 754 |
| Voya Large Cap Growth Portfolio - Institutional Class | 1,184 | 2,369 |
| Voya Large Cap Value Portfolio - Institutional Class | — | — |
| Voya Large Cap Value Portfolio - Service Class | 101 | 1 |
| Voya Multi-Manager Large Cap Core Portfolio - Institutional Class | — | 3 |
| Voya Retirement Conservative Portfolio - Adviser Class | 7 | 504 |
| Voya Retirement Growth Portfolio - Adviser Class | 3 | — |
| Voya Retirement Moderate Growth Portfolio - Adviser Class | 3 | 6 |
| Voya Retirement Moderate Portfolio - Adviser Class | 5 | 1 |
| Voya U.S. Stock Index Portfolio - Institutional Class | 3,110 | 3,106 |
| VY® BlackRock Inflation Protected Bond Portfolio - Service Class | 27 | 99 |
| VY® FMR® Diversified Mid Cap Portfolio - Institutional Class | 312 | 1,005 |
| VY® Franklin Income Portfolio - Service Class | 38 | 22 |
| VY® Invesco Growth and Income Portfolio - Service Class | 1 | — |
| VY® JPMorgan Emerging Markets Equity Portfolio - Institutional Class | 98 | 113 |
| VY® JPMorgan Small Cap Core Equity Portfolio - Institutional Class | 118 | 62 |
| VY® T. Rowe Price Capital Appreciation Portfolio - Service Class | 8,087 | 4,693 |
| VY® T. Rowe Price International Stock Portfolio - Service Class | 2 | 53 |
| Voya Money Market Portfolio: | | |
| Voya Government Money Market Portfolio - Class I | 3,075 | 5,753 |
| Voya Partners, Inc.: | | |
| Voya Global Bond Portfolio - Initial Class | 1,076 | 1,409 |
| Voya Solution Moderately Aggressive Portfolio - Service Class | — | — |

| | Purchases | Sales |
|---|---|---|
| | *(Dollars in thousands)* | |
| Voya Partners, Inc. (continued): | | |
| VY® Baron Growth Portfolio - Service Class | $ 1,764 | $ 1,201 |
| VY® Invesco Equity and Income Portfolio - Initial Class | 238 | 708 |
| VY® Oppenheimer Global Portfolio - Initial Class | 1,363 | 3,677 |
| VY® Pioneer High Yield Portfolio - Initial Class | 189 | 364 |
| VY® T. Rowe Price Diversified Mid Cap Growth Portfolio - Initial Class | 236 | 631 |
| VY® T. Rowe Price Growth Equity Portfolio - Initial Class | 3,475 | 2,073 |
| VY® Templeton Foreign Equity Portfolio - Initial Class | 91 | 220 |
| Voya Strategic Allocation Portfolios, Inc.: | | |
| Voya Strategic Allocation Conservative Portfolio - Class I | 92 | 2,188 |
| Voya Strategic Allocation Growth Portfolio - Class I | 26 | 169 |
| Voya Strategic Allocation Moderate Portfolio - Class I | 47 | 94 |
| Voya Variable Funds: | | |
| Voya Growth and Income Portfolio - Class I | 583 | 1,021 |
| Voya Variable Portfolios, Inc.: | | |
| Voya Global Equity Portfolio - Class S | 20 | 35 |
| Voya Index Plus LargeCap Portfolio - Class I | 38 | 108 |
| Voya Index Plus MidCap Portfolio - Class I | 3,497 | 4,689 |
| Voya Variable Portfolios, Inc. (continued): | | |
| Voya Index Plus SmallCap Portfolio - Class I | 2 | — |
| Voya International Index Portfolio - Class I | 89 | 208 |
| Voya Russell™ Large Cap Growth Index Portfolio - Class I | 71 | 406 |
| Voya Russell™ Large Cap Index Portfolio - Class I | 135 | 282 |
| Voya Russell™ Large Cap Value Index Portfolio - Class I | 255 | 980 |
| Voya Russell™ Large Cap Value Index Portfolio - Class S | 10 | 50 |
| Voya Small Company Portfolio - Class I | 5,141 | 5,523 |
| Voya Variable Products Trust: | | |
| Voya MidCap Opportunities Portfolio - Class I | 1,881 | 1,131 |
| Voya MidCap Opportunities Portfolio - Class S | 24 | 115 |
| Voya SmallCap Opportunities Portfolio - Class I | 3 | 6 |
| Voya SmallCap Opportunities Portfolio - Class S | 4 | 42 |
| Wanger Advisors Trust: | | |
| Wanger Select | — | — |

## 7. Changes in Units

The net changes in units outstanding follow:

| | Year ended December 31 | | | | | |
|---|---|---|---|---|---|---|
| | 2017 | | | 2016 | | |
| | Units Issued | Units Redeemed | Net Increase (Decrease) | Units Issued | Units Redeemed | Net Increase (Decrease) |
| AIM Variable Insurance Funds: | | | | | | |
| Invesco V.I. Core Equity Fund - Series I Shares | 9,132 | 73,585 | (64,453) | 15,839 | 43,597 | (27,758) |
| Artisan Funds, Inc.: | | | | | | |
| Artisan International Fund - Investor Shares | — | — | — | — | — | — |
| Calvert Variable Series, Inc.: | | | | | | |
| Calvert VP SRI Balanced Portfolio | 129 | 3,740 | (3,611) | 11 | 690 | (679) |
| EuroPacific Growth Fund®: | | | | | | |
| EuroPacific Growth Fund® - Class R-4 | 56,760 | 181,060 | (124,300) | 41,756 | 270,267 | (228,511) |
| Federated Insurance Series: | | | | | | |
| Federated Fund for U.S. Government Securities II - Primary Shares | — | 351 | (351) | — | 2,074 | (2,074) |
| Federated Government Money Fund II - Service Shares | 29,791 | 48,324 | (18,533) | 44,460 | 43,778 | 682 |
| Federated High Income Bond Fund II - Primary Shares | 4,140 | 8,365 | (4,225) | 4,081 | 15,500 | (11,419) |
| Federated Kaufmann Fund II - Primary Shares | 1,118 | 16,779 | (15,661) | 517 | 14,860 | (14,343) |
| Federated Managed Tail Risk Fund II - Primary Shares | 5,081 | 58,692 | (53,611) | 4,912 | 47,970 | (43,058) |
| Federated Managed Volatility Fund II | 7,800 | 23,514 | (15,714) | 7,991 | 32,774 | (24,783) |
| Fidelity® Variable Insurance Products: | | | | | | |
| Fidelity® VIP Equity-Income Portfolio - Initial Class | 44,752 | 135,566 | (90,814) | 52,489 | 138,890 | (86,401) |
| Fidelity® VIP High Income Portfolio - Initial Class | 1,282 | 1,295 | (13) | 1,350 | 1,364 | (14) |
| Fidelity® Variable Insurance Products II: | | | | | | |
| Fidelity® VIP Contrafund® Portfolio - Initial Class | 32,492 | 219,819 | (187,327) | 37,148 | 302,731 | (265,583) |
| Fidelity® VIP Index 500 Portfolio - Initial Class | 882 | 15,460 | (14,578) | 3,940 | 19,489 | (15,549) |
| Fidelity® Variable Insurance Products V: | | | | | | |
| Fidelity® VIP Investment Grade Bond Portfolio - Initial Class | — | 183 | (183) | 1 | 201 | (200) |
| Growth Fund of America®: | | | | | | |
| Growth Fund of America® - Class R-4 | 57,125 | 277,153 | (220,028) | 36,966 | 339,564 | (302,598) |
| Neuberger Berman Equity Funds®: | | | | | | |
| Neuberger Berman Socially Responsive Fund - Trust Class | 10,437 | 31,527 | (21,090) | 11,176 | 26,277 | (15,101) |

| | Year ended December 31 | | | | | |
|---|---|---|---|---|---|---|
| | 2017 | | | 2016 | | |
| | Units Issued | Units Redeemed | Net Increase (Decrease) | Units Issued | Units Redeemed | Net Increase (Decrease) |
| Oppenheimer Variable Account Funds: | | | | | | |
| Oppenheimer Main Street Fund®/VA | 15,596 | 15,754 | (158) | 16,189 | 16,353 | (164) |
| Oppenheimer Main Street Small Cap Fund®/VA | — | 120 | (120) | — | — | — |
| PIMCO Variable Insurance Trust: | | | | | | |
| PIMCO Real Return Portfolio - Administrative Class | — | — | — | — | — | — |
| Pioneer Variable Contracts Trust: | | | | | | |
| Pioneer Equity Income VCT Portfolio - Class I | — | — | — | — | — | — |
| Pioneer Mid Cap Value VCT Portfolio - Class I | — | — | — | — | — | — |
| Voya Balanced Portfolio, Inc.: | | | | | | |
| Voya Balanced Portfolio - Class I | 17,922 | 126,921 | (108,999) | 48,534 | 174,780 | (126,246) |
| Voya Intermediate Bond Portfolio: | | | | | | |
| Voya Intermediate Bond Portfolio - Class I | 149,703 | 250,801 | (101,098) | 156,002 | 324,310 | (168,308) |
| Voya Investors Trust: | | | | | | |
| Voya Global Perspectives® Portfolio - Class A | — | 4,482 | (4,482) | 5,067 | 586 | 4,481 |
| Voya High Yield Portfolio - Service Class | 19,011 | 37,557 | (18,546) | 47,967 | 31,075 | 16,892 |
| Voya Large Cap Growth Portfolio - Institutional Class | 18,163 | 90,134 | (71,971) | 14,675 | 60,262 | (45,587) |
| Voya Large Cap Value Portfolio - Institutional Class | — | — | — | — | — | — |
| Voya Large Cap Value Portfolio - Service Class | 6,027 | 14 | 6,013 | 6 | 385 | (379) |
| Voya Multi-Manager Large Cap Core Portfolio - Institutional Class | 15,428 | 15,584 | (156) | 266 | 282 | (16) |
| Voya Retirement Conservative Portfolio - Adviser Class | 82 | 41,728 | (41,646) | 2,469 | 1,938 | 531 |
| Voya Retirement Growth Portfolio - Adviser Class | — | 2 | (2) | — | 2 | (2) |
| Voya Retirement Moderate Growth Portfolio - Adviser Class | 161 | 442 | (281) | 1 | 49 | (48) |
| Voya Retirement Moderate Portfolio - Adviser Class | — | 5 | (5) | — | 1,562 | (1,562) |
| Voya U.S. Stock Index Portfolio - Institutional Class | 76,451 | 165,816 | (89,365) | 102,967 | 207,241 | (104,274) |
| VY® BlackRock Inflation Protected Bond Portfolio - Service Class | 2,490 | 9,607 | (7,117) | 2,723 | 4,811 | (2,088) |
| VY® FMR® Diversified Mid Cap Portfolio - Institutional Class | 6,164 | 51,375 | (45,211) | 419 | 2,734 | (2,315) |
| VY® Franklin Income Portfolio - Service Class | 2,477 | 1,462 | 1,015 | 1 | 914 | (913) |
| VY® Invesco Growth and Income Portfolio - Service Class | — | — | — | — | — | — |
| VY® JPMorgan Emerging Markets Equity Portfolio - Institutional Class | 4,604 | 5,359 | (755) | 487 | 3,884 | (3,397) |
| VY® JPMorgan Small Cap Core Equity Portfolio - Institutional Class | 5,944 | 3,335 | 2,609 | 1,367 | 757 | 610 |
| VY® T. Rowe Price Capital Appreciation Portfolio - Service Class | 314,094 | 279,165 | 34,929 | 179,543 | 375,948 | (196,405) |

| | Year ended December 31 | | | | | |
|---|---|---|---|---|---|---|
| | 2017 | | | 2016 | | |
| | Units Issued | Units Redeemed | Net Increase (Decrease) | Units Issued | Units Redeemed | Net Increase (Decrease) |
| Voya Investors Trust (continued): | | | | | | |
| VY® T. Rowe Price International Stock Portfolio - Service Class | — | 4,207 | (4,207) | 3 | 5,069 | (5,066) |
| Voya Money Market Portfolio: | | | | | | |
| Voya Government Money Market Portfolio - Class I | 325,006 | 613,102 | (288,096) | 714,300 | 673,712 | 40,588 |
| Voya Partners, Inc.: | | | | | | |
| Voya Global Bond Portfolio - Initial Class | 90,526 | 140,940 | (50,414) | 47,018 | 125,182 | (78,164) |
| Voya Solution Moderately Aggressive Portfolio - Service Class | — | 1 | (1) | 2 | 1 | 1 |
| VY® Baron Growth Portfolio - Service Class | 33,916 | 67,759 | (33,843) | 13,957 | 126,145 | (112,188) |
| VY® Invesco Equity and Income Portfolio - Initial Class | 280 | 31,060 | (30,780) | 2,650 | 39,895 | (37,245) |
| VY® Oppenheimer Global Portfolio - Initial Class | 98,877 | 234,094 | (135,217) | 49,436 | 286,895 | (237,459) |
| VY® Pioneer High Yield Portfolio - Initial Class | 6,101 | 18,253 | (12,152) | 21,928 | 35,666 | (13,738) |
| VY® T. Rowe Price Diversified Mid Cap Growth Portfolio - Initial Class | 1,921 | 21,202 | (19,281) | 4,855 | 17,335 | (12,480) |
| VY® T. Rowe Price Growth Equity Portfolio - Initial Class | 144,197 | 132,335 | 11,862 | 94,076 | 186,254 | (92,178) |
| VY® Templeton Foreign Equity Portfolio - Initial Class | 18,606 | 30,486 | (11,880) | 10,797 | 15,704 | (4,907) |
| Voya Strategic Allocation Portfolios, Inc.: | | | | | | |
| Voya Strategic Allocation Conservative Portfolio - Class I | 28,504 | 111,664 | (83,160) | 30,637 | 34,318 | (3,681) |
| Voya Strategic Allocation Growth Portfolio - Class I | 1 | 5,524 | (5,523) | 9 | 4,829 | (4,820) |
| Voya Strategic Allocation Moderate Portfolio - Class I | 779 | 2,882 | (2,103) | 17,809 | 23,773 | (5,964) |
| Voya Variable Funds: | | | | | | |
| Voya Growth and Income Portfolio - Class I | 48,731 | 82,720 | (33,989) | 51,837 | 69,187 | (17,350) |
| Voya Variable Portfolios, Inc.: | | | | | | |
| Voya Global Equity Portfolio - Class S | 1,770 | 3,085 | (1,315) | 853 | 3,333 | (2,480) |
| Voya Index Plus LargeCap Portfolio - Class I | 45,613 | 48,368 | (2,755) | 30,770 | 35,895 | (5,125) |
| Voya Index Plus MidCap Portfolio - Class I | 42,007 | 256,202 | (214,195) | 50,479 | 283,148 | (232,669) |
| Voya Index Plus SmallCap Portfolio - Class I | — | — | — | — | — | — |
| Voya International Index Portfolio - Class I | 6,286 | 13,138 | (6,852) | 2,565 | 11,410 | (8,845) |
| Voya Russell™ Large Cap Growth Index Portfolio - Class I | 1,069 | 12,325 | (11,256) | 948 | 23,318 | (22,370) |
| Voya Russell™ Large Cap Index Portfolio - Class I | 3,592 | 9,147 | (5,555) | 7,601 | 6,900 | 701 |
| Voya Russell™ Large Cap Value Index Portfolio - Class I | 8,962 | 74,674 | (65,712) | 10,407 | 102,975 | (92,568) |
| Voya Russell™ Large Cap Value Index Portfolio - Class S | 10 | 1,724 | (1,714) | 2 | 3,468 | (3,466) |

| | Year ended December 31 | | | | | |
|---|---|---|---|---|---|---|
| | 2017 | | | 2016 | | |
| | Units Issued | Units Redeemed | Net Increase (Decrease) | Units Issued | Units Redeemed | Net Increase (Decrease) |
| Voya Variable Portfolios, Inc. (continued): | | | | | | |
| Voya Small Company Portfolio - Class I | 56,063 | 289,528 | (233,465) | 43,626 | 265,399 | (221,773) |
| Voya Variable Products Trust: | | | | | | |
| Voya MidCap Opportunities Portfolio - Class I | 96,939 | 69,685 | 27,254 | 31,640 | 67,820 | (36,180) |
| Voya MidCap Opportunities Portfolio - Class S | 1,234 | 7,301 | (6,067) | 5,328 | 901 | 4,427 |
| Voya SmallCap Opportunities Portfolio - Class I | 153 | 306 | (153) | — | — | — |
| Voya SmallCap Opportunities Portfolio - Class S | 2 | 2,353 | (2,351) | 1,134 | 319 | 815 |
| Wanger Advisors Trust: | | | | | | |
| Wanger Select | — | — | — | — | — | — |

## 8. Financial Highlights

A summary of unit values, units outstanding, and net assets for variable annuity contracts, expense ratios, excluding expenses of underlying funds, investment income ratios, and total return for the years ending December 31, 2017, 2016, 2015, 2014, and 2013 follows:

| | Fund Inception Date[A] | Units (000's) | Unit Fair Value (lowest to highest) | | | Net Assets (000's) | Investment Income Ratio[B] | Expense Ratio[C] (lowest to highest) | | | Total Return[D] (lowest to highest) | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Invesco V.I. Core Equity Fund - Series I Shares | | | | | | | | | | | | | |
| 2017 | | 444 | $15.95 | to | $17.43 | $7,141 | 0.99% | 0.90% | to | 1.00% | 12.09% | to | 12.17% |
| 2016 | | 509 | $14.22 | to | $15.55 | $7,292 | 0.76% | 0.90% | to | 1.00% | 9.12% | to | 9.30% |
| 2015 | | 537 | $13.01 | to | $14.25 | $7,032 | 1.13% | 0.90% | to | 1.00% | -6.68% | to | -6.67% |
| 2014 | | 584 | $13.94 | to | $15.27 | $8,194 | 0.87% | 0.90% | to | 1.00% | 7.08% | to | 7.23% |
| 2013 | | 610 | $13.00 | to | $14.26 | $7,988 | 1.45% | 0.90% | to | 1.00% | 28.01% | to | 28.08% |
| Artisan International Fund - Investor Shares | | | | | | | | | | | | | |
| 2017 | | 2 | $14.53 | | | $35 | 0.75% | 0.90% | | | 29.85% | | |
| 2016 | | 2 | $11.19 | | | $27 | 1.10% | 0.90% | | | -10.48% | | |
| 2015 | | 2 | $12.50 | | | $30 | — | 0.90% | | | -4.73% | | |
| 2014 | 12/23/2014 | 2 | 13.12 | | | $32 | (b) | 0.90% | | | (b) | | |
| 2013 | | (b) | (b) | | | (b) | (b) | (b) | | | (b) | | |
| Calvert VP SRI Balanced Portfolio | | | | | | | | | | | | | |
| 2017 | | 3 | $20.20 | to | $20.38 | $71 | 2.81% | 1.25% | to | 1.40% | 10.44% | to | 10.58% |
| 2016 | | 7 | $18.29 | to | $18.42 | $130 | 1.79% | 1.25% | to | 1.40% | 6.34% | to | 6.47% |
| 2015 | | 8 | $17.20 | to | $17.30 | $134 | — | 1.25% | to | 1.40% | -3.59% | to | -3.41% |
| 2014 | | 11 | $17.84 | to | $17.91 | $197 | 1.57% | 1.25% | to | 1.40% | 8.06% | to | 8.22% |
| 2013 | | 11 | $16.51 | to | $16.55 | $185 | 1.35% | 1.25% | to | 1.40% | 16.35% | to | 16.55% |
| EuroPacific Growth Fund® - Class R-4 | | | | | | | | | | | | | |
| 2017 | | 2,095 | $15.26 | to | $25.12 | $32,355 | 0.94% | 0.90% | to | 1.00% | 29.42% | to | 29.54% |
| 2016 | | 2,219 | $11.78 | to | $19.41 | $26,414 | 1.20% | 0.90% | to | 1.00% | -0.31% | to | -0.25% |
| 2015 | | 2,447 | $11.81 | to | $19.47 | $29,194 | 1.68% | 0.90% | to | 1.00% | -1.82% | to | -1.67% |
| 2014 | | 2,536 | $12.01 | to | $19.83 | $30,760 | 1.38% | 0.90% | to | 1.00% | -3.64% | to | -3.53% |
| 2013 | | 2,425 | $12.45 | to | $20.58 | $30,475 | 1.05% | 0.90% | to | 1.00% | 18.96% | to | 19.02% |

| | Fund Inception Date[A] | Units (000's) | Unit Fair Value (lowest to highest) | Net Assets (000's) | Investment Income Ratio[B] | Expense Ratio[C] (lowest to highest) | Total Return[D] (lowest to highest) |
|---|---|---|---|---|---|---|---|
| Federated Fund for U.S. Government Securities II - Primary Shares | | | | | | | |
| 2017 | | 10 | $19.43 | $202 | 2.31% | 1.40% | 0.52% |
| 2016 | | 11 | $19.33 | $207 | 2.41% | 1.40% | 0.16% |
| 2015 | | 13 | $19.30 | $247 | 3.07% | 1.40% | -0.87% |
| 2014 | | 14 | $19.47 | $274 | 2.97% | 1.40% | 3.18% |
| 2013 | | 18 | $18.87 | $332 | 3.36% | 1.40% | -3.43% |
| Federated Government Money Fund II - Service Shares | | | | | | | |
| 2017 | | 48 | $9.09 to $11.86 | $564 | 0.29% | 1.25% to 1.40% | -1.08% to -0.98% |
| 2016 | | 66 | $9.18 to $11.99 | $792 | — | 1.25% to 1.40% | -1.40% to -1.29% |
| 2015 | | 65 | $9.30 to $12.16 | $795 | — | 1.25% to 1.40% | -1.46% to -1.17% |
| 2014 | | 74 | $9.41 to $12.34 | $914 | — | 1.25% to 1.40% | -1.36% to -1.26% |
| 2013 | | 88 | $9.53 to $12.51 | $1,095 | — | 1.25% to 1.40% | -1.42% to -1.24% |
| Federated High Income Bond Fund II - Primary Shares | | | | | | | |
| 2017 | | 12 | $29.13 to $32.40 | $392 | 7.60% | 1.25% to 1.40% | 5.47% to 5.58% |
| 2016 | | 16 | $27.59 to $30.73 | $501 | 7.51% | 1.25% to 1.40% | 13.23% to 13.40% |
| 2015 | | 28 | $24.33 to $27.14 | $753 | 6.06% | 1.25% to 1.40% | -3.96% to -3.80% |
| 2014 | | 33 | $25.29 to $28.26 | $931 | 6.55% | 1.25% to 1.40% | 1.25% to 1.40% |
| 2013 | | 41 | $24.94 to $27.91 | $1,144 | 7.45% | 1.25% to 1.40% | 5.52% to 5.68% |
| Federated Kaufmann Fund II - Primary Shares | | | | | | | |
| 2017 | | 59 | $24.47 | $1,434 | — | 1.40% | 26.58% |
| 2016 | | 74 | $19.34 | $1,436 | — | 1.40% | 2.22% |
| 2015 | | 89 | $18.92 | $1,676 | — | 1.40% | 4.88% |
| 2014 | | 115 | $18.04 | $2,067 | — | 1.40% | 8.15% |
| 2013 | | 130 | $16.68 | $2,161 | — | 1.40% | 38.19% |
| Federated Managed Tail Risk Fund II - Primary Shares | | | | | | | |
| 2017 | | 177 | $11.85 to $12.70 | $2,252 | 1.73% | 1.25% to 1.40% | 9.39% to 9.62% |
| 2016 | | 231 | $10.81 to $11.61 | $2,681 | 1.78% | 1.25% to 1.40% | -5.38% to -5.26% |
| 2015 | | 274 | $11.41 to $12.27 | $3,367 | 1.74% | 1.25% to 1.40% | -7.74% to -7.61% |
| 2014 | | 327 | $12.35 to $13.30 | $4,355 | 1.89% | 1.25% to 1.40% | -2.35% to -2.22% |
| 2013 | | 419 | $12.63 to $13.62 | $5,703 | 1.03% | 1.25% to 1.40% | 14.84% to 15.03% |

| | Fund Inception Date[A] | Units (000's) | Unit Fair Value (lowest to highest) | | | Net Assets (000's) | Investment Income Ratio[B] | Expense Ratio[C] (lowest to highest) | | | Total Return[D] (lowest to highest) | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Federated Managed Volatility Fund II | | | | | | | | | | | | | |
| 2017 | | 71 | $25.07 | to | $27.69 | $1,970 | 4.07% | 1.25% | to | 1.40% | 16.48% | to | 16.66% |
| 2016 | | 87 | $21.49 | to | $23.78 | $2,065 | 4.96% | 1.25% | to | 1.40% | 6.16% | to | 6.33% |
| 2015 | | 112 | $20.21 | to | $22.40 | $2,499 | 4.52% | 1.25% | to | 1.40% | -8.83% | to | -8.72% |
| 2014 | | 129 | $22.14 | to | $24.57 | $3,163 | 3.53% | 1.25% | to | 1.40% | 2.46% | to | 2.59% |
| 2013 | | 156 | $21.58 | to | $23.98 | $3,744 | 2.92% | 1.25% | to | 1.40% | 20.02% | to | 20.22% |
| Fidelity® VIP Equity-Income Portfolio - Initial Class | | | | | | | | | | | | | |
| 2017 | | 869 | $18.04 | to | $24.47 | $15,764 | 1.67% | 0.90% | to | 1.00% | 11.79% | to | 11.91% |
| 2016 | | 960 | $16.12 | to | $21.89 | $15,558 | 2.22% | 0.90% | to | 1.00% | 16.81% | to | 16.98% |
| 2015 | | 1,047 | $13.78 | to | $18.74 | $14,525 | 2.56% | 0.90% | to | 1.00% | -4.92% | to | -4.83% |
| 2014 | | 1,383 | $14.48 | to | $31.89 | $24,162 | 2.82% | 0.90% | to | 1.40% | 7.19% | to | 7.74% |
| 2013 | | 1,429 | $13.44 | to | $29.75 | $23,981 | 2.58% | 0.90% | to | 1.40% | 26.33% | to | 27.03% |
| Fidelity® VIP High Income Portfolio - Initial Class | | | | | | | | | | | | | |
| 2017 | | — | $17.46 | | | $3 | 5.26% | 1.25% | | | 5.56% | | |
| 2016 | | — | $16.54 | | | $3 | 5.29% | 1.25% | | | 13.21% | | |
| 2015 | | — | $14.61 | | | $3 | — | 1.25% | | | -4.82% | | |
| 2014 | | — | $15.35 | | | $3 | — | 1.25% | | | -0.13% | | |
| 2013 | | — | $15.37 | | | $4 | — | 1.25% | | | 4.63% | | |
| Fidelity® VIP Contrafund® Portfolio - Initial Class | | | | | | | | | | | | | |
| 2017 | | 1,708 | $18.92 | to | $31.53 | $32,691 | 0.99% | 0.90% | to | 1.00% | 20.67% | to | 20.82% |
| 2016 | | 1,895 | $15.66 | to | $26.13 | $30,019 | 0.76% | 0.90% | to | 1.00% | 6.91% | to | 7.04% |
| 2015 | | 2,161 | $14.63 | to | $24.44 | $31,943 | 1.06% | 0.90% | to | 1.00% | -0.33% | to | -0.20% |
| 2014 | | 2,207 | $14.66 | to | $24.52 | $32,655 | 1.02% | 0.90% | to | 1.00% | 10.85% | to | 10.89% |
| 2013 | | 1,995 | $13.22 | to | $22.12 | $26,633 | 0.97% | 0.90% | to | 1.00% | 29.96% | to | 30.12% |
| Fidelity® VIP Index 500 Portfolio - Initial Class | | | | | | | | | | | | | |
| 2017 | | 126 | $29.46 | to | $49.17 | $5,787 | 1.77% | 1.25% | to | 1.40% | 20.01% | to | 20.20% |
| 2016 | | 140 | $24.51 | to | $40.97 | $5,365 | 1.41% | 1.25% | to | 1.40% | 10.28% | to | 10.46% |
| 2015 | | 156 | $22.19 | to | $37.15 | $5,331 | 2.05% | 1.25% | to | 1.40% | -0.08% | to | 0.09% |
| 2014 | | 156 | $22.17 | to | $37.18 | $5,311 | 1.57% | 1.25% | to | 1.40% | 11.99% | to | 12.14% |
| 2013 | | 180 | $19.77 | to | $33.20 | $5,387 | 1.83% | 1.25% | to | 1.40% | 30.40% | to | 30.58% |

| | Fund Inception Date[A] | Units (000's) | Unit Fair Value (lowest to highest) | Net Assets (000's) | Investment Income Ratio[B] | Expense Ratio[C] (lowest to highest) | Total Return[D] (lowest to highest) |
|---|---|---|---|---|---|---|---|
| Fidelity® VIP Investment Grade Bond Portfolio - Initial Class | | | | | | | |
| 2017 | | 4 | $23.00 | $88 | 2.42% | 1.40% | 2.77% |
| 2016 | | 4 | $22.39 | $90 | 2.36% | 1.40% | 3.27% |
| 2015 | | 4 | $21.68 | $91 | 2.12% | 1.40% | -1.99% |
| 2014 | | 4 | $22.12 | $98 | 2.04% | 1.40% | 4.39% |
| 2013 | | 5 | $21.19 | $98 | 1.78% | 1.40% | -3.15% |
| Growth Fund of America® - Class R-4 | | | | | | | |
| 2017 | | 2,515 | $21.12 to $29.71 | $53,671 | 0.46% | 0.90% to 1.00% | 24.83% to 24.97% |
| 2016 | | 2,735 | $16.90 to $23.80 | $46,682 | 0.55% | 0.90% to 1.00% | 7.35% to 7.44% |
| 2015 | | 3,037 | $15.73 to $22.17 | $48,223 | 0.57% | 0.90% to 1.00% | 4.33% to 4.45% |
| 2014 | | 3,202 | $15.06 to $21.25 | $48,658 | 0.34% | 0.90% to 1.00% | 8.14% to 8.27% |
| 2013 | | 3,241 | $13.91 to $19.65 | $45,478 | 0.33% | 0.90% to 1.00% | 32.50% to 32.60% |
| Neuberger Berman Socially Responsive Fund - Trust Class | | | | | | | |
| 2017 | | 120 | $18.78 to $21.25 | $2,264 | 0.42% | 0.90% to 1.00% | 17.21% to 17.37% |
| 2016 | | 142 | $16.00 to $18.13 | $2,268 | 1.07% | 0.90% to 1.00% | 8.82% to 8.84% |
| 2015 | | 157 | $14.70 to $16.66 | $2,303 | 0.94% | 0.90% to 1.00% | -1.54% to -1.41% |
| 2014 | | 174 | $14.91 to $16.92 | $2,600 | 0.93% | 0.90% to 1.00% | 9.31% |
| 2013 | | 187 | $13.64 | $2,545 | 1.36% | 0.90% | 36.67% |
| Oppenheimer Main Street Fund®/VA | | | | | | | |
| 2017 | | 3 | $20.64 | $68 | 1.26% | 1.25% | 15.44% |
| 2016 | | 3 | $17.88 | $62 | 1.09% | 1.25% | 10.23% |
| 2015 | | 4 | $16.22 | $59 | 1.68% | 1.25% | 2.01% |
| 2014 | | 4 | $15.90 | $60 | — | 1.25% | 9.35% |
| 2013 | | 4 | $14.54 | $58 | 1.92% | 1.25% | 30.17% |
| PIMCO Real Return Portfolio - Administrative Class | | | | | | | |
| 2017 | | — | $10.12 | $1 | 2.32% | 0.90% | 2.74% |
| 2016 | | — | $9.85 | $1 | 2.28% | 0.90% | 4.23% |
| 2015 | | — | $9.45 | $1 | — | 0.90% | -3.57% |
| 2014 | | — | $9.80 | $1 | — | 0.90% | 2.08% |
| 2013 | | — | $9.60 | $1 | — | 0.90% | -10.03% |

| | Fund Inception Date[A] | Units (000's) | Unit Fair Value (lowest to highest) | Net Assets (000's) | Investment Income Ratio[B] | Expense Ratio[C] (lowest to highest) | Total Return[D] (lowest to highest) |
|---|---|---|---|---|---|---|---|
| Pioneer Equity Income VCT Portfolio - Class I | | | | | | | |
| 2017 | | 2 | $19.75 | $31 | 1.71% | 0.90% | 14.43% |
| 2016 | | 2 | $17.26 | $27 | 2.03 % | 0.90% | 18.71% |
| 2015 | | 2 | $14.54 | $22 | — | 0.90% | -0.41% |
| 2014 | | 2 | $14.60 | $23 | 4.65 % | 0.90% | 12.05% |
| 2013 | | 2 | $13.03 | $20 | — | 0.90% | 28.00% |
| Pioneer Mid Cap Value VCT Portfolio - Class I | | | | | | | |
| 2017 | | — | $17.78 | $1 | 0.82% | 0.90% | 12.18% |
| 2016 | | — | $15.85 | — | 0.71% | 0.90% | 15.52% |
| 2015 | | — | $13.72 | — | — | 0.90% | -6.98% |
| 2014 | | — | $14.75 | — | — | 0.90% | 13.99% |
| 2013 | | — | $12.94 | — | — | 0.90% | 31.91% |
| Voya Balanced Portfolio - Class I | | | | | | | |
| 2017 | | 905 | $14.93 to $31.66 | 14,515 | 2.61% | 0.90% to 1.40% | 13.11% to 13.71% |
| 2016 | | 1,014 | $13.13 to $27.99 | 14,258 | 1.77% | 0.90% to 1.40% | 6.30% to 6.83% |
| 2015 | | 1,140 | $12.29 to $26.33 | 15,020 | 2.04% | 0.90% to 1.40% | -3.23% to -2.77% |
| 2014 | | 1,271 | $12.64 to $27.21 | 17,261 | 1.63% | 0.90% to 1.40% | 4.73% to 5.33% |
| 2013 | | 1,269 | $12.00 to $25.98 | 16,519 | 2.17% | 0.90% to 1.40% | 15.11% to 15.61% |
| Voya Intermediate Bond Portfolio - Class I | | | | | | | |
| 2017 | | 1,711 | $11.96 to $23.11 | $21,817 | 3.38% | 0.90% to 1.40% | 3.55% to 4.09% |
| 2016 | | 1,812 | $11.49 to $22.28 | $22,389 | 2.29% | 0.90% to 1.40% | 2.87% to 3.33% |
| 2015 | | 1,980 | $11.12 to $21.62 | $23,732 | 4.70% | 0.90% to 1.40% | -0.83% to -0.27% |
| 2014 | | 842 | $11.15 to $21.80 | $11,058 | 3.42% | 0.90% to 1.40% | 5.21% to 5.69% |
| 2013 | | 805 | $10.55 to $20.72 | $10,060 | 3.24% | 0.90% to 1.40% | -1.52% to -0.94% |
| Voya Global Perspectives® Portfolio - Class A | | | | | | | |
| 2017 | | 3 | $11.76 to $11.84 | $30 | 1.40% | 1.25% to 1.40% | 13.06% to 13.19% |
| 2016 | | 7 | $10.41 to $10.46 | $73 | 3.84% | 1.25% to 1.40% | 4.94% to 5.23% |
| 2015 | | 3 | $9.92 to $9.94 | $25 | 3.85% | 1.25% to 1.40% | -4.98% to -4.88% |
| 2014 | 3/14/2014 | 3 | $10.44 to $10.45 | $27 | (b) | 1.25% to 1.40% | (b) |
| 2013 | | (b) | (b) | (b) | (b) | (b) | (b) |

| | Fund Inception Date[A] | Units (000's) | Unit Fair Value (lowest to highest) | | | Net Assets (000's) | Investment Income Ratio[B] | Expense Ratio[C] (lowest to highest) | | | Total Return[D] (lowest to highest) | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Voya High Yield Portfolio - Service Class | | | | | | | | | | | | | |
| 2017 | | 62 | $19.95 | to | $20.34 | $1,230 | 6.49% | 1.25% | to | 1.40% | 4.72% | to | 4.90% |
| 2016 | | 80 | $19.05 | to | $19.39 | $1,530 | 6.30% | 1.25% | to | 1.40% | 12.99% | to | 13.19% |
| 2015 | | 63 | $16.86 | to | $17.13 | $1,069 | 6.35% | 1.25% | to | 1.40% | -3.38% | to | -3.27% |
| 2014 | | 67 | $17.45 | to | $17.71 | $1,167 | 5.93% | 1.25% | to | 1.40% | -0.23% | to | -0.11% |
| 2013 | | 93 | $17.49 | to | $17.73 | $1,633 | 5.43% | 1.25% | to | 1.40% | 4.11% | to | 4.36% |
| Voya Large Cap Growth Portfolio - Institutional Class | | | | | | | | | | | | | |
| 2017 | | 436 | $20.74 | to | $32.23 | $13,645 | 0.66% | 0.90% | to | 1.40% | 27.96% | to | 28.58% |
| 2016 | | 508 | $16.13 | to | $25.15 | $12,426 | 0.55% | 0.90% | to | 1.40% | 2.47% | to | 3.07% |
| 2015 | | 553 | $15.65 | to | $24.50 | $13,208 | 0.56% | 0.90% | to | 1.40% | 4.93% | to | 5.39% |
| 2014 | | 613 | $14.85 | to | $23.32 | $13,930 | 0.47% | 0.90% | to | 1.40% | 11.98% | to | 12.59% |
| 2013 | | 643 | $13.19 | to | $20.79 | $13,045 | 0.80% | 0.90% | to | 1.40% | 29.15% | to | 29.82% |
| Voya Large Cap Value Portfolio - Institutional Class | | | | | | | | | | | | | |
| 2017 | | — | $17.59 | | | $1 | 2.52% | 0.90% | | | 12.54% | | |
| 2016 | | — | $15.63 | | | $1 | 2.45% | 0.90% | | | 12.85% | | |
| 2015 | | — | $13.85 | | | $1 | — | 0.90% | | | -5.33% | | |
| 2014 | | — | $14.63 | | | — | — | 0.90% | | | 9.10% | | |
| 2013 | 2/28/2013 | — | $13.41 | | | — | (a) | 0.90% | | | (a) | | |
| Voya Large Cap Value Portfolio - Service Class | | | | | | | | | | | | | |
| 2017 | | 8 | $17.62 | to | $17.80 | $135 | 3.62% | 1.25% | to | 1.40% | 11.66% | to | 11.81% |
| 2016 | | 2 | $15.78 | to | $15.92 | $25 | 2.04% | 1.25% | to | 1.40% | 11.99% | to | 12.19% |
| 2015 | | 2 | $14.09 | to | $14.19 | $28 | — | 1.25% | to | 1.40% | -6.00% | to | -5.84% |
| 2014 | | 3 | $14.99 | | | $39 | 3.03% | 1.40% | | | 8.23% | | |
| 2013 | | 2 | $13.85 | | | $27 | — | 1.40% | | | 28.84% | | |
| Voya Retirement Conservative Portfolio - Adviser Class | | | | | | | | | | | | | |
| 2017 | | 13 | $12.32 | to | $12.45 | $161 | 0.58% | 1.25% | to | 1.40% | 6.21% | to | 6.41% |
| 2016 | | 55 | $11.60 | to | $11.70 | $634 | 1.43% | 1.25% | to | 1.40% | 3.29% | to | 3.36% |
| 2015 | | 54 | $11.23 | to | $11.32 | $608 | 0.28% | 1.25% | to | 1.40% | -2.26% | to | -1.99% |
| 2014 | | 9 | $11.49 | | | $103 | 2.97% | 1.40% | | | 4.45% | | |
| 2013 | | 9 | $11.00 | | | $99 | 1.98% | 1.40% | | | 2.90% | | |

| | Fund Inception Date[A] | Units (000's) | Unit Fair Value (lowest to highest) | Net Assets (000's) | Investment Income Ratio[B] | Expense Ratio[C] (lowest to highest) | Total Return[D] (lowest to highest) |
|---|---|---|---|---|---|---|---|
| Voya Retirement Growth Portfolio - Adviser Class | | | | | | | |
| 2017 | | 3 | $14.63 | $37 | 1.74% | 1.40% | 15.02% |
| 2016 | | 3 | $12.72 | $32 | 2.18% | 1.40% | 5.82% |
| 2015 | | 3 | $12.02 | $31 | 3.85% | 1.40% | -3.38% |
| 2014 | | 2 | $12.44 | $21 | — | 1.40% | 3.84% |
| 2013 | 10/7/2013 | 2 | $11.98 | $20 | (a) | 1.40% | (a) |
| Voya Retirement Moderate Growth Portfolio - Adviser Class | | | | | | | |
| 2017 | | — | $14.32 | $2 | (d) | 1.25% | (d) |
| 2016 | | — | $12.55 | $6 | 2.27% | 1.40% | 5.37% |
| 2015 | | — | $11.91 | $6 | — | 1.40% | -3.01% |
| 2014 | | 1 | $12.28 | $7 | — | 1.40% | 4.24% |
| 2013 | | 1 | $11.78 | $7 | — | 1.40% | 14.04% |
| Voya Retirement Moderate Portfolio - Adviser Class | | | | | | | |
| 2017 | | 5 | $13.18 to $13.31 | $69 | 1.63% | 1.25% to 1.40% | 10.29% to 10.36% |
| 2016 | | 5 | $11.95 to $12.06 | $63 | 1.70% | 1.25% to 1.40% | 4.28% to 4.51% |
| 2015 | | 7 | $11.46 to $11.54 | $78 | 1.27% | 1.25% to 1.40% | -2.96% to -2.86% |
| 2014 | | 7 | $11.81 to $11.88 | $80 | 1.40% | 1.25% to 1.40% | 3.78% |
| 2013 | | 18 | $11.38 | $205 | 4.50% | 1.40% | 8.48% |
| Voya U.S. Stock Index Portfolio - Institutional Class | | | | | | | |
| 2017 | | 1,542 | $20.14 to $27.02 | $31,246 | 1.77% | 0.90% to 1.00% | 20.25% to 20.38% |
| 2016 | | 1,631 | $16.73 to $22.47 | $27,462 | 1.99% | 0.90% to 1.00% | 10.58% to 10.65% |
| 2015 | | 1,736 | $15.12 to $20.32 | $26,377 | 1.82% | 0.90% to 1.00% | 0.10% to 0.20% |
| 2014 | | 1,833 | $15.09 to $20.30 | $27,804 | 1.92% | 0.90% to 1.00% | 12.22% to 12.36% |
| 2013 | | 1,764 | $13.43 to $18.09 | $23,848 | 1.97% | 0.90% to 1.00% | 30.71% to 30.90% |
| VY® BlackRock Inflation Protected Bond Portfolio - Service Class | | | | | | | |
| 2017 | | 9 | $10.09 to $10.19 | $88 | 1.56% | 1.25% to 1.40% | 1.00% to 1.19% |
| 2016 | | 16 | $9.99 to $10.07 | $158 | — | 1.25% to 1.40% | 2.25% to 2.34% |
| 2015 | | 18 | $9.77 to $9.84 | $175 | 1.10% | 1.25% to 1.40% | -4.03% to -3.91% |
| 2014 | | 19 | $10.18 to $10.24 | $190 | 1.11% | 1.25% to 1.40% | 1.09% to 1.29% |
| 2013 | | 17 | $10.07 to $10.11 | $171 | — | 1.25% to 1.40% | -9.93% to -9.81% |

| | Fund Inception Date[A] | Units (000's) | Unit Fair Value (lowest to highest) | | | Net Assets (000's) | Investment Income Ratio[B] | Expense Ratio[C] (lowest to highest) | | | Total Return[D] (lowest to highest) | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| VY® Franklin Income Portfolio - Service Class | | | | | | | | | | | | | |
| 2017 | | 6 | $14.17 | to | $14.31 | $87 | 5.95% | 1.25% | to | 1.40% | 8.83% | to | 8.90% |
| 2016 | | 5 | $13.02 | to | $13.14 | $67 | 6.45% | 1.25% | to | 1.40% | 14.01% | to | 14.26% |
| 2015 | | 6 | $11.42 | to | $11.50 | $69 | 5.78% | 1.25% | to | 1.40% | -7.68% | to | -7.56% |
| 2014 | | 8 | $12.37 | to | $12.44 | $104 | 4.30% | 1.25% | to | 1.40% | 3.51% | | |
| 2013 | | 7 | $11.95 | | | $82 | 5.04% | 1.40% | | | 13.06% | | |
| VY® Invesco Growth and Income Portfolio - Service Class | | | | | | | | | | | | | |
| 2017 | | 1 | $19.37 | | | $18 | 1.98% | 0.90% | | | 12.88% | | |
| 2016 | | 1 | $17.16 | | | $16 | 2.15% | 0.90% | | | 18.84% | | |
| 2015 | | 1 | $14.44 | | | $14 | — | 0.90% | | | -3.80% | | |
| 2014 | | 1 | $15.01 | | | $13 | — | 0.90% | | | 9.16% | | |
| 2013 | | 1 | $13.75 | | | $11 | — | 0.90% | | | 32.59% | | |
| VY® JPMorgan Emerging Markets Equity Portfolio - Institutional Class | | | | | | | | | | | | | |
| 2017 | | 16 | $22.74 | to | $23.17 | $373 | 0.73% | 1.25% | to | 1.40% | 41.39% | to | 41.54% |
| 2016 | | 17 | $16.09 | to | $16.36 | $276 | 1.54% | 1.25% | to | 1.40% | 11.66% | to | 11.83% |
| 2015 | | 21 | $14.41 | to | $14.63 | $296 | 1.41% | 1.25% | to | 1.40% | -16.75% | to | -16.64% |
| 2014 | | 24 | $17.31 | to | $17.55 | $414 | 1.12% | 1.25% | to | 1.40% | -0.29% | to | -0.11% |
| 2013 | | 28 | $17.36 | to | $17.57 | $479 | 0.97% | 1.25% | to | 1.40% | -6.82% | to | -6.69% |
| VY® JPMorgan Small Cap Core Equity Portfolio - Institutional Class | | | | | | | | | | | | | |
| 2017 | | 7 | $20.07 | to | $20.27 | $146 | 0.47% | 1.25% | to | 1.40% | 14.23% | to | 14.39% |
| 2016 | | 5 | $17.56 | to | $17.72 | $82 | 0.60% | 1.25% | to | 1.40% | 20.19% | to | 20.38% |
| 2015 | | 4 | $14.61 | to | $14.72 | $59 | — | 1.25% | to | 1.40% | -4.82% | to | -4.60% |
| 2014 | | 6 | $15.35 | to | $15.43 | $92 | — | 1.25% | to | 1.40% | 7.12% | to | 7.23% |
| 2013 | | 5 | $14.33 | to | $14.39 | $71 | 2.04% | 1.25% | to | 1.40% | 37.39% | | |
| VY® T. Rowe Price Capital Appreciation Portfolio - Service Class | | | | | | | | | | | | | |
| 2017 | | 3,237 | $17.81 | to | $27.04 | $58,036 | 1.24% | 0.90% | to | 1.40% | 13.52% | to | 14.08% |
| 2016 | | 3,202 | $15.62 | to | $23.73 | $50,322 | 1.33% | 0.90% | to | 1.40% | 6.53% | to | 7.06% |
| 2015 | | 3,398 | $14.59 | to | $22.19 | $49,803 | 1.35% | 0.90% | to | 1.40% | 3.73% | to | 4.29% |
| 2014 | | 3,137 | $13.99 | to | $21.30 | $44,099 | 1.38% | 0.90% | to | 1.40% | 10.55% | to | 11.21% |
| 2013 | | 2,810 | $12.58 | to | $19.18 | $35,518 | 1.23% | 0.90% | to | 1.40% | 20.55% | to | 21.08% |

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|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| VY® T. Rowe Price International Stock Portfolio - Service Class | | | | | | | | | | | | | |
| 2017 | | 12 | $13.25 | | | $163 | 1.09% | 1.40% | | | 26.07% | | |
| 2016 | | 16 | $10.51 | | | $173 | 1.42% | 1.40% | | | 0.48% | | |
| 2015 | | 22 | $10.46 | to | $10.61 | $226 | 0.79% | 1.25% | to | 1.40% | -2.33% | to | -2.21% |
| 2014 | | 26 | $10.71 | to | $10.85 | $280 | 1.34% | 1.25% | to | 1.40% | -2.46% | to | -2.34% |
| 2013 | | 29 | $10.98 | to | $11.11 | $316 | 0.99% | 1.25% | to | 1.40% | 12.73% | to | 12.91% |
| Voya Government Money Market Portfolio - Class I | | | | | | | | | | | | | |
| 2017 | | 1,054 | $9.57 | to | $12.35 | $11,013 | 0.57% | 0.90% | to | 1.40% | -0.80% | to | -0.31% |
| 2016 | | 1,342 | $9.60 | to | $12.45 | $13,691 | 0.08% | 0.90% | to | 1.40% | -1.27% | to | -0.72% |
| 2015 | | 1,301 | $9.67 | to | $12.61 | $13,519 | — | 0.90% | to | 1.40% | -1.33% | to | -0.92% |
| 2014 | | 1,305 | $9.76 | to | $12.78 | $13,827 | — | 0.90% | to | 1.40% | -1.39% | to | -0.81% |
| 2013 | | 1,349 | $9.84 | to | $12.96 | $14,304 | — | 0.90% | to | 1.40% | -1.44% | to | -0.91% |
| Voya Global Bond Portfolio - Initial Class | | | | | | | | | | | | | |
| 2017 | | 1,040 | $10.71 | to | $15.03 | $11,610 | 2.57% | 0.90% | to | 1.40% | 8.11% | to | 8.62% |
| 2016 | | 1,090 | $9.86 | to | $13.84 | $11,189 | 1.77% | 0.90% | to | 1.40% | 4.80% | to | 5.45% |
| 2015 | | 1,169 | $9.35 | to | $13.15 | $11,391 | — | 0.90% | to | 1.40% | -5.64% | to | -5.26% |
| 2014 | | 1,321 | $9.87 | to | $13.88 | $13,582 | 0.83% | 0.90% | to | 1.40% | -0.96% | to | -0.40% |
| 2013 | | 1,261 | $9.91 | to | $13.96 | $13,099 | 2.14% | 0.90% | to | 1.40% | -5.36% | to | -4.89% |
| Voya Solution Moderately Aggressive Portfolio - Service Class | | | | | | | | | | | | | |
| 2017 | | — | $11.66 | | | $3 | 1.40% | 1.40% | | | 16.48% | | |
| 2016 | | — | $10.01 | | | $2 | 1.21% | 1.40% | | | 4.71% | | |
| 2015 | 8/14/2015 | — | $9.56 | | | $2 | (c) | 1.40% | | | (c) | | |
| 2014 | | (c) | (c) | | | (c) | (c) | (c) | | | (c) | | |
| 2013 | | (c) | (c) | | | (c) | (c) | (c) | | | (c) | | |
| VY® Baron Growth Portfolio - Service Class | | | | | | | | | | | | | |
| 2017 | | 572 | $18.76 | to | $38.34 | $11,103 | 0.76% | 0.90% | to | 1.40% | 26.42% | to | 27.06% |
| 2016 | | 605 | $14.84 | to | $30.20 | $9,249 | — | 0.90% | to | 1.40% | 3.85% | to | 4.43% |
| 2015 | | 718 | $14.29 | to | $28.96 | $10,479 | 0.25% | 0.90% | to | 1.40% | -6.36% | to | -5.93% |
| 2014 | | 751 | $15.26 | to | $30.80 | $11,649 | 0.08% | 0.90% | to | 1.40% | 2.83% | to | 3.44% |
| 2013 | | 739 | $14.84 | to | $29.82 | $11,097 | 1.28% | 0.90% | to | 1.40% | 36.90% | to | 37.66% |

| | Fund Inception Date[A] | Units (000's) | Unit Fair Value (lowest to highest) | | | Net Assets (000's) | Investment Income Ratio[B] | Expense Ratio[C] (lowest to highest) | | | Total Return[D] (lowest to highest) | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| VY® Invesco Equity and Income Portfolio - Initial Class | | | | | | | | | | | | | |
| 2017 | | 234 | $21.52 | to | $21.94 | $5,049 | 2.15% | 1.25% | to | 1.40% | 9.35% | to | 9.48% |
| 2016 | | 265 | $15.44 | to | $20.04 | $5,222 | 1.94% | 0.90% | to | 1.40% | 13.63% | to | 14.20% |
| 2015 | | 302 | $13.52 | to | $17.60 | $5,239 | 2.10% | 0.90% | to | 1.40% | -3.40% | to | -2.94% |
| 2014 | | 375 | $13.93 | to | $18.20 | $6,736 | 2.11% | 0.90% | to | 1.40% | 7.43% | to | 7.98% |
| 2013 | | 188 | $12.90 | to | $16.91 | $3,135 | 1.35% | 0.90% | to | 1.40% | 23.17% | to | 23.92% |
| VY® Oppenheimer Global Portfolio - Initial Class | | | | | | | | | | | | | |
| 2017 | | 1,878 | $18.91 | to | $26.08 | $37,970 | 1.09% | 0.90% | to | 1.40% | 34.58% | to | 35.26% |
| 2016 | | 2,013 | $13.98 | to | $19.31 | $30,184 | 1.18% | 0.90% | to | 1.40% | -1.15% | to | -0.71% |
| 2015 | | 2,251 | $14.08 | to | $19.51 | $33,997 | 1.52% | 0.90% | to | 1.40% | 2.68% | to | 3.23% |
| 2014 | | 2,336 | $13.64 | to | $18.97 | $34,356 | 1.17% | 0.90% | to | 1.40% | 0.86% | to | 1.41% |
| 2013 | | 2,349 | $13.45 | to | $18.78 | $34,419 | 1.34% | 0.90% | to | 1.40% | 25.37% | to | 25.94% |
| VY® Pioneer High Yield Portfolio - Initial Class | | | | | | | | | | | | | |
| 2017 | | 77 | $19.29 | to | $19.57 | $1,488 | 4.96% | 1.25% | to | 1.40% | 5.81% | to | 6.01% |
| 2016 | | 89 | $18.23 | to | $18.46 | $1,627 | 5.40% | 1.25% | to | 1.40% | 12.74% | to | 12.84% |
| 2015 | | 103 | $16.17 | to | $16.36 | $1,666 | 5.49% | 1.25% | to | 1.40% | -5.99% | to | -5.81% |
| 2014 | | 119 | $17.20 | to | $17.37 | $2,051 | 5.38% | 1.25% | to | 1.40% | -1.04% | to | -0.86% |
| 2013 | | 134 | $17.38 | to | $17.52 | $2,339 | 4.93% | 1.25% | to | 1.40% | 10.77% | to | 10.89% |
| VY® T. Rowe Price Diversified Mid Cap Growth Portfolio - Initial Class | | | | | | | | | | | | | |
| 2017 | | 80 | $30.19 | to | $30.78 | $2,419 | 0.58% | 1.25% | to | 1.40% | 23.06% | to | 23.26% |
| 2016 | | 99 | $24.54 | to | $24.98 | $2,438 | 0.29% | 1.25% | to | 1.40% | 5.91% | to | 6.07% |
| 2015 | | 112 | $23.17 | to | $23.55 | $2,592 | — | 1.25% | to | 1.40% | 0.61% | to | 0.77% |
| 2014 | | 114 | $23.03 | to | $23.37 | $2,633 | 0.26% | 1.25% | to | 1.40% | 10.24% | to | 10.39% |
| 2013 | | 127 | $20.89 | to | $21.17 | $2,669 | 0.29% | 1.25% | to | 1.40% | 33.31% | to | 33.48% |
| VY® T. Rowe Price Growth Equity Portfolio - Initial Class | | | | | | | | | | | | | |
| 2017 | | 609 | $21.89 | to | $55.16 | $16,461 | 0.05% | 0.90% | to | 1.40% | 31.71% | to | 32.35% |
| 2016 | | 598 | $16.54 | to | $41.88 | $12,435 | — | 0.90% | to | 1.40% | 0.10% | to | 0.61% |
| 2015 | | 690 | $16.44 | to | $41.84 | $14,315 | — | 0.90% | to | 1.40% | 9.27% | to | 9.82% |
| 2014 | | 700 | $14.97 | to | $38.29 | $13,430 | — | 0.90% | to | 1.40% | 7.16% | to | 7.70% |
| 2013 | | 634 | $13.90 | to | $35.73 | $12,081 | 0.02% | 0.90% | to | 1.40% | 37.32% | to | 38.03% |

| | Fund Inception Date[A] | Units (000's) | Unit Fair Value (lowest to highest) | | | Net Assets (000's) | Investment Income Ratio[B] | Expense Ratio[C] (lowest to highest) | | | Total Return[D] (lowest to highest) | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| VY® Templeton Foreign Equity Portfolio - Initial Class | | | | | | | | | | | | | |
| 2017 | | 31 | $11.20 | to | $11.37 | $348 | 1.75% | 1.25% | to | 1.40% | 20.56% | to | 20.87% |
| 2016 | | 43 | $9.29 | to | $9.41 | $398 | 3.20% | 1.25% | to | 1.40% | 0.43% | to | 0.64% |
| 2015 | | 48 | $9.25 | to | $9.35 | $441 | 4.52% | 1.25% | to | 1.40% | -4.64% | to | -4.59% |
| 2014 | | 55 | $9.70 | to | $9.80 | $532 | 2.59% | 1.25% | to | 1.40% | -7.88% | to | -7.73% |
| 2013 | | 59 | $10.53 | to | $10.63 | $627 | 1.38% | 1.25% | to | 1.40% | 18.58% | to | 18.81% |
| Voya Strategic Allocation Conservative Portfolio - Class I | | | | | | | | | | | | | |
| 2017 | | 27 | $19.95 | to | $25.82 | $683 | 4.14% | 1.25% | to | 1.40% | 8.99% | to | 9.19% |
| 2016 | | 110 | $18.28 | to | $23.69 | $2,593 | 3.03% | 1.25% | to | 1.40% | 4.22% | to | 4.39% |
| 2015 | | 113 | $17.52 | to | $22.73 | $2,571 | 3.23% | 1.25% | to | 1.40% | -1.60% | to | -1.41% |
| 2014 | | 119 | $17.77 | to | $23.10 | $2,749 | 2.60% | 1.25% | to | 1.40% | 5.10% | to | 5.29% |
| 2013 | | 128 | $16.88 | to | $21.98 | $2,789 | 2.53% | 1.25% | to | 1.40% | 10.56% | to | 10.69% |
| Voya Strategic Allocation Growth Portfolio - Class I | | | | | | | | | | | | | |
| 2017 | | 51 | $19.82 | to | $29.50 | $1,508 | 1.79% | 1.25% | to | 1.40% | 16.23% | to | 16.38% |
| 2016 | | 57 | $17.03 | to | $25.38 | $1,433 | 2.64% | 1.25% | to | 1.40% | 5.44% | to | 5.58% |
| 2015 | | 62 | $12.94 | to | $24.07 | $1,457 | 2.68% | 0.90% | to | 1.40% | -2.59% | to | -2.04% |
| 2014 | | 66 | $13.21 | to | $24.71 | $1,606 | 1.97% | 0.90% | to | 1.40% | 5.10% | to | 5.29% |
| 2013 | | 71 | $15.70 | to | $23.51 | $1,639 | 1.68% | 1.25% | to | 1.40% | 20.69% | to | 20.86% |
| Voya Strategic Allocation Moderate Portfolio - Class I | | | | | | | | | | | | | |
| 2017 | | 57 | $19.70 | to | $27.36 | $1,522 | 1.88% | 1.25% | to | 1.40% | 12.87% | to | 13.08% |
| 2016 | | 59 | $17.43 | to | $24.23 | $1,398 | 2.73% | 1.25% | to | 1.40% | 5.12% | to | 5.32% |
| 2015 | | 65 | $16.55 | to | $23.05 | $1,464 | 3.05% | 1.25% | to | 1.40% | -1.96% | to | -1.81% |
| 2014 | | 74 | $16.86 | to | $23.51 | $1,685 | 2.20% | 1.25% | to | 1.40% | 5.19% | to | 5.38% |
| 2013 | | 87 | $16.00 | to | $22.35 | $1,866 | 2.15% | 1.25% | to | 1.40% | 14.97% | to | 15.11% |
| Voya Growth and Income Portfolio - Class I | | | | | | | | | | | | | |
| 2017 | | 154 | $17.74 | to | $33.03 | $4,567 | 1.72% | 0.90% | to | 1.40% | 18.68% | to | 19.27% |
| 2016 | | 188 | $14.89 | to | $27.83 | $4,720 | 1.96% | 0.90% | to | 1.40% | 8.20% | to | 8.83% |
| 2015 | | 206 | $13.70 | to | $25.72 | $4,759 | 1.97% | 0.90% | to | 1.40% | -2.80% | to | -2.34% |
| 2014 | | 230 | $14.04 | to | $26.46 | $5,477 | 1.87% | 0.90% | to | 1.40% | 9.16% | to | 9.77% |
| 2013 | | 279 | $12.81 | to | $24.24 | $6,064 | 1.65% | 0.90% | to | 1.40% | 28.87% | to | 29.51% |

| | Fund Inception Date[A] | Units (000's) | Unit Fair Value (lowest to highest) | Net Assets (000's) | Investment Income Ratio[B] | Expense Ratio[C] (lowest to highest) | Total Return[D] (lowest to highest) |
|---|---|---|---|---|---|---|---|
| Voya Global Equity Portfolio - Class S | | | | | | | |
| 2017 | | 4 | $11.63 | $50 | 2.39% | 1.40% | 21.78% |
| 2016 | | 6 | $9.55 to $9.58 | $54 | 1.92% | 1.25% to 1.40% | 4.26% |
| 2015 | 3/9/2015 | 8 | $9.16 | $75 | (c) | 1.40% | (c) |
| 2014 | | (c) | (c) | (c) | (c) | (c) | (c) |
| 2013 | | (c) | (c) | (c) | (c) | (c) | (c) |
| Voya Index Plus LargeCap Portfolio - Class I | | | | | | | |
| 2017 | | 29 | $20.33 to $40.85 | $1,095 | 1.61% | 0.90% to 1.40% | 22.92% to 23.51% |
| 2016 | | 32 | $16.46 to $33.24 | $971 | 1.71% | 0.90% to 1.40% | 8.73% to 9.30% |
| 2015 | | 37 | $15.06 to $30.57 | $1,040 | 1.61% | 0.90% to 1.40% | -0.59% to -0.07% |
| 2014 | | 42 | $15.07 to $30.75 | $1,199 | 1.46% | 0.90% to 1.40% | 12.27% to 12.88% |
| 2013 | | 45 | $13.35 to $27.39 | $1,127 | 1.76% | 0.90% to 1.40% | 31.05% to 31.66% |
| Voya Index Plus MidCap Portfolio - Class I | | | | | | | |
| 2017 | | 2,000 | $18.89 to $42.19 | $38,242 | 1.34% | 0.90% to 1.00% | 12.45% to 12.57% |
| 2016 | | 2,214 | $16.78 to $37.52 | $37,597 | 1.00% | 0.90% to 1.00% | 16.99% to 17.10% |
| 2015 | | 2,447 | $14.33 to $32.07 | $35,447 | 0.96% | 0.90% to 1.00% | -2.79% to -2.65% |
| 2014 | | 2,565 | $14.72 to $32.99 | $38,148 | 0.75% | 0.90% to 1.00% | 8.48% to 8.55% |
| 2013 | | 2,504 | $13.56 to $30.41 | $34,307 | 1.10% | 0.90% to 1.00% | 33.20% to 33.33% |
| Voya Index Plus SmallCap Portfolio - Class I | | | | | | | |
| 2017 | | 1 | $19.73 | $15 | 0.87% | 0.90% | 8.95% |
| 2016 | | 1 | $18.11 | $14 | 0.81% | 0.90% | 26.11% |
| 2015 | | 1 | $14.36 | $11 | — | 0.90% | -4.07% |
| 2014 | | 1 | $14.97 | $17 | — | 0.90% | 4.54% |
| 2013 | | 1 | $14.32 | $16 | — | 0.90% | 41.36% |
| Voya International Index Portfolio - Class I | | | | | | | |
| 2017 | | 44 | $19.44 to $20.26 | $873 | 2.59% | 1.25% to 1.40% | 23.15% to 23.37% |
| 2016 | | 50 | $15.77 to $16.43 | $820 | 2.99% | 1.25% to 1.40% | -0.55% to -0.38% |
| 2015 | | 59 | $15.83 to $16.50 | $970 | 3.24% | 1.25% to 1.40% | -2.27% to -2.14% |
| 2014 | | 64 | $16.18 to $16.86 | $1,064 | 0.85% | 1.25% to 1.40% | -7.27% to -7.11% |
| 2013 | | 71 | $17.42 to $18.15 | $1,279 | 2.27% | 1.25% to 1.40% | 19.73% to 19.97% |

| | Fund Inception Date[A] | Units (000's) | Unit Fair Value (lowest to highest) | | | Net Assets (000's) | Investment Income Ratio[B] | Expense Ratio[C] (lowest to highest) | | | Total Return[D] (lowest to highest) | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Voya Russell™ Large Cap Growth Index Portfolio - Class I | | | | | | | | | | | | | |
| 2017 | | 103 | $31.71 | to | $32.12 | $3,279 | 1.15% | 1.25% | to | 1.40% | 29.43% | to | 29.62% |
| 2016 | | 115 | $24.50 | to | $24.78 | $2,809 | 1.32% | 1.25% | to | 1.40% | 5.06% | to | 5.22% |
| 2015 | | 137 | $23.32 | to | $23.55 | $3,196 | 1.17% | 1.25% | to | 1.40% | 6.10% | to | 6.27% |
| 2014 | | 150 | $21.98 | to | $22.16 | $3,308 | 1.28% | 1.25% | to | 1.40% | 11.52% | to | 11.69% |
| 2013 | | 173 | $19.71 | to | $19.84 | $3,414 | 1.49% | 1.25% | to | 1.40% | 30.18% | to | 30.35% |
| Voya Russell™ Large Cap Index Portfolio - Class I | | | | | | | | | | | | | |
| 2017 | | 45 | $31.70 | to | $32.13 | $1,430 | 1.70% | 1.25% | to | 1.40% | 20.85% | to | 21.06% |
| 2016 | | 50 | $26.23 | to | $26.54 | $1,328 | 1.74% | 1.25% | to | 1.40% | 9.38% | to | 9.58% |
| 2015 | | 50 | $23.98 | to | $24.22 | $1,196 | 1.63% | 1.25% | to | 1.40% | 0.67% | to | 0.79% |
| 2014 | | 63 | $23.82 | to | $24.03 | $1,498 | 1.59% | 1.25% | to | 1.40% | 11.31% | to | 11.51% |
| 2013 | | 71 | $21.40 | to | $21.55 | $1,521 | 1.58% | 1.25% | to | 1.40% | 30.25% | to | 30.37% |
| Voya Russell™ Large Cap Value Index Portfolio - Class I | | | | | | | | | | | | | |
| 2017 | | 498 | $12.37 | to | $12.41 | $6,156 | 2.09% | 1.25% | to | 1.40% | 11.84% | to | 12.00% |
| 2016 | | 563 | $11.05 | to | $11.08 | $6,228 | 1.60% | 1.25% | to | 1.40% | 13.92% | to | 14.23% |
| 2015 | 8/14/2015 | 656 | | $9.70 | | $6,359 | (c) | 1.25% | to | 1.40% | | (c) | |
| 2014 | | (c) | | (c) | | (c) | (c) | | (c) | | | (c) | |
| 2013 | | (c) | | (c) | | (c) | (c) | | (c) | | | (c) | |
| Voya Russell™ Large Cap Value Index Portfolio - Class S | | | | | | | | | | | | | |
| 2017 | | 21 | $26.83 | to | $27.19 | $567 | 1.83% | 1.25% | to | 1.40% | 11.65% | to | 11.76% |
| 2016 | | 23 | $24.04 | to | $24.33 | $549 | 1.34% | 1.25% | to | 1.40% | 13.66% | to | 13.90% |
| 2015 | | 26 | $21.15 | to | $21.36 | $556 | 1.53% | 1.25% | to | 1.40% | -5.11% | to | -4.98% |
| 2014 | | 34 | $22.29 | to | $22.48 | $749 | 1.37% | 1.25% | to | 1.40% | 10.68% | to | 10.79% |
| 2013 | | 35 | $20.14 | to | $20.29 | $712 | 1.54% | 1.25% | to | 1.40% | 29.60% | to | 29.81% |
| Voya Small Company Portfolio - Class I | | | | | | | | | | | | | |
| 2017 | | 2,081 | $19.38 | to | $63.80 | $42,492 | 0.34% | 0.90% | to | 1.40% | 9.74% | to | 10.30% |
| 2016 | | 2,315 | $17.57 | to | $58.06 | $42,968 | 0.43% | 0.90% | to | 1.40% | 22.75% | to | 23.38% |
| 2015 | | 2,537 | $14.24 | to | $47.23 | $38,135 | 0.51% | 0.90% | to | 1.40% | -2.17% | to | -1.73% |
| 2014 | | 2,614 | $14.49 | to | $48.20 | $40,082 | 0.34% | 0.90% | to | 1.40% | 5.04% | to | 5.61% |
| 2013 | | 2,597 | $13.72 | to | $45.82 | $37,897 | 0.49% | 0.90% | to | 1.40% | 35.83% | to | 36.52% |

| | Fund Inception Date[A] | Units (000's) | Unit Fair Value (lowest to highest) | | | Net Assets (000's) | Investment Income Ratio[B] | Expense Ratio[C] (lowest to highest) | | | Total Return[D] (lowest to highest) | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Voya MidCap Opportunities Portfolio - Class I | | | | | | | | | | | | | |
| 2017 | | 530 | $16.33 | to | $34.48 | $9,747 | 0.13% | 0.90% | to | 1.40% | 23.34% | to | 23.98% |
| 2016 | | 503 | $13.24 | to | $27.84 | $7,550 | — | 0.90% | to | 1.40% | 5.75% | to | 6.28% |
| 2015 | | 539 | $12.52 | to | $26.22 | $7,611 | — | 0.90% | to | 1.40% | -0.87% | to | -0.36% |
| 2014 | | 479 | $12.63 | to | $26.34 | $6,798 | 0.38% | 0.90% | to | 1.40% | 7.31% | to | 7.84% |
| 2013 | 3/22/2013 | 434 | $11.77 | to | $24.45 | $5,726 | (a) | 0.90% | to | 1.40% | | (a) | |
| Voya MidCap Opportunities Portfolio - Class S | | | | | | | | | | | | | |
| 2017 | | 4 | | $17.80 | | $65 | — | | 1.40% | | | 23.01% | |
| 2016 | | 10 | $14.47 | to | $14.59 | $141 | — | 1.25% | to | 1.40% | 5.54% | to | 5.65% |
| 2015 | | 5 | $13.71 | to | $13.81 | $73 | — | 1.25% | to | 1.40% | -1.15% | to | -1.00% |
| 2014 | | 2 | $13.87 | to | $13.95 | $31 | — | 1.25% | to | 1.40% | 7.02% | to | 7.23% |
| 2013 | | 4 | $12.96 | to | $13.01 | $47 | — | 1.25% | to | 1.40% | | 29.86% | |
| Voya SmallCap Opportunities Portfolio - Class I | | | | | | | | | | | | | |
| 2017 | | — | | $18.93 | | $1 | 0.12% | | 0.90% | | | 17.65% | |
| 2016 | | — | | $16.09 | | $3 | — | | 0.90% | | | 12.44% | |
| 2015 | | — | | $14.31 | | $3 | — | | 0.90% | | | -1.85% | |
| 2014 | | — | | $14.58 | | $3 | — | | 0.90% | | | 4.74% | |
| 2013 | | 1 | | $13.92 | | $7 | — | | 0.90% | | | 37.82% | |
| Voya SmallCap Opportunities Portfolio - Class S | | | | | | | | | | | | | |
| 2017 | | 4 | | $18.79 | | $71 | — | | 1.40% | | | 16.78% | |
| 2016 | | 6 | $16.09 | to | $16.23 | $98 | — | 1.25% | to | 1.40% | 11.50% | to | 11.70% |
| 2015 | | 5 | $14.43 | to | $14.53 | $76 | — | 1.25% | to | 1.40% | -2.50% | to | -2.35% |
| 2014 | | 4 | $14.80 | to | $14.88 | $58 | — | 1.25% | to | 1.40% | 3.86% | to | 3.98% |
| 2013 | | 8 | $14.25 | to | $14.31 | $120 | — | 1.25% | to | 1.40% | 36.76% | to | 37.07% |
| Wanger Select | | | | | | | | | | | | | |
| 2017 | | — | | $18.84 | | $2 | — | | 0.90% | | | 25.52% | |
| 2016 | | — | | $15.01 | | $1 | — | | 0.90% | | | 12.35% | |
| 2015 | | — | | $13.36 | | $1 | — | | 0.90% | | | -0.67% | |
| 2014 | | — | | $13.45 | | $1 | — | | 0.90% | | | 2.20% | |
| 2013 | | — | | $13.16 | | $1 | — | | 0.90% | | | 33.47% | |

(a) As investment Division had no investments until 2013, this data is not meaningful and is therefore not presented.

(b) As investment Division had no investments until 2014, this data is not meaningful and is therefore not presented.

(c) As investment Division had no investments until 2015, this data is not meaningful and is therefore not presented.

(d) As this investment Division is wholly comprised of new Contracts at December 31, 2017. This data is not meaning and is therefore not presented.

**A** The Fund Inception Date represents the first date the fund received money.

**B** The Investment Income Ratio represents dividends received by the Division, excluding capital gains distributions, divided by the average net assets. The recognition of investment income is determined by the timing of the declaration of dividends by the underlying fund in which the Division invests.

**C** The Expense Ratio considers only the annualized contract expenses borne directly by the Account, excluding expenses charged through the redemption of units, and is equal to the mortality and expense, administrative, and other charges, as defined in the Charges and Fees note.

**D** Total Return is calculated as the change in unit value for each Contract presented in the Statements of Assets and Liabilities. Certain items in this table are presented as a range of minimum and maximum values; however, such information is calculated independently for each column in the table.

**Voya Retirement Insurance and Annuity Company and Subsidiaries**
**(A wholly owned subsidiary of Voya Holdings Inc.)**


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| Consolidated Financial Statements as of December 31, 2016 and 2015 and for the Years Ended December 31, 2016, 2015 and 2014: | |
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## Report of Independent Registered Public Accounting Firm

The Board of Directors
Voya Retirement Insurance and Annuity Company

**Opinion on the Financial Statements**

We have audited the accompanying consolidated balance sheets of Voya Retirement Insurance and Annuity Company (the Company) as of December 31, 2017 and 2016, and the related consolidated statements of operations, comprehensive income, changes in shareholder's equity, and cash flows for each of the three years in the period ended December 31, 2017, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2017 and 2016, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2017, in conformity with U.S. generally accepted accounting principles.

**Basis for Opinion**

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2001.

Boston, Massachusetts
March 15, 2018

**Voya Retirement Insurance and Annuity Company and Subsidiaries**
**(A wholly owned subsidiary of Voya Holdings Inc.)**
**Consolidated Balance Sheets**
**December 31, 2017 and 2016**
(In millions, except share and per share data)

| | As of December 31, | |
|---|---|---|
| | **2017** | **2016** |
| **Assets** | | |
| Investments: | | |
| Fixed maturities, available-for-sale, at fair value (amortized cost of $21,774 as of 2017 and $22,365 as of 2016) | $ 23,141 | $ 23,170 |
| Fixed maturities, at fair value using the fair value option | 941 | 957 |
| Equity securities, available-for-sale, at fair value (cost of $45 as of 2017 and $67 as of 2016) | 60 | 82 |
| Short-term investments | 25 | 33 |
| Mortgage loans on real estate, net of valuation allowance of $1 as of 2017 and 2016 | 4,910 | 4,255 |
| Policy loans | 214 | 219 |
| Limited partnerships/corporations | 411 | 348 |
| Derivatives | 136 | 471 |
| Securities pledged (amortized cost of $864 as of 2017 and $693 as of 2016) | 960 | 768 |
| Total investments | 30,798 | 30,303 |
| Cash and cash equivalents | 288 | 561 |
| Short-term investments under securities loan agreements, including collateral delivered | 765 | 379 |
| Accrued investment income | 304 | 301 |
| Premiums receivable and reinsurance recoverable | 1,496 | 1,634 |
| Deferred policy acquisition costs, Value of business acquired and Sales inducements to contract owners | 766 | 1,028 |
| Notes receivable from affiliate | 175 | 175 |
| Short-term loan to affiliate | 80 | — |
| Current income tax recoverable | — | 1 |
| Due from affiliates | 60 | 56 |
| Property and equipment | 64 | 68 |
| Other assets | 140 | 158 |
| Assets held in separate accounts | 73,036 | 61,981 |
| Total assets | $ 107,972 | $ 96,645 |

*The accompanying notes are an integral part of these Consolidated Financial Statements.*

**Voya Retirement Insurance and Annuity Company and Subsidiaries**
**(A wholly owned subsidiary of Voya Holdings Inc.)**
**Consolidated Balance Sheets**
**December 31, 2017 and 2016**
(In millions, except share and per share data)

| | As of December 31, | |
|---|---|---|
| | **2017** | **2016** |
| **Liabilities and Shareholder's Equity** | | |
| Future policy benefits and contract owner account balances | $ 29,669 | $ 29,578 |
| Payable for securities purchased | 79 | 8 |
| Payables under securities loan agreements, including collateral held | 845 | 648 |
| Long-term debt | 5 | 5 |
| Due to affiliates | 61 | 162 |
| Derivatives | 85 | 173 |
| Current income tax payable to Parent | 23 | — |
| Deferred income taxes | 187 | 223 |
| Other liabilities | 401 | 491 |
| Liabilities related to separate accounts | 73,036 | 61,981 |
| Total liabilities | 104,391 | 93,269 |
| | | |
| Commitments and Contingencies (Note 13) | | |
| | | |
| Shareholder's equity: | | |
| Common stock (100,000 shares authorized, 55,000 issued and outstanding as of 2017 and 2016; $50 par value per share) | 3 | 3 |
| Additional paid-in capital | 2,730 | 2,994 |
| Accumulated other comprehensive income (loss) | 818 | 559 |
| Retained earnings (deficit) | 30 | (180) |
| Total shareholder's equity | 3,581 | 3,376 |
| Total liabilities and shareholder's equity | $ 107,972 | $ 96,645 |

*The accompanying notes are an integral part of these Consolidated Financial Statements.*

**Voya Retirement Insurance and Annuity Company and Subsidiaries**
**(A wholly owned subsidiary of Voya Holdings Inc.)**
**Consolidated Statements of Operations**
**For the Years Ended December 31, 2017, 2016 and 2015**
(In millions)

| | Year Ended December 31, | | |
|---|---|---|---|
| | **2017** | **2016** | **2015** |
| **Revenues:** | | | |
| Net investment income | $ 1,520 | $ 1,501 | $ 1,410 |
| Fee income | 713 | 725 | 765 |
| Premiums | 48 | 870 | 657 |
| Broker-dealer commission revenue | 170 | 175 | 230 |
| Net realized capital gains (losses): | | | |
| Total other-than-temporary impairments | (19) | (19) | (45) |
| Less: Portion of other-than-temporary impairments recognized in Other comprehensive income (loss) | (7) | — | 1 |
| Net other-than-temporary impairments recognized in earnings | (12) | (19) | (46) |
| Other net realized capital gains (losses) | (188) | (194) | (231) |
| Total net realized capital gains (losses) | (200) | (213) | (277) |
| Other revenue | — | (2) | (2) |
| Total revenues | 2,251 | 3,056 | 2,783 |
| **Benefits and expenses:** | | | |
| Interest credited and other benefits to contract owners/ policyholders | 958 | 1,765 | 1,422 |
| Operating expenses | 801 | 815 | 772 |
| Broker-dealer commission expense | 170 | 175 | 230 |
| Net amortization of Deferred policy acquisition costs and Value of business acquired | 233 | 167 | 133 |
| Total benefits and expenses | 2,162 | 2,922 | 2,557 |
| Income (loss) before income taxes | 89 | 134 | 226 |
| Income tax expense (benefit) | (121) | 21 | 53 |
| Net income (loss) | $ 210 | $ 113 | $ 173 |

*The accompanying notes are an integral part of these Consolidated Financial Statements.*

**Voya Retirement Insurance and Annuity Company and Subsidiaries**
**(A wholly owned subsidiary of Voya Holdings Inc.)**
**Consolidated Statements of Comprehensive Income**
**For the Years Ended December 31, 2017, 2016 and 2015**
(In millions)

| | Year Ended December 31, | | |
|---|---|---|---|
| | **2017** | **2016** | **2015** |
| Net income (loss) | $ 210 | $ 113 | $ 173 |
| Other comprehensive income (loss), before tax: | | | |
| Unrealized gains/losses on securities | 387 | 258 | (694) |
| Other-than-temporary impairments | (4) | 9 | 3 |
| Pension and other postretirement benefits liability | (2) | (1) | (2) |
| Other comprehensive income (loss), before tax | 381 | 266 | (693) |
| Income tax expense (benefit) related to items of other comprehensive income (loss) | 122 | 93 | (238) |
| Other comprehensive income (loss), after tax | 259 | 173 | (455) |
| Comprehensive income (loss) | $ 469 | $ 286 | $ (282) |

*The accompanying notes are an integral part of these Consolidated Financial Statements.*

**Voya Retirement Insurance and Annuity Company and Subsidiaries**
**(A wholly owned subsidiary of Voya Holdings Inc.)**
**Consolidated Statements of Changes in Shareholder's Equity**
**For the Years Ended December 31, 2017, 2016 and 2015**
(In millions)

| | Common Stock | Additional Paid-In Capital | Accumulated Other Comprehensive Income (Loss) | Retained Earnings (Deficit) | Total Shareholder's Equity |
|---|---|---|---|---|---|
| Balance at January 1, 2015 | $ 3 | $ 3,583 | $ 841 | $ (466) | $ 3,961 |
| Comprehensive income (loss): | | | | | |
| Net income (loss) | — | — | — | 173 | 173 |
| Other comprehensive income (loss), after tax | — | — | (455) | — | (455) |
| Total comprehensive income (loss) | | | | | (282) |
| Dividends paid and distributions of capital | — | (321) | — | — | (321) |
| Employee related benefits | — | 10 | — | — | 10 |
| Balance as of December 31, 2015 | 3 | 3,272 | 386 | (293) | 3,368 |
| Comprehensive income (loss): | | | | | |
| Net income (loss) | — | — | — | 113 | 113 |
| Other comprehensive income (loss), after tax | — | — | 173 | — | 173 |
| Total comprehensive income (loss) | | | | | 286 |
| Dividends paid and distributions of capital | — | (278) | — | — | (278) |
| Employee related benefits | — | — | — | — | — |
| Balance as of December 31, 2016 | 3 | 2,994 | 559 | (180) | 3,376 |
| Comprehensive income (loss): | | | | | |
| Net income (loss) | — | — | — | 210 | 210 |
| Other comprehensive income (loss), after tax | — | — | 259 | — | 259 |
| Total comprehensive income (loss) | | | | | 469 |
| Dividends paid and distributions of capital | — | (265) | — | — | (265) |
| Employee related benefits | — | 1 | — | — | 1 |
| Balance as of December 31, 2017 | $ 3 | $ 2,730 | $ 818 | $ 30 | $ 3,581 |

*The accompanying notes are an integral part of these Consolidated Financial Statements.*

**Voya Retirement Insurance and Annuity Company and Subsidiaries**
**(A wholly owned subsidiary of Voya Holdings Inc.)**
**Consolidated Statements of Cash Flows**
**For the Years Ended December 31, 2017, 2016 and 2015**
(In millions)

| | Year Ended December 31, | | |
|---|---|---|---|
| | **2017** | **2016** | **2015** |
| **Cash Flows from Operating Activities:** | | | |
| Net income (loss) | $ 210 | $ 113 | $ 173 |
| Adjustments to reconcile Net income (loss) to Net cash provided by operating activities: | | | |
| Capitalization of deferred policy acquisition costs, value of business acquired and sales inducements | (80) | (80) | (84) |
| Net amortization of deferred policy acquisition costs, value of business acquired and sales inducements | 234 | 168 | 134 |
| Net accretion/amortization of discount/premium | 12 | (1) | 7 |
| Future policy benefits, claims reserves and interest credited | 534 | 1,289 | 1,193 |
| Deferred income tax (benefit) expense | (158) | (3) | (1) |
| Net realized capital losses | 200 | 213 | 277 |
| Depreciation | 3 | 4 | 4 |
| Change in: | | | |
| Accrued investment income | (3) | (6) | (10) |
| Premiums receivable and reinsurance recoverable | 138 | 205 | 91 |
| Other receivables and asset accruals | 21 | 7 | 2 |
| Due to/from affiliates | (105) | 30 | 26 |
| Other payables and accruals | (3) | 126 | (57) |
| Other, net | (24) | (11) | 1 |
| Net cash provided by operating activities | 979 | 2,054 | 1,756 |
| **Cash Flows from Investing Activities:** | | | |
| Proceeds from the sale, maturity, disposal or redemption of: | | | |
| Fixed maturities | 4,462 | 3,184 | 3,373 |
| Equity securities, available-for-sale | 25 | 49 | 17 |
| Mortgage loans on real estate | 494 | 375 | 557 |
| Limited partnerships/corporations | 81 | 71 | 48 |
| Acquisition of: | | | |
| Fixed maturities | (4,247) | (5,664) | (5,258) |
| Equity securities, available-for-sale | (2) | — | (28) |
| Mortgage loans on real estate | (1,149) | (900) | (773) |
| Limited partnerships/corporations | (120) | (113) | (96) |
| Derivatives, net | 203 | 28 | (46) |
| Policy loans, net | 5 | 11 | 9 |
| Short-term investments, net | 8 | (33) | 242 |
| Short-term loan to affiliate, net | (80) | — | — |
| Collateral received (delivered), net | (189) | (30) | 8 |
| Net cash used in investing activities | (509) | (3,022) | (1,947) |

*The accompanying notes are an integral part of these Consolidated Financial Statements.*

**Voya Retirement Insurance and Annuity Company and Subsidiaries**
**(A wholly owned subsidiary of Voya Holdings Inc.)**
**Consolidated Statements of Cash Flows**
**For the Years Ended December 31, 2017, 2016 and 2015**
(In millions)

| | Year Ended December 31, | | |
|---|---|---|---|
| | **2017** | **2016** | **2015** |
| **Cash Flows from Financing Activities:** | | | |
| Deposits received for investment contracts | $ 2,380 | $ 3,746 | $ 3,195 |
| Maturities and withdrawals from investment contracts | (2,794) | (2,534) | (2,440) |
| Settlements on deposit contracts | (64) | (66) | (63) |
| Dividends paid and return of capital distribution | (265) | (278) | (321) |
| Net cash (used in) provided by financing activities | (743) | 868 | 371 |
| Net (decrease) increase in cash and cash equivalents | (273) | (100) | 180 |
| Cash and cash equivalents, beginning of period | 561 | 661 | 481 |
| Cash and cash equivalents, end of period | $ 288 | $ 561 | $ 661 |
| **Supplemental cash flow information:** | | | |
| Income taxes paid (received), net | $ 13 | $ 15 | $ 54 |

*The accompanying notes are an integral part of these Consolidated Financial Statements.*

## 1. Business, Basis of Presentation and Significant Accounting Policies

***Business***

Voya Retirement Insurance and Annuity Company ("VRIAC") is a stock life insurance company domiciled in the State of Connecticut. VRIAC and its wholly owned subsidiaries (collectively, the "Company") provide financial products and services in the United States. VRIAC is authorized to conduct its insurance business in all states and in the District of Columbia and in Guam, Puerto Rico and the Virgin Islands.

Prior to May 2013, Voya Financial, Inc. ("Voya Financial"), together with its subsidiaries, including the Company was an indirect, wholly owned subsidiary of ING Groep N.V. ("ING Group" or "ING"), a global financial services holding company based in The Netherlands. In May 2013, Voya Financial, Inc. completed its initial public offering of common stock, including the issuance and sale of common stock by Voya Financial, Inc. and the sale of shares of common stock owned indirectly by ING Group. Between October 2013 and March 2015, ING Group completed the sale of its remaining shares of common stock of Voya Financial, Inc. in a series of registered public offerings.

VRIAC is a direct, wholly owned subsidiary of Voya Holdings Inc. ("Parent"), which is a direct, wholly owned subsidiary of Voya Financial, Inc.

VRIAC has two wholly owned non-insurance subsidiaries, Voya Financial Partners, LLC ("VFP") and Directed Services LLC ("DSL").

On December 20, 2017, VRIAC's ultimate parent, Voya Financial, entered into a Master Transaction Agreement ("MTA") with VA Capital Company LLC ("VA Capital"), and Athene Holding Ltd ("Athene"), pursuant to which VA Capital's wholly owned subsidiary Venerable Holdings Inc. ("Venerable") will acquire certain of Voya Financial's assets, including all of the shares of capital stock of Voya Insurance and Annuity Company ("VIAC"), the Company's Iowa-domiciled insurance affiliate, as well as the membership interests of DSL, the Company's broker-dealer subsidiary (collectively the "Transaction"). The Transaction is expected to close in the second or third quarter of 2018, subject to conditions specified in the MTA, including receipt of required regulatory approvals and other conditions.

The Company offers qualified and nonqualified annuity contracts that include a variety of funding and payout options for individuals and employer-sponsored retirement plans qualified under Internal Revenue Code Sections 401, 403, 408, 457 and 501, as well as nonqualified deferred compensation plans and related services. The Company's products are offered primarily to employer-sponsored groups in the health care, government and education markets (collectively "tax exempt markets"), small to mid-sized corporations and individuals. The Company also provides stable value investment options, including separate account guaranteed investment contracts (e.g., GICs) and synthetic GICs, to institutional clients. Pension risk transfer group annuity solutions were previously offered to institutional plan sponsors who needed to transfer their defined benefit plan obligations to the Company. The Company discontinued sales of these solutions in late 2016 to better align business activities to the Company's priorities. The Company's products are generally distributed through pension professionals, independent agents and brokers, third-party administrators, banks, consultants, dedicated financial guidance, planning and advisory representatives associated with Voya Financial, Inc.'s retail broker-dealer, Voya Financial Advisors, Inc. ("Voya Financial Advisors").

Products offered by the Company include deferred and immediate (i.e., payout) annuity contracts. Company products also include programs offered to qualified plans and nonqualified deferred compensation plans that package administrative and record-keeping services, participant education, and retirement readiness planning tools along with a variety of investment options, including proprietary and non-proprietary mutual funds and variable and fixed investment options. In addition, the Company offers wrapper agreements entered into with retirement plans, which contain certain benefit responsive guarantees (i.e., guarantees of principal and previously accrued interest for benefits paid under the terms of the plan) with respect to portfolios of plan-owned assets not invested with the Company. Stable value products are also provided to institutional plan sponsors where the Company may or may not be providing other employer sponsored products and services.

The Company has one operating segment.

***Basis of Presentation***

The accompanying Consolidated Financial Statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP").

The Consolidated Financial Statements include the accounts of VRIAC and its wholly owned subsidiaries, VFP and DSL. Intercompany transactions and balances have been eliminated.

***Significant Accounting Policies***

*Estimates and Assumptions*

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the Consolidated Financial Statements and the reported amounts of revenues and expenses during the reporting period. Those estimates are inherently subject to change and actual results could differ from those estimates.

The Company has identified the following accounts and policies as the most significant in that they involve a higher degree of judgment, are subject to a significant degree of variability and/or contain significant accounting estimates:

- Reserves for future policy benefits;
- Deferred policy acquisition costs ("DAC") and value of business acquired ("VOBA");
- Valuation of investments and derivatives;
- Impairments;
- Income taxes; and
- Contingencies.

*Fair Value Measurement*

The Company measures the fair value of its financial assets and liabilities based on assumptions used by market participants in pricing the asset or liability, which may include inherent risk, restrictions on the sale or use of an asset, or nonperformance risk, including the Company's own credit risk. The estimate of fair value is the price that would be received to sell an asset or transfer a liability ("exit price") in an orderly transaction between market participants in the principal market, or the most advantageous market in the absence of a principal market, for that asset or liability. The Company uses a number of valuation sources to determine the fair values of its financial assets and liabilities, including quoted market prices, third-party commercial pricing services, third-party brokers, industry-standard, vendor-provided software that models the value based on market observable inputs, and other internal modeling techniques based on projected cash flows.

*Investments*

The accounting policies for the Company's principal investments are as follows:

*Fixed Maturities and Equity Securities*: The Company's fixed maturities and equity securities are currently designated as available-for-sale, except those accounted for using the fair value option ("FVO"). Available-for-sale securities are reported at fair value and unrealized capital gains (losses) on these securities are recorded directly in Accumulated other comprehensive income (loss) ("AOCI") and presented net of related changes in DAC, VOBA and Deferred income taxes. In addition, certain fixed maturities have embedded derivatives, which are reported with the host contract on the Consolidated Balance Sheets.

The Company has elected the FVO for certain of its fixed maturities to better match the measurement of assets and liabilities in the Consolidated Statements of Operations. Certain collateralized mortgage obligations ("CMOs"), primarily interest-only and principal-only strips, are accounted for as hybrid instruments and valued at fair value with changes in the fair value recorded in Other net realized capital gains (losses) in the Consolidated Statements of Operations.

Purchases and sales of fixed maturities and equity securities, excluding private placements, are recorded on the trade date. Purchases and sales of private placements and mortgage loans are recorded on the closing date. Investment gains and losses on sales of securities are generally determined on a first-in-first-out ("FIFO") basis.

Interest income on fixed maturities is recorded when earned using an effective yield method, giving effect to amortization of premiums and accretion of discounts. Dividends on equity securities are recorded when declared. Such dividends and interest income are recorded in Net investment income in the Consolidated Statements of Operations.

Included within fixed maturities are loan-backed securities, including residential mortgage-backed securities ("RMBS"), commercial mortgage-backed securities ("CMBS") and asset-backed securities ("ABS"). Amortization of the premium or discount from the purchase of these securities considers the estimated timing and amount of prepayments of the underlying loans. Actual prepayment experience is periodically reviewed and effective yields are recalculated when differences arise between the prepayments originally anticipated and the actual prepayments received and currently anticipated. Prepayment assumptions for single-class and multi-class mortgage-backed securities ("MBS") and ABS are estimated by management using inputs obtained from third-party specialists, including broker-dealers, and based on management's knowledge of the current market. For prepayment-sensitive securities such as interest-only and principal-only strips, inverse floaters and credit-sensitive MBS and ABS securities, which represent beneficial interests in securitized financial assets that are not of high credit quality or that have been credit impaired, the effective yield is recalculated on a prospective basis. For all other MBS and ABS, the effective yield is recalculated on a retrospective basis.

*Short-term Investments*: Short-term investments include investments with remaining maturities of one year or less, but greater than three months, at the time of purchase. These investments are stated at fair value.

*Assets Held in Separate Accounts*: Assets held in separate accounts are reported at the fair values of the underlying investments in the separate accounts. The underlying investments include mutual funds, short-term investments, cash and fixed maturities.

*Mortgage Loans on Real Estate*: The Company's mortgage loans on real estate are all commercial mortgage loans, which are reported at amortized cost, less impairment write-downs and allowance for losses. If a mortgage loan is determined to be impaired (i.e., when it is probable that the Company will be unable to collect all amounts due according to the contractual terms of the loan agreement), the carrying value of the mortgage loan is reduced to the lower of either the present value of expected cash flows from the loan, discounted at the loan's original purchase yield, or fair value of the collateral. For those mortgages that are determined to require foreclosure, the carrying value is reduced to the fair value of the underlying collateral, net of estimated costs to obtain and sell at the point of foreclosure. The carrying value of the impaired loans is reduced by establishing a permanent write-down recorded in Other net realized capital gains (losses) in the Consolidated Statements of Operations. Property obtained from foreclosed mortgage loans is recorded in Other investments on the Consolidated Balance Sheets.

Mortgage loans are evaluated by the Company's investment professionals, including an appraisal of loan-specific credit quality, property characteristics and market trends. Loan performance is continuously monitored on a loan-specific basis throughout the year. The Company's review includes submitted appraisals, operating statements, rent revenues and annual inspection reports, among other items. This review evaluates whether the properties are performing at a consistent and acceptable level to secure the debt.

Mortgages are rated for the purpose of quantifying the level of risk. Those loans with higher risk are placed on a watch list and are closely monitored for collateral deficiency or other credit events that may lead to a potential loss of principal or interest. The Company defines delinquent mortgage loans consistent with industry practice as 60 days past due.

Commercial loans are placed on non-accrual status when 90 days in arrears if the Company has concerns regarding the collectability of future payments, or if a loan has matured without being paid off or extended. Factors considered may include conversations with the borrower, loss of major tenant, bankruptcy of borrower or major tenant, decreased property cash flow, number of days past due, or various other circumstances. Based on an assessment as to the collectability of the principal, a determination is made either to apply against the book value or apply according to the contractual terms of the loan. Funds recovered in excess of book value would then be applied to recover expenses, impairments, and then interest. Accrual of interest resumes after factors resulting in doubts about collectability have improved.

The Company records an allowance for probable losses incurred on non-impaired loans on an aggregate basis, rather than specifically identified probable losses incurred by individual loan.

*Policy Loans*: Policy loans are carried at an amount equal to the unpaid balance. Interest income on such loans is recorded as earned in Net investment income using the contractually agreed upon interest rate. Generally, interest is capitalized on the policy's anniversary date. Valuation allowances are not established for policy loans, as these loans are collateralized by the cash surrender value of the associated insurance contracts. Any unpaid principal or interest on the loan is deducted from the account value or the death benefit prior to settlement of the policy.

*Limited Partnerships/Corporations*: The Company uses the equity method of accounting for investments in limited partnership interests, which consists primarily of private equities and hedge funds. Generally, the Company records its share of earnings using a lag methodology, relying on the most recent financial information available, generally not to exceed three months. The Company's earnings from limited partnership interests accounted for under the equity method are recorded in Net investment income.

*Securities Lending*: The Company engages in securities lending whereby certain securities from its portfolio are loaned to other institutions, through a lending agent, for short periods of time. The Company has the right to approve any institution with whom the lending agent transacts on its behalf. Initial collateral, primarily cash, is required at a rate of 102% of the market value of the loaned securities. The lending agent retains the collateral and invests it in short-term liquid assets on behalf of the Company. The market value of the loaned securities is monitored on a daily basis with additional collateral obtained or refunded as the market value of the loaned securities fluctuates. The lending agent indemnifies the Company against losses resulting from the failure of a counterparty to return securities pledged where collateral is insufficient to cover the loss.

*Impairments*

The Company evaluates its available-for-sale general account investments quarterly to determine whether there has been an other-than-temporary decline in fair value below the amortized cost basis. This evaluation process entails considerable judgment and estimation. Factors considered in this analysis include, but are not limited to, the length of time and the extent to which the fair value has been less than amortized cost, the issuer's financial condition and near-term prospects, future economic conditions and market forecasts, interest rate changes and changes in ratings of the security. An extended and severe unrealized loss position on a fixed maturity may not have any impact on: (a) the ability of the issuer to service all scheduled interest and principal payments and (b) the evaluation of recoverability of all contractual cash flows or the ability to recover an amount at least equal to its amortized cost based on the present value of the expected future cash flows to be collected. In contrast, for certain equity securities, the Company gives greater weight and consideration to a decline in market value and the likelihood such market value decline will recover.

When assessing the Company's intent to sell a security, or if it is more likely than not it will be required to sell a security before recovery of its amortized cost basis, management evaluates facts and circumstances such as, but not limited to, decisions to rebalance the investment portfolio and sales of investments to meet cash flow or capital needs.

When the Company has determined it has the intent to sell, or if it is more likely than not that the Company will be required to sell a security before recovery of its amortized cost basis, and the fair value has declined below amortized cost ("intent impairment"), the individual security is written down from amortized cost to fair value, and a corresponding charge is recorded in Net realized capital gains (losses) in the Consolidated Statements of Operations as an other-than-temporary impairment ("OTTI"). If the Company does not intend to sell the security, and it is not more likely than not that the Company will be required to sell the security before recovery of its amortized cost basis, but the Company has determined that there has been an other-than-temporary decline in fair value below the amortized cost basis, the OTTI is bifurcated into the amount representing the present value of the decrease in cash flows expected to be collected ("credit impairment") and the amount related to other factors ("noncredit impairment"). The credit impairment is recorded in Net realized capital gains (losses) in the Consolidated Statements of Operations. The noncredit impairment is recorded in Other comprehensive income (loss).

The Company uses the following methodology and significant inputs to determine the amount of the OTTI credit loss:

- When determining collectability and the period over which the value is expected to recover for U.S. and foreign corporate securities, foreign government securities and state and political subdivision securities, the Company applies the same

considerations utilized in its overall impairment evaluation process, which incorporates information regarding the specific security, the industry and geographic area in which the issuer operates and overall macroeconomic conditions. Projected future cash flows are estimated using assumptions derived from the Company's best estimates of likely scenario-based outcomes, after giving consideration to a variety of variables that includes, but is not limited to: general payment terms of the security; the likelihood that the issuer can service the scheduled interest and principal payments; the quality and amount of any credit enhancements; the security's position within the capital structure of the issuer; possible corporate restructurings or asset sales by the issuer; and changes to the rating of the security or the issuer by rating agencies.

- Additional considerations are made when assessing the unique features that apply to certain structured securities, such as subprime, Alt-A, non-agency RMBS, CMBS and ABS. These additional factors for structured securities include, but are not limited to: the quality of underlying collateral; expected prepayment speeds; loan-to-value ratios; debt service coverage ratios; current and forecasted loss severity; consideration of the payment terms of the underlying assets backing a particular security; and the payment priority within the tranche structure of the security.
- When determining the amount of the credit loss for U.S. and foreign corporate securities, foreign government securities and state and political subdivision securities, the Company considers the estimated fair value as the recovery value when available information does not indicate that another value is more appropriate. When information is identified that indicates a recovery value other than estimated fair value, the Company considers in the determination of recovery value the same considerations utilized in its overall impairment evaluation process, which incorporates available information and the Company's best estimate of scenario-based outcomes regarding the specific security and issuer; possible corporate restructurings or asset sales by the issuer; the quality and amount of any credit enhancements; the security's position within the capital structure of the issuer; fundamentals of the industry and geographic area in which the security issuer operates; and the overall macroeconomic conditions.
- The Company performs a discounted cash flow analysis comparing the current amortized cost of a security to the present value of future cash flows expected to be received, including estimated defaults and prepayments. The discount rate is generally the effective interest rate of the fixed maturity prior to impairment.

In periods subsequent to the recognition of the credit related impairment components of OTTI on a fixed maturity, the Company accounts for the impaired security as if it had been purchased on the measurement date of the impairment. Accordingly, the discount (or reduced premium) based on the new cost basis is accreted into Net investment income over the remaining term of the fixed maturity in a prospective manner based on the amount and timing of estimated future cash flows.

*Derivatives*

The Company's use of derivatives is limited mainly to economic hedging to reduce the Company's exposure to cash flow variability of assets and liabilities, interest rate risk, credit risk, exchange rate risk and market risk. It is the Company's policy not to offset amounts recognized for derivative instruments and amounts recognized for the right to reclaim cash collateral or the obligation to return cash collateral arising from derivative instruments executed with the same counterparty under a master netting arrangement.

The Company enters into interest rate, equity market, credit default and currency contracts, including swaps, futures, forwards, caps, floors and options, to reduce and manage various risks associated with changes in value, yield, price, cash flow or exchange rates of assets or liabilities held or intended to be held, or to assume or reduce credit exposure associated with a referenced asset, index or pool. The Company also utilizes options and futures on equity indices to reduce and manage risks associated with its annuity products. Derivative contracts are reported as Derivatives assets or liabilities on the Consolidated Balance Sheets at fair value. Changes in the fair value of derivatives are recorded in Other net realized capital gains (losses) in the Consolidated Statements of Operations.

To qualify for hedge accounting, at the inception of the hedging relationship, the Company formally documents its risk management objective and strategy for undertaking the hedging transaction, as well as its designation of the hedge as either (a) a hedge of the exposure to changes in the estimated fair value of a recognized asset or liability or an identified portion thereof that is attributable to a particular risk ("fair value hedge") or (b) a hedge of a forecasted transaction or of the variability of cash flows that is attributable to interest rate risk to be received or paid related to a recognized asset or liability ("cash flow hedge"). In this documentation, the Company sets forth how the hedging instrument is expected to hedge the designated risks related to the hedged item and sets forth the method that will be used to retrospectively and prospectively assess the hedging instrument's effectiveness and the method that will be used to measure ineffectiveness. A derivative designated as a hedging instrument must be assessed as being highly

effective in offsetting the designated risk of the hedged item. Hedge effectiveness is formally assessed at inception and periodically throughout the life of the designated hedging relationship.

- *Fair Value Hedge*: For derivative instruments that are designated and qualify as a fair value hedge, the gain or loss on the derivative instrument, as well as the hedged item, to the extent of the risk being hedged, are recognized in Other net realized capital gains (losses) in the Consolidated Statements of Operations.

- *Cash Flow Hedge*: For derivative instruments that are designated and qualify as a cash flow hedge, the effective portion of the gain or loss on the derivative instrument is reported as a component of AOCI and reclassified into earnings in the same periods during which the hedged transaction impacts earnings in the same line item associated with the forecasted transaction. The ineffective portion of the derivative's change in value, if any, along with any of the derivative's change in value that is excluded from the assessment of hedge effectiveness, are recorded in Other net realized capital gains (losses) in the Consolidated Statements of Operations.

When hedge accounting is discontinued because it is determined that the derivative is no longer expected to be highly effective in offsetting changes in the estimated fair value or cash flows of a hedged item, the derivative continues to be carried on the Consolidated Balance Sheets at its estimated fair value, with subsequent changes in estimated fair value recognized currently in Other net realized capital gains (losses). The carrying value of the hedged asset or liability under a fair value hedge is no longer adjusted for changes in its estimated fair value due to the hedged risk, and the cumulative adjustment to its carrying value is amortized into income over the remaining life of the hedged item. Provided the hedged forecasted transaction is still probable of occurrence, the changes in estimated fair value of derivatives recorded in Other comprehensive income (loss) related to discontinued cash flow hedges are released into the Consolidated Statements of Operations when the Company's earnings are affected by the variability in cash flows of the hedged item.

When hedge accounting is discontinued because it is no longer probable that the forecasted transactions will occur on the anticipated date, or within two months of that date, the derivative continues to be carried on the Consolidated Balance Sheets at its estimated fair value, with changes in estimated fair value recognized currently in Other net realized capital gains (losses). Derivative gains and losses recorded in Other comprehensive income (loss) pursuant to the discontinued cash flow hedge of a forecasted transaction that is no longer probable are recognized immediately in Other net realized capital gains (losses).

The Company also has investments in certain fixed maturities and has issued certain annuity products that contain embedded derivatives for which fair value is at least partially determined by levels of or changes in domestic and/or foreign interest rates (short-term or long-term), exchange rates, prepayment rates, equity markets or credit ratings/spreads. Embedded derivatives within fixed maturities are included with the host contract on the Consolidated Balance Sheets, and changes in the fair value of the embedded derivatives are recorded in Other net realized capital gains (losses) in the Consolidated Statements of Operations. Embedded derivatives within certain annuity products are included in Future policy benefits and contract owner account balances on the Consolidated Balance Sheets, and changes in the fair value of the embedded derivatives are recorded in Other net realized capital gains (losses) in the Consolidated Statements of Operations.

In addition, the Company has entered into coinsurance with funds withheld reinsurance arrangements, accounted for under the deposit method, that contain embedded derivatives, the fair value of which is based on the change in the fair value of the underlying assets held in trust. The embedded derivatives within the reinsurance agreements are reported in Other liabilities on the Consolidated Balance Sheets, and changes in the fair value of the embedded derivatives are recorded in Interest credited and other benefits to contract owners/policyholders in the Consolidated Statements of Operations.

*Cash and Cash Equivalents*

Cash and cash equivalents include cash on hand, amounts due from banks and other highly liquid investments, such as money market instruments and debt instruments with maturities of three months or less at the time of purchase. Cash and cash equivalents are stated at fair value.

*Property and Equipment*

Property and equipment are carried at cost, less accumulated depreciation, and are included in Other assets on the Consolidated Balance Sheets. Expenditures for replacements and major improvements are capitalized; maintenance and repair expenditures are expensed as incurred. Depreciation on property and equipment is provided on a straight-line basis over the estimated useful lives of the assets, which generally range from 3 to 40 years, with the exception of land and artwork which are not depreciated. Depreciation expense is included in Operating expenses in the Consolidated Statements of Operations.

*Deferred Policy Acquisition Costs and Value of Business Acquired*

DAC represents policy acquisition costs that have been capitalized and are subject to amortization and interest. Capitalized costs are incremental, direct costs of contract acquisition and certain other costs related directly to successful acquisition activities. Such costs consist principally of commissions, underwriting, sales and contract issuance and processing expenses directly related to the successful acquisition of new and renewal business. Indirect or unsuccessful acquisition costs, maintenance, product development and overhead expenses are charged to expense as incurred. VOBA represents the outstanding value of in-force business acquired and is subject to amortization and interest. The value is based on the present value of estimated net cash flows embedded in the insurance contracts at the time of the acquisition and increased for subsequent deferrable expenses on purchased policies. DAC and VOBA are adjusted for the impact of unrealized capital gains (losses) on investments, as if such gains (losses) have been realized, with corresponding adjustments included in AOCI.

Amortization Methodologies
The Company amortizes DAC and VOBA related to fixed and variable deferred annuity contracts over the estimated lives of the contracts in relation to the emergence of estimated gross profits. Assumptions as to mortality, persistency, interest crediting rates, fee income, returns associated with separate account performance, impact of hedge performance, expenses to administer the business and certain economic variables, such as inflation, are based on the Company's experience and overall capital markets. At each valuation date, estimated gross profits are updated with actual gross profits, and the assumptions underlying future estimated gross profits are evaluated for continued reasonableness. Adjustments to estimated gross profits require that amortization rates be revised retroactively to the date of the contract issuance ("unlocking").

Recoverability testing is performed for current issue year products to determine if gross profits are sufficient to cover DAC and VOBA, estimated benefits and related expenses. In subsequent years, the Company performs testing to assess the recoverability of DAC and VOBA on an annual basis, or more frequently if circumstances indicate a potential loss recognition issue exists. If DAC or VOBA are not deemed recoverable from future gross profits, charges will be applied against DAC or VOBA balances before an additional reserve is established.

Internal Replacements
Contract owners may periodically exchange one contract for another, or make modifications to an existing contract. These transactions are identified as internal replacements. Internal replacements that are determined to result in substantially unchanged contracts are accounted for as continuations of the replaced contracts. Any costs associated with the issuance of the new contracts are considered maintenance costs and expensed as incurred. Unamortized DAC and VOBA related to the replaced contracts continue to be deferred and amortized in connection with the new contracts. Internal replacements that are determined to result in contracts that are substantially changed are accounted for as extinguishments of the replaced contracts, and any unamortized DAC and VOBA related to the replaced contracts are written off to Net amortization of Deferred policy acquisition costs and Value of business acquired in the Consolidated Statements of Operations.

Assumptions
Changes in assumptions can have a significant impact on DAC and VOBA balances, amortization rates, reserve levels, and results of operations. Assumptions are management's best estimate of future outcome.

Several assumptions are considered significant in the estimation of gross profits associated with the Company's variable products. One significant assumption is the assumed return associated with the variable account performance. To reflect the volatility in the equity markets, this assumption involves a combination of near-term expectations and long-term assumptions regarding market performance. The overall return on the variable account is dependent on multiple factors, including the relative mix of the underlying sub-accounts among bond funds and equity funds, as well as equity sector weightings. The Company uses a reversion to the mean

approach, which assumes that the market returns over the entire mean reversion period are consistent with a long-term level of equity market appreciation. The Company monitors market events and only changes the assumption when sustained deviations are expected. This methodology incorporates a 9% long-term equity return assumption, a 14% cap and a five-year look-forward period.

Other significant assumptions used in the estimation of gross profits for products with credited rates include interest rate spreads and credit losses. Estimated gross profits of variable annuity contracts are sensitive to estimated policyholder behavior assumptions, such as surrender, lapse and annuitization rates.

*Future Policy Benefits and Contract Owner Account Balances*

Future Policy Benefits
The Company establishes and carries actuarially-determined reserves that are calculated to meet its future obligations, including estimates of unpaid claims and claims that the Company believes have been incurred but have not yet been reported as of the balance sheet date. The principal assumptions used to establish liabilities for future policy benefits are based on Company experience and periodically reviewed against industry standards. These assumptions include mortality, morbidity, policy lapse, contract renewal, payment of subsequent premiums or deposits by the contract owner, retirement, investment returns, inflation, benefit utilization and expenses. Changes in, or deviations from, the assumptions used can significantly affect the Company's reserve levels and related results of operations.

Reserves for payout contracts with life contingencies are equal to the present value of expected future payments. Assumptions as to interest rates, mortality and expenses are based on the Company's estimates of anticipated experience at the period the policy is sold or acquired, including a provision for adverse deviation. Such assumptions generally vary by annuity plan type, year of issue and policy duration. Interest rates used to calculate the present value of future benefits ranged from 2.7% to 6.6%.

Although assumptions are "locked-in" upon the issuance of payout contracts with life contingencies, significant changes in experience or assumptions may require the Company to provide for expected future losses on a product by establishing premium deficiency reserves. Premium deficiency reserves are determined based on best estimate assumptions that exist at the time the premium deficiency reserve is established and do not include a provision for adverse deviation.

Contract Owner Account Balances
Contract owner account balances relate to investment-type contracts, as follows:

- Account balances for fixed annuities and payout contracts without life contingencies are equal to cumulative deposits, less charges and withdrawals, plus credited interest thereon. Credited interest rates vary by product and ranged up to 5.3% for the years 2017, 2016 and 2015. Account balances for group immediate annuities without life contingent payouts are equal to the discounted value of the payment at the implied break-even rate.
- For fixed-indexed annuity ("FIA"), the aggregate initial liability is equal to the deposit received, plus a bonus, if applicable, and is split into a host component and an embedded derivative component. Thereafter, the host liability accumulates at a set interest rate, and the embedded derivative liability is recognized at fair value.

Product Guarantees and Additional Reserves
The Company calculates additional reserve liabilities for certain variable annuity guaranteed benefits and variable funding products. The Company periodically evaluates its estimates and adjusts the additional liability balance, with a related charge or credit to benefit expense, if actual experience or other evidence suggests that earlier assumptions should be revised. Changes in, or deviations from, the assumptions used can significantly affect the Company's reserve levels and related results of operations.

*GMDB*: Reserves for annuity guaranteed minimum death benefits ("GMDB") are determined by estimating the value of expected benefits in excess of the projected account balance and recognizing the excess ratably over the accumulation period based on total expected assessments. Expected experience is based on a range of scenarios. Assumptions used, such as the long-term equity market return, lapse rate and mortality, are consistent with assumptions used in estimating gross profits for the purpose of amortizing DAC. The assumptions of investment performance and volatility are consistent with the historical experience of the appropriate underlying equity index, such as the Standard & Poor's ("S&P") 500 Index. Reserves for GMDB are recorded in Future policy

benefits and contract owner account balances on the Consolidated Balance Sheets. Changes in reserves for GMDB are reported in Interest credited and other benefits to contract owners/policyholders in the Consolidated Statements of Operations.

*FIA*: The Company issues FIA contracts that contain embedded derivatives that are measured at estimated fair value separately from the host contracts. Such embedded derivatives are recorded in Future policy benefits and contract owner account balances on the Consolidated Balance Sheets. Changes in estimated fair value, that are not related to attributed fees or premiums collected or payments made, are reported in Other net realized capital gains (losses) in the Consolidated Statements of Operations.

The estimated fair value of the embedded derivative in the FIA contracts is based on the present value of the excess of interest payments to the contract owners over the growth in the minimum guaranteed contract value. The excess interest payments are determined as the excess of projected index driven benefits over the projected guaranteed benefits. The projection horizon is over the anticipated life of the related contracts, which takes into account best estimate actuarial assumptions, such as partial withdrawals, full surrenders, deaths, annuitizations and maturities.

*Stabilizer and MCG*: Guaranteed credited rates give rise to an embedded derivative in the Stabilizer products and a stand-alone derivative for managed custody guarantee products ("MCG"). These derivatives are measured at estimated fair value and recorded in Future policy benefits and contract owner account balances on the Consolidated Balance Sheets. Changes in estimated fair value, that are not related to attributed fees collected or payments made, are reported in Other net realized capital gains (losses) in the Consolidated Statements of Operations.

The estimated fair value of the Stabilizer embedded derivative and MCG stand-alone derivative is determined based on the present value of projected future claims, minus the present value of future guaranteed premiums. At inception of the contract, the Company projects a guaranteed premium to be equal to the present value of the projected future claims. The income associated with the contracts is projected using actuarial and capital market assumptions, including benefits and related contract charges, over the anticipated life of the related contracts. The cash flow estimates are projected under multiple capital market scenarios using observable risk-free rates and other best estimate assumptions.

The liabilities for the FIA and Stabilizer embedded derivatives and the MCG stand-alone derivative (collectively, "guaranteed benefit derivatives") include a risk margin to capture uncertainties related to policyholder behavior assumptions. The margin represents additional compensation a market participant would require to assume these risks.

The discount rate used to determine the fair value of the liabilities for FIA and Stabilizer embedded derivatives and the MCG stand-alone derivative includes an adjustment to reflect the risk that these obligations will not be fulfilled ("nonperformance risk").

*Separate Accounts*

Separate account assets and liabilities generally represent funds maintained to meet specific investment objectives of contract owners or participants who bear the investment risk, subject, in limited cases, to minimum guaranteed rates. Investment income and investment gains and losses generally accrue directly to such contract owners. The assets of each account are legally segregated and are not subject to claims that arise out of any other business of the Company or its affiliates.

Separate account assets supporting variable options under variable annuity contracts are invested, as designated by the contract owner or participant under a contract, in shares of mutual funds that are managed by the Company, or its affiliates, or in other selected mutual funds not managed by the Company, or its affiliates.

The Company reports separately, as assets and liabilities, investments held in the separate accounts and liabilities of separate accounts if:

- Such separate accounts are legally recognized;
- Assets supporting the contract liabilities are legally insulated from the Company's general account liabilities;
- Investments are directed by the contract owner or participant; and
- All investment performance, net of contract fees and assessments, is passed through to the contract owner.

The Company reports separate account assets that meet the above criteria at fair value on the Consolidated Balance Sheets based on the fair value of the underlying investments. Separate account liabilities equal separate account assets. Investment income and net realized and unrealized capital gains (losses) of the separate accounts, however, are not reflected in the Consolidated Statements of Operations, and the Consolidated Statements of Cash Flows do not reflect investment activity of the separate accounts.

*Repurchase Agreements*

The Company engages in dollar repurchase agreements with MBS ("dollar rolls") and repurchase agreements with other collateral types to increase its return on investments and improve liquidity. Such arrangements meet the requirements to be accounted for as financing arrangements.

The Company enters into dollar roll transactions by selling existing MBS and concurrently entering into an agreement to repurchase similar securities within a short time frame at a lower price. Under repurchase agreements, the Company borrows cash from a counterparty at an agreed upon interest rate for an agreed upon time frame and pledges collateral in the form of securities. At the end of the agreement, the counterparty returns the collateral to the Company, and the Company, in turn, repays the loan amount along with the additional agreed upon interest.

The Company's policy requires that at all times during the term of the dollar roll and repurchase agreements that cash or other collateral types obtained is sufficient to allow the Company to fund substantially all of the cost of purchasing replacement assets. Cash received is invested in Short-term investments, with the offsetting obligation to repay the loan included within Other liabilities on the Consolidated Balance Sheets. The carrying value of the securities pledged in dollar rolls and repurchase agreement transactions and the related repurchase obligation are included in Securities pledged and Short-term debt, respectively, on the Consolidated Balance Sheets.

The primary risk associated with short-term collateralized borrowings is that the counterparty will be unable to perform under the terms of the contract. The Company's exposure is limited to the excess of the net replacement cost of the securities over the value of the short-term investments. The Company believes the counterparties to the dollar rolls and repurchase agreements are financially responsible and that the counterparty risk is minimal.

*Recognition of Insurance Revenue and Related Benefits*

Premiums related to payouts contracts with life contingencies are recognized in Premiums in the Consolidated Statements of Operations when due from the contract owner. When premiums are due over a significantly shorter period than the period over which benefits are provided, any gross premium in excess of the net premium (i.e., the portion of the gross premium required to provide for all expected future benefits and expenses) is deferred and recognized into revenue in a constant relationship to insurance in force. Benefits are recorded in Interest credited and other benefits to contract owners/policyholders in the Consolidated Statements of Operations when incurred.

Amounts received as payment for investment-type, fixed annuities, payout contracts without life contingencies and FIA contracts are reported as deposits to contract owner account balances. Revenues from these contracts consist primarily of fees assessed against the contract owner account balance for mortality and policy administration charges and are reported in Fee income. Surrender charges are reported in Other revenue. In addition, the Company earns investment income from the investment of contract deposits in the Company's general account portfolio, which is reported in Net investment income in the Consolidated Statements of Operations. Fees assessed that represent compensation to the Company for services to be provided in future periods and certain other fees are deferred and amortized into revenue over the expected life of the related contracts in proportion to estimated gross profits in a manner consistent with DAC for these contracts. Benefits and expenses for these products include claims in excess of related account balances, expenses of contract administration and interest credited to contract owner account balances.

*Income Taxes*

The Company uses certain assumptions and estimates in determining (a) the income taxes payable or refundable to/from Voya Financial, Inc. for the current year, (b) the deferred income tax liabilities and assets for items recognized differently in its Consolidated Financial Statements from amounts shown on its income tax returns and (c) the federal income tax expense. Determining these amounts requires analysis and interpretation of current tax laws and regulations, including the loss limitation

rules associated with change in control. Management exercises considerable judgment in evaluating the amount and timing of recognition of the resulting income tax liabilities and assets. These judgments and estimates are reevaluated on a periodic basis. The Company will continue to evaluate as regulatory and business factors change.

Items required by tax regulations to be included in the tax return may differ from the items reflected in the financial statements. As a result, the effective tax rate reflected in the financial statements may be different than the actual rate applied on the tax return. Some of these differences are permanent, such as the dividends received deduction, which is estimated using information from the prior period and current year results. Other differences are temporary, reversing over time, such as the valuation of insurance reserves, and create deferred tax assets and liabilities.

The Company's deferred tax assets and liabilities resulting from temporary differences between financial reporting and tax bases of assets and liabilities are measured at the balance sheet date using enacted tax rates expected to apply to taxable income in the years the temporary differences are expected to reverse.

Deferred tax assets represent the tax benefit of future deductible temporary differences, net operating loss carryforwards and tax credit carryforwards. The Company evaluates and tests the recoverability of its deferred tax assets. Deferred tax assets are reduced by a valuation allowance if, based on the weight of evidence, it is more likely than not that some portion, or all, of the deferred tax assets will not be realized. Considerable judgment and the use of estimates are required in determining whether a valuation allowance is necessary and, if so, the amount of such valuation allowance. In evaluating the need for a valuation allowance, the Company considers many factors, including:

- The nature, frequency and severity of book income or losses in recent years;
- The nature and character of the deferred tax assets and liabilities;
- The recent cumulative book income (loss) position after adjustment for permanent differences;
- Taxable income in prior carryback years;
- Projected future taxable income, exclusive of reversing temporary differences and carryforwards;
- Projected future reversals of existing temporary differences;
- The length of time carryforwards can be utilized;
- Prudent and feasible tax planning strategies the Company would employ to avoid a tax benefit from expiring unused; and
- Tax rules that would impact the utilization of the deferred tax assets.

In establishing unrecognized tax benefits, the Company determines whether a tax position is more likely than not to be sustained under examination by the appropriate taxing authority. The Company also considers positions that have been reviewed and agreed to as part of an examination by the appropriate taxing authority. Tax positions that do not meet the more likely than not standard are not recognized in the Consolidated Financial Statements. Tax positions that meet this standard are recognized in the Consolidated Financial Statements. The Company measures the tax position as the largest amount of benefit that is greater than 50% likely of being realized upon ultimate resolution with the tax authority that has full knowledge of all relevant information.

*Reinsurance*

The Company utilizes reinsurance agreements in most aspects of its insurance business to reduce its exposure to large losses. Such reinsurance permits recovery of a portion of losses from reinsurers, although it does not discharge the primary liability of the Company as direct insurer of the risks reinsured.

For each of its reinsurance agreements, the Company determines whether the agreement provides indemnification against loss or liability relating to insurance risk. The Company reviews contractual features, particularly those that may limit the amount of insurance risk to which the reinsurer is subject or features that delay the timely reimbursement of claims. The assumptions used to account for long-duration reinsurance agreements are consistent with those used for the underlying contracts. Ceded Future policy benefits and contract owner account balances are reported gross on the Consolidated Balance Sheets.

*Long-duration*: For reinsurance of long-duration contracts that transfer significant insurance risk, the difference, if any, between the amounts paid and benefits received related to the underlying contracts is included in the expected net cost of reinsurance, which

is recorded as a component of the reinsurance asset or liability. Any difference between actual and expected net cost of reinsurance is recognized in the current period and included as a component of profits used to amortize DAC.

If the Company determines that a reinsurance agreement does not expose the reinsurer to a reasonable possibility of a significant loss from insurance risk, the Company records the agreement using the deposit method of accounting. Deposits received are included in Other liabilities, and deposits made are included in Other assets on the Consolidated Balance Sheets. As amounts are paid or received, consistent with the underlying contracts, the deposit assets or liabilities are adjusted. Interest on such deposits is recorded as Other revenues or Other expenses in the Consolidated Statements of Operations, as appropriate. Periodically, the Company evaluates the adequacy of the expected payments or recoveries and adjusts the deposit asset or liability through Other revenues or Other expenses, as appropriate.

Accounting for reinsurance requires use of assumptions and estimates, particularly related to the future performance of the underlying business and the potential impact of counterparty credit risks. The Company periodically reviews actual and anticipated experience compared to the assumptions used to establish assets and liabilities relating to ceded and assumed reinsurance. The Company also evaluates the financial strength of potential reinsurers and continually monitors the financial condition of reinsurers.

Only those reinsurance recoverable balances deemed probable of recovery are recognized as assets on the Company's Consolidated Balance Sheets and are stated net of allowances for uncollectible reinsurance. Amounts currently recoverable and payable under reinsurance agreements are included in Premiums receivable and reinsurance recoverable and Other liabilities, respectively. Such assets and liabilities relating to reinsurance agreements with the same reinsurer are recorded net on the Consolidated Balance Sheets if a right of offset exists within the reinsurance agreement. Premiums, Fee income and Interest credited and other benefits to contract owners/policyholders are reported net of reinsurance ceded. Amounts received from reinsurers for policy administration are reported in Other revenue.

The Company utilizes reinsurance agreements, accounted for under the deposit method, to manage reserve and capital requirements in connection with a portion of its deferred annuities business. The agreements contain embedded derivatives for which carrying value is estimated based on the change in the fair value of the assets supporting the funds withheld under the agreements.

The Company currently has a significant concentration of ceded reinsurance with a subsidiary of Lincoln National Corporation ("Lincoln") arising from the disposition of its individual life insurance business.

*Contingencies*

A loss contingency is an existing condition, situation or set of circumstances involving uncertainty as to possible loss that will ultimately be resolved when one or more future events occur or fail to occur. Examples of loss contingencies include pending or threatened adverse litigation, threat of expropriation of assets and actual or possible claims and assessments. Amounts related to loss contingencies are accrued and recorded in Other liabilities on the Consolidated Balance Sheets if it is probable that a loss has been incurred and the amount can be reasonably estimated, based on the Company's best estimate of the ultimate outcome.

***Adoption of New Pronouncements***

Share-Based Compensation

In March 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-09, "Compensation-Stock Compensation (ASC Topic 718): Improvements to Employee Share-Based Payment Accounting" ("ASU 2016-09"), which simplifies the accounting for share-based payment award transactions with respect to:

- The income tax consequences of awards,
- The impact of forfeitures on the recognition of expense for awards,
- Classification of awards as either equity or liabilities, and
- Classification on the statement of cash flows.

The provisions of ASU 2016-09 were adopted by the Company on January 1, 2017 using the transition method prescribed for each applicable provision:

- On a prospective basis, all excess tax benefits and tax deficiencies related to share-based compensation will be reported in Net income (loss), rather than Additional paid-in capital. Prior year excess tax benefits will remain in Additional paid- in capital.
- The Company elected to retrospectively adopt the requirement to present cash inflows related to excess tax benefits as operating activities, which resulted in an immaterial reclassification of Share-based compensation cash flows from financing activities to operating activities in the Consolidated Statement of Cash Flows for the twelve months ended December 31, 2016.

The adoption of the remaining provisions of ASU 2016-09 had no effect on the Company's financial condition, results of operations, or cash flows.

Debt Instruments

In March 2016, the FASB issued ASU 2016-06, “Derivatives and Hedging (ASC Topic 815): Contingent Put and Call Options in Debt Instruments” (“ASU 2016-06”), which clarifies that an entity is only required to follow the four-step decision sequence when assessing whether contingent call (put) options that can accelerate the payment of principal on debt instruments are clearly and closely related to their debt hosts for purposes of bifurcating an embedded derivative. The entity does not need to assess whether the event that triggers the ability to exercise a call (put) option is related to interest rates or credit risks.

The provisions of ASU 2016-06 were adopted by the Company on January 1, 2017 using a modified retrospective approach. The adoption had no effect on the Company's financial condition, results of operations, or cash flows.

Consolidation

In February 2015, the FASB issued ASU 2015-02, “Consolidation (ASC Topic 810): Amendments to the Consolidation Analysis” (“ASU 2015-02”), which:

- Modifies the evaluation of whether limited partnerships and similar legal entities are Variable Interest Entities ("VIEs") or Voting Interest Entities ("VOEs"), including the requirement to consider the rights of all equity holders at risk to determine if they have the power to direct the entity's most significant activities.
- Eliminates the presumption that a general partner should consolidate a limited partnership. Limited partnerships and similar entities will be VIEs unless the limited partners hold substantive kick-out rights in the participating rights.
- Affects the consolidation analysis of reporting entities that are involved with VIEs, particularly those that have fee arrangements and related party relationships.
- Provides a new scope exception for registered money market funds and similar unregistered money market funds, and ends the deferral granted to investment companies from applying the VIE guidance.

The Company adopted the provisions of ASU 2015-02 on January 1, 2016 using a modified retrospective approach. The adoption had no effect on the Company's financial condition or results of operations, but impacted disclosures only. Investments in limited partnerships previously accounted for as VOEs became VIEs under the new guidance as the limited partners do not hold substantive kick-out rights or participating rights. See "Variable Interest Entities" section of the *Investments* Note to these Consolidated Financial Statements for additional information.

***Future Adoption of Accounting Pronouncements***

Reclassification of Certain Tax Effects

In February 2018, the FASB issued ASU 2018-02, "Income Statement-Reporting Comprehensive Income (ASC Topic 220): Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income" ("ASU 2018-02"), which allows a reclassification from accumulated other comprehensive income to retained earnings for stranded tax effects resulting from the newly enacted Tax Cuts and Jobs Act of 2017 ("Tax Reform"). Stranded tax effects arise because generally accepted accounting principles require that the impact of a change in tax laws or rates on deferred tax liabilities and assets be reported in net income, even if related to items recognized within accumulated other comprehensive income. The amount of the reclassification would be

based on the difference between the historical corporate income tax rate and the newly enacted 21% corporate income tax rate, applied to deferred tax liabilities and assets reported within accumulated other comprehensive income.

The provisions of ASU 2018-02 are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018, with early adoption permitted. Initial adoption of ASU 2018-02 may be reported either in the period of adoption or on a retrospective basis in each period in which the effect of the change in the U.S. federal corporate income tax rate resulting from Tax Reform is recognized. The Company is currently evaluating the provisions of ASU 2018-02.

Derivatives & Hedging

In August 2017, the FASB issued ASU 2017-12, "Derivatives and Hedging (Topic ASC 815): Targeted Improvements to Accounting for Hedging Activities " ("ASU 2017-12"), which enables entities to better portray risk management activities in their financial statements, as follows:

- Expands an entity's ability to hedge nonfinancial and financial risk components and reduces complexity in accounting for fair value hedges of interest rate risk,
- Eliminates the requirement to separately measure and report hedge ineffectiveness and generally requires the entire change in the fair value of a hedging instrument to be presented in the same income statement line as the hedged item,
- Eases certain documentation and assessment requirements and modifies the accounting for components excluded from the assessment of hedge effectiveness, and
- Modifies required disclosures.

The provisions of ASU 2017-12 are effective for fiscal years beginning after December 15, 2018, including interim periods, with early adoption permitted. Initial adoption of ASU 2017-12 is required to be reported using a modified retrospective approach, with the exception of the presentation and disclosure requirements, which are required to be applied prospectively. The Company is currently in the process of determining the impact of adoption of the provisions of ASU 2017-12.

Debt Securities

In March 2017, the FASB issued ASU 2017-08, "Receivables-Nonrefundable Fees and Other Costs (ASC Subtopic 310-20): Premium Amortization on Purchased Callable Debt Securities" ("ASU 2017-08"), which shortens the amortization period for certain callable debt securities held at a premium by requiring the premium to be amortized to the earliest call date.

The provisions of ASU 2017-08 are effective for fiscal years beginning after December 15, 2018, including interim periods, with early adoption permitted. Initial adoption of ASU 2017-08 is required to be reported using a modified retrospective approach. The Company is currently in the process of determining the impact of adoption of the provisions of ASU 2017-08.

Derecognition of Nonfinancial Assets

In February 2017, the FASB issued ASU 2017-05, “Other Income-Gains and Losses from the Derecognition of Nonfinancial Assets (ASC Subtopic 610-20): Clarifying the Scope of Asset Derecognition Guidance & Accounting for Partial Sales of Nonfinancial Assets” (“ASU 2017-05”), which requires entities to apply certain recognition and measurement principles in ASU 2014-09, “Revenue from Contracts with Customers (ASC Topic 606)” (see "Revenue from Contracts with Customers" below) when they derecognize nonfinancial assets and in substance nonfinancial assets through sale or transfer, and the counterparty is not a customer.

The provisions of ASU 2017-05 are effective for annual and interim reporting periods beginning after December 15, 2017, with early adoption permitted, using either a retrospective or modified retrospective method. The Company does not currently expect the adoption of this guidance to have a material impact on the Company's financial condition, results of operations, or cash flows; however, finalization of implementation efforts will continue into the first quarter of 2018.

Statement of Cash Flows

In August 2016, the FASB issued ASU 2016-15, “Statement of Cash Flows (ASC Topic 230): Classification of Certain Cash Receipts and Cash Payments” (“ASU 2016-15”), which addresses diversity in how certain cash receipts and cash payments are presented and classified in the statement of cash flows. The amendments provide guidance on eight specific cash flow issues.

The provisions of ASU 2016-15 are effective retrospectively for fiscal years beginning after December 15, 2017, including interim periods, with early adoption permitted. The Company does not currently expect the adoption of this guidance to have a material impact on the Company's financial condition, results of operations, or cash flows; however, finalization of implementation efforts will continue into the first quarter of 2018.

Financial Instruments - Credit Losses

In June 2016, the FASB issued ASU 2016-13, "Financial Instruments-Credit Losses (ASC Topic 326): Measurement of Credit Losses on Financial Instruments" ("ASU 2016-13"), which:

- Introduces an approach based on expected losses to estimate credit losses on certain types of financial instruments,
- Modifies the impairment model for available-for-sale debt securities, and
- Provides a simplified accounting model for purchased financial assets with credit deterioration since their origination.

The provisions of ASU 2016-13 are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019, with early adoption permitted for fiscal years beginning after December 15, 2018. Initial adoption of ASU 2016-13 is required to be reported on a modified retrospective basis, with a cumulative-effect adjustment to retained earnings as of the beginning of the year of adoption, except for certain provisions that are required to be applied prospectively. The Company is currently in the process of determining the impact of adoption of the provisions of ASU 2016-13.

Financial Instruments - Recognition and Measurement

In January 2016, the FASB issued ASU 2016-01, "Financial Instruments-Overall (ASC Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities" ("ASU 2016-01"), which requires:

- Equity investments (except those consolidated or accounted for under the equity method) to be measured at fair value with changes in fair value recognized in net income.
- Elimination of the disclosure of methods and significant assumptions used to estimate the fair value for financial instruments measured at amortized cost.
- The use of the exit price notion when measuring the fair value of financial instruments for disclosure purposes.
- Separate presentation in other comprehensive income of the portion of the total change in fair value of a liability resulting from a change in own credit risk if the liability is measured at fair value under the fair value option.
- Separate presentation on the balance sheet or financial statement notes of financial assets and financial liabilities by measurement category and form of financial asset.

The provisions of ASU 2016-01 are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2017, with early adoption only permitted for certain provisions. Initial adoption of ASU 2016-01 is required to be reported on a modified retrospective basis, with a cumulative-effect adjustment to the balance sheet as of the beginning of the year of adoption, except for certain provisions that are required to be applied prospectively. The Company does not currently expect the adoption of this guidance to have a material impact on the Company's financial condition, results of operations, or cash flows; however, finalization of implementation efforts will continue into the first quarter of 2018.

Revenue from Contracts with Customers

In May 2014, the FASB issued ASU 2014-09, "Revenue from Contracts with Customers (ASC Topic 606)" ("ASU 2014-09"), which requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Revenue is recognized when, or as, the entity satisfies a performance obligation under the contract. ASU 2014-09 also updated the accounting for certain costs associated with obtaining and fulfilling contracts with customers and requires disclosures regarding the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. In addition, the FASB issued various amendments during 2016 to clarify the provisions and implementation guidance of ASU 2014-09. Revenue recognition for insurance contracts and financial instruments is explicitly scoped out of the guidance.

The provisions of ASU 2014-09 are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2017, with early adoption permitted as of January 1, 2017. Initial adoption of ASU 2014-09 is required to be reported using either a retrospective or modified retrospective approach.

The Company plans to adopt ASU 2014-09 on January 1, 2018 on a modified retrospective basis. As the scope of ASU 2014-09 excludes insurance contracts and financial instruments, the guidance does not apply to a significant portion of the Company's business. Based on review to date, the Company anticipates that the adoption of ASU 2014-09 will result in the deferral of costs to obtain and fulfill certain financial services contracts, net of tax, with a related cumulative impact on retained earnings upon adoption, of approximately $70; however, finalization of implementation efforts will continue into the first quarter of 2018.

## 2. Investments

*Fixed Maturities and Equity Securities*

Available-for-sale and FVO fixed maturities and equity securities were as follows as of December 31, 2017:

| | Amortized Cost | Gross Unrealized Capital Gains | Gross Unrealized Capital Losses | Embedded Derivatives[2] | Fair Value | OTTI[3][4] |
|---|---|---|---|---|---|---|
| Fixed maturities: | | | | | | |
| U.S. Treasuries | $ 547 | $ 109 | $ — | $ — | $ 656 | $ — |
| U.S. Government agencies and authorities | 3 | — | — | — | 3 | — |
| State, municipalities and political subdivisions | 842 | 40 | 4 | — | 878 | — |
| U.S. corporate public securities | 8,476 | 786 | 26 | — | 9,236 | — |
| U.S. corporate private securities | 3,387 | 148 | 38 | — | 3,497 | — |
| Foreign corporate public securities and foreign governments[1] | 2,594 | 192 | 9 | — | 2,777 | — |
| Foreign corporate private securities[1] | 3,105 | 155 | 45 | — | 3,215 | 7 |
| Residential mortgage-backed securities: | | | | | | |
| Agency | 1,878 | 65 | 17 | 6 | 1,932 | — |
| Non-Agency | 639 | 54 | 2 | 6 | 697 | 4 |
| Total Residential mortgage-backed securities | 2,517 | 119 | 19 | 12 | 2,629 | 4 |
| Commercial mortgage-backed securities | 1,437 | 39 | 6 | — | 1,470 | — |
| Other asset-backed securities | 671 | 11 | 1 | — | 681 | 2 |
| Total fixed maturities, including securities pledged | 23,579 | 1,599 | 148 | 12 | 25,042 | 13 |
| Less: Securities pledged | 864 | 104 | 8 | — | 960 | — |
| Total fixed maturities | 22,715 | 1,495 | 140 | 12 | 24,082 | 13 |
| Equity securities | 45 | 15 | — | — | 60 | — |
| Total fixed maturities and equity securities investments | $ 22,760 | $ 1,510 | $ 140 | $ 12 | $ 24,142 | $ 13 |

[1] Primarily U.S. dollar denominated.
[2] Embedded derivatives within fixed maturity securities are reported with the host investment. The changes in fair value of embedded derivatives are reported in Other net realized capital gains (losses) in the Consolidated Statements of Operations.
[3] Represents OTTI reported as a component of Other comprehensive income (loss).
[4] Amount excludes $190 of net unrealized gains on impaired available-for-sale securities.

Available-for-sale and FVO fixed maturities and equity securities were as follows as of December 31, 2016:

| | Amortized Cost | Gross Unrealized Capital Gains | Gross Unrealized Capital Losses | Embedded Derivatives[2] | Fair Value | OTTI[3][4] |
|---|---|---|---|---|---|---|
| Fixed maturities: | | | | | | |
| U.S. Treasuries | $ 693 | $ 96 | $ 2 | $ — | $ 787 | $ — |
| U.S. Government agencies and authorities | 4 | — | — | — | 4 | — |
| State, municipalities and political subdivisions | 795 | 16 | 16 | — | 795 | — |
| U.S. corporate public securities | 9,511 | 533 | 72 | — | 9,972 | 1 |
| U.S. corporate private securities | 2,951 | 89 | 79 | — | 2,961 | — |
| Foreign corporate public securities and foreign governments[1] | 2,801 | 121 | 38 | — | 2,884 | — |
| Foreign corporate private securities[1] | 2,822 | 114 | 26 | — | 2,910 | — |
| Residential mortgage-backed securities: | | | | | | |
| Agency | 2,357 | 81 | 27 | 9 | 2,420 | — |
| Non-Agency | 314 | 48 | 2 | 8 | 368 | 5 |
| Total Residential mortgage-backed securities | 2,671 | 129 | 29 | 17 | 2,788 | 5 |
| Commercial mortgage-backed securities | 1,301 | 33 | 16 | — | 1,318 | — |
| Other asset-backed securities | 466 | 11 | 1 | — | 476 | 2 |
| Total fixed maturities, including securities pledged | 24,015 | 1,142 | 279 | 17 | 24,895 | 8 |
| Less: Securities pledged | 693 | 82 | 7 | — | 768 | — |
| Total fixed maturities | 23,322 | 1,060 | 272 | 17 | 24,127 | 8 |
| Equity securities | 67 | 15 | — | — | 82 | — |
| Total fixed maturities and equity securities investments | $ 23,389 | $ 1,075 | $ 272 | $ 17 | $ 24,209 | $ 8 |

[1] Primarily U.S. dollar denominated.
[2] Embedded derivatives within fixed maturity securities are reported with the host investment. The changes in fair value of embedded derivatives are reported in Other net realized capital gains (losses) in the Consolidated Statements of Operations.
[3] Represents OTTI reported as a component of Other comprehensive income (loss).
[4] Amount excludes $176 of net unrealized gains on impaired available-for-sale securities.

The amortized cost and fair value of fixed maturities, including securities pledged, as of December 31, 2017, are shown below by contractual maturity. Actual maturities may differ from contractual maturities as securities may be restructured, called or prepaid. MBS and Other ABS are shown separately because they are not due at a single maturity date.

| | Amortized Cost | Fair Value |
|---|---|---|
| Due to mature: | | |
| One year or less | $ 554 | $ 561 |
| After one year through five years | 4,590 | 4,765 |
| After five years through ten years | 6,085 | 6,296 |
| After ten years | 7,725 | 8,640 |
| Mortgage-backed securities | 3,954 | 4,099 |
| Other asset-backed securities | 671 | 681 |
| Fixed maturities, including securities pledged | $ 23,579 | $ 25,042 |

The investment portfolio is monitored to maintain a diversified portfolio on an ongoing basis. Credit risk is mitigated by monitoring concentrations by issuer, sector and geographic stratification and limiting exposure to any one issuer.

As of December 31, 2017 and 2016, the Company did not have any investments in a single issuer, other than obligations of the U.S. Government and government agencies, with a carrying value in excess of 10% of the Company's consolidated Shareholder's equity.

The following tables set forth the composition of the U.S. and foreign corporate securities within the fixed maturity portfolio by industry category as of the dates indicated:

| | Amortized Cost | Gross Unrealized Capital Gains | Gross Unrealized Capital Losses | Fair Value |
|---|---|---|---|---|
| **December 31, 2017** | | | | |
| Communications | $ 1,145 | $ 114 | $ 1 | $ 1,258 |
| Financial | 2,750 | 185 | 4 | 2,931 |
| Industrial and other companies | 7,953 | 532 | 65 | 8,420 |
| Energy | 1,970 | 159 | 33 | 2,096 |
| Utilities | 2,725 | 216 | 11 | 2,930 |
| Transportation | 697 | 52 | 2 | 747 |
| Total | $ 17,240 | $ 1,258 | $ 116 | $ 18,382 |
| **December 31, 2016** | | | | |
| Communications | $ 1,223 | $ 85 | $ 10 | $ 1,298 |
| Financial | 2,850 | 147 | 14 | 2,983 |
| Industrial and other companies | 8,479 | 346 | 99 | 8,726 |
| Energy | 2,145 | 105 | 49 | 2,201 |
| Utilities | 2,436 | 130 | 31 | 2,535 |
| Transportation | 618 | 26 | 6 | 638 |
| Total | $ 17,751 | $ 839 | $ 209 | $ 18,381 |

*Fixed Maturities and Equity Securities*

The Company's fixed maturities and equity securities are currently designated as available-for-sale, except those accounted for using the FVO. Available-for-sale securities are reported at fair value and unrealized capital gains (losses) on these securities are recorded directly in AOCI and presented net of related changes in DAC, VOBA and Deferred income taxes. In addition, certain fixed maturities have embedded derivatives, which are reported with the host contract on the Consolidated Balance Sheets.

The Company has elected the FVO for certain of its fixed maturities to better match the measurement of assets and liabilities in the Consolidated Statements of Operations. Certain CMOs, primarily interest-only and principal-only strips, are accounted for as hybrid instruments and valued at fair value with changes in the fair value recorded in Other net realized capital gains (losses) in the Consolidated Statements of Operations.

The Company invests in various categories of CMOs, including CMOs that are not agency-backed, that are subject to different degrees of risk from changes in interest rates and defaults. The principal risks inherent in holding CMOs are prepayment and extension risks related to significant decreases and increases in interest rates resulting in the prepayment of principal from the underlying mortgages, either earlier or later than originally anticipated. As of December 31, 2017 and 2016, approximately 52.1% and 58.4%, respectively, of the Company's CMO holdings, were invested in the above mentioned types of CMOs such as interest-only or principal-only strips, that are subject to more prepayment and extension risk than traditional CMOs.

Public corporate fixed maturity securities are distinguished from private corporate fixed maturity securities based upon the manner in which they are transacted. Public corporate fixed maturity securities are issued initially through market intermediaries on a registered basis or pursuant to Rule 144A under the Securities Act of 1933 (the "Securities Act") and are traded on the secondary market through brokers acting as principal. Private corporate fixed maturity securities are originally issued by borrowers directly to investors pursuant to Section 4(a)(2) of the Securities Act, and are traded in the secondary market directly with counterparties, either without the participation of a broker or in agency transactions.

*Repurchase Agreements*

As of December 31, 2017 and 2016, the Company did not have any securities pledged in dollar rolls, repurchase agreement transactions or reverse repurchase agreements.

*Securities Lending*

As of December 31, 2017 and 2016, the fair value of loaned securities was $799 and $548, respectively, and is included in Securities pledged on the Consolidated Balance Sheets. As of December 31, 2017 and 2016, cash collateral retained by the lending agent and invested in short-term liquid assets on the Company's behalf was $744 and $248, respectively, and is recorded in Short-term investments under securities loan agreements, including collateral delivered on the Consolidated Balance Sheets. As of December 31, 2017 and 2016, liabilities to return collateral of $744 and $248, respectively, are included in Payables under securities loan agreements, including collateral held, on the Consolidated Balance Sheets.

During the first quarter of 2016 under an amendment to the securities lending program, the Company began accepting non-cash collateral in the form of securities. The securities retained as collateral by the lending agent may not be sold or re-pledged, except in the event of default, and are not reflected in the Company’s Consolidated Balance Sheets. This collateral generally consists of U.S. Treasury, U.S. Government agency securities and MBS pools. As of December 31, 2017 and 2016, the fair value of securities retained as collateral by the lending agent on the Company’s behalf was $61 and $316, respectively.

The following table sets forth borrowings under securities lending transactions by class of collateral pledged for the dates indicated:

| | December 31, 2017[1][2] | December 31, 2016[1][2] |
|---|---|---|
| U.S. Treasuries | $ 177 | $ 304 |
| U.S. corporate public securities | 460 | 179 |
| Foreign corporate public securities and foreign governments | 168 | 80 |
| Short-term Investments | — | 1 |
| Payables under securities loan agreements | $ 805 | $ 564 |

[1] As of December 31, 2017 and December 31, 2016, borrowings under securities lending transactions include cash collateral of $744 and $248, respectively.
[2] As of December 31, 2017 and December 31, 2016, borrowings under securities lending transactions include non-cash collateral of $61 and $316, respectively.

The Company's securities lending activities are conducted on an overnight basis, and all securities loaned can be recalled at any time. The Company does not offset assets and liabilities associated with its securities lending program.

*Variable Interest Entities*

The Company holds certain VIEs for investment purposes. VIEs may be in the form of private placement securities, structured securities, securitization transactions, or limited partnerships. The Company has reviewed each of its holdings and determined that consolidation of these investments in the Company's financial statements is not required, as the Company is not the primary beneficiary, because the Company does not have both the power to direct the activities that most significantly impact the entity's economic performance and the obligation or right to potentially significant losses or benefits, for any of its investments in VIEs. The Company did not provide any non-contractual financial support and its carrying value represents the Company's exposure to loss. The carrying value of the investments in VIEs was $411 and $348 as of December 31, 2017 and 2016, respectively; these investments are included in Limited partnerships/corporations on the Consolidated Balance Sheets. Income and losses recognized on these investments are reported in Net investment income in the Consolidated Statements of Operations.

*Securitizations*

The Company invests in various tranches of securitization entities, including RMBS, CMBS and ABS. Through its investments, the Company is not obligated to provide any financial or other support to these entities. Each of the RMBS, CMBS and ABS entities are thinly capitalized by design and considered VIEs. The Company's involvement with these entities is limited to that of a passive investor. The Company has no unilateral right to appoint or remove the servicer, special servicer or investment manager, which are generally viewed to have the power to direct the activities that most significantly impact the securitization entities' economic performance, in any of these entities, nor does the Company function in any of these roles. The Company, through its investments or other arrangements, does not have the obligation to absorb losses or the right to receive benefits from the entity that could potentially be significant to the entity. Therefore, the Company is not the primary beneficiary and will not consolidate any of the RMBS, CMBS and ABS entities in which it holds investments. These investments are accounted for as investments available-for-sale as described in the *Business, Basis of Presentation and Significant Accounting Policies* Note to these Consolidated Financial Statements and unrealized capital gains (losses) on these securities are recorded directly in AOCI, except for certain RMBS that are accounted for under the FVO for which changes in fair value are reflected in Other net realized gains (losses) in the Consolidated Statements of Operations. The Company’s maximum exposure to loss on these structured investments is limited to the amount of its investment.

*Unrealized Capital Losses*

Unrealized capital losses (including noncredit impairments), along with the fair value of fixed maturity securities, including securities pledged, by market sector and duration were as follows as of December 31, 2017:

| | Six Months or Less Below Amortized Cost | | More Than Six Months and Twelve Months or Less Below Amortized Cost | | More Than Twelve Months Below Amortized Cost | | Total | |
|---|---|---|---|---|---|---|---|---|
| | Fair Value | Unrealized Capital Losses | Fair Value | Unrealized Capital Losses | Fair Value | Unrealized Capital Losses | Fair Value | Unrealized Capital Losses |
| U.S. Treasuries | $ 18 | $ — | $ — | $ — | $ 12 | $ — | $ 30 | $ — |
| State, municipalities and political subdivisions | 34 | — | 1 | — | 91 | 4 | 126 | 4 |
| U.S. corporate public securities | 504 | 11 | — | — | 304 | 15 | 808 | 26 |
| U.S. corporate private securities | 226 | 2 | 46 | 2 | 499 | 34 | 771 | 38 |
| Foreign corporate public securities and foreign governments | 148 | 1 | 5 | — | 99 | 8 | 252 | 9 |
| Foreign corporate private securities | 135 | 38 | 13 | — | 161 | 7 | 309 | 45 |
| Residential mortgage-backed | 263 | 5 | 26 | 1 | 438 | 13 | 727 | 19 |
| Commercial mortgage-backed | 436 | 5 | 19 | — | 50 | 1 | 505 | 6 |
| Other asset-backed | 95 | 1 | 9 | — | 38 | — | 142 | 1 |
| Total | $ 1,859 | $ 63 | $ 119 | $ 3 | $ 1,692 | $ 82 | $ 3,670 | $ 148 |

Unrealized capital losses (including noncredit impairments), along with the fair value of fixed maturity securities, including securities pledged, by market sector and duration were as follows as of December 31, 2016:

| | Six Months or Less Below Amortized Cost | | More Than Six Months and Twelve Months or Less Below Amortized Cost | | More Than Twelve Months Below Amortized Cost | | Total | |
|---|---|---|---|---|---|---|---|---|
| | Fair Value | Unrealized Capital Losses | Fair Value | Unrealized Capital Losses | Fair Value | Unrealized Capital Losses | Fair Value | Unrealized Capital Losses |
| U.S. Treasuries | $ 134 | $ 2 | $ — | $ — | $ — | $ — | $ 134 | $ 2 |
| State, municipalities and political subdivisions | 427 | 15 | — | — | 5 | 1 | 432 | 16 |
| U.S. corporate public securities | 2,107 | 53 | 2 | — | 180 | 19 | 2,289 | 72 |
| U.S. corporate private securities | 1,011 | 48 | 23 | 1 | 131 | 30 | 1,165 | 79 |
| Foreign corporate public securities and foreign governments | 678 | 21 | 1 | — | 132 | 17 | 811 | 38 |
| Foreign corporate private securities | 600 | 23 | — | — | 45 | 3 | 645 | 26 |
| Residential mortgage-backed | 881 | 23 | 109 | 3 | 54 | 3 | 1,044 | 29 |
| Commercial mortgage-backed | 415 | 16 | 5 | — | 6 | — | 426 | 16 |
| Other asset-backed | 147 | — | 1 | — | 17 | 1 | 165 | 1 |
| Total | $ 6,400 | $ 201 | $ 141 | $ 4 | $ 570 | $ 74 | $ 7,111 | $ 279 |

Of the unrealized capital losses aged more than twelve months, the average market value of the related fixed maturities was 95.4% and 88.6% of the average book value as of December 31, 2017 and 2016, respectively.

Unrealized capital losses (including noncredit impairments) in fixed maturities, including securities pledged, for instances in which fair value declined below amortized cost by greater than or less than 20% for consecutive months as indicated in the tables below, were as follows as of the dates indicated:

| | Amortized Cost | | Unrealized Capital Losses | | Number of Securities | |
|---|---|---|---|---|---|---|
| | < 20% | > 20% | < 20% | > 20% | < 20% | > 20% |
| **December 31, 2017** | | | | | | |
| Six months or less below amortized cost | $ 1,883 | $ 67 | $ 30 | $ 38 | 433 | 7 |
| More than six months and twelve months or less below amortized cost | 128 | 7 | 4 | 2 | 37 | 1 |
| More than twelve months below amortized cost | 1,661 | 72 | 53 | 21 | 335 | 7 |
| Total | $ 3,672 | $ 146 | $ 87 | $ 61 | 805 | 15 |
| **December 31, 2016** | | | | | | |
| Six months or less below amortized cost | $ 6,702 | $ 22 | $ 215 | $ 5 | 1,098 | 9 |
| More than six months and twelve months or less below amortized cost | 269 | 3 | 14 | 1 | 54 | 2 |
| More than twelve months below amortized cost | 313 | 81 | 21 | 23 | 128 | 5 |
| Total | $ 7,284 | $ 106 | $ 250 | $ 29 | 1,280 | 16 |

Unrealized capital losses (including noncredit impairments) in fixed maturities, including securities pledged, by market sector for instances in which fair value declined below amortized cost by greater than or less than 20% were as follows as of the dates indicated:

| | Amortized Cost | | Unrealized Capital Losses | | Number of Securities | |
|---|---|---|---|---|---|---|
| | < 20% | > 20% | < 20% | > 20% | < 20% | > 20% |
| **December 31, 2017** | | | | | | |
| U.S. Treasuries | $ 30 | $ — | $ — | $ — | 6 | — |
| State, municipalities and political subdivisions | 130 | — | 4 | — | 96 | — |
| U.S. corporate public securities | 828 | 6 | 24 | 2 | 167 | 2 |
| U.S. corporate private securities | 743 | 66 | 18 | 20 | 71 | 2 |
| Foreign corporate public securities and foreign governments | 254 | 7 | 7 | 2 | 61 | 1 |
| Foreign corporate private securities | 288 | 66 | 8 | 37 | 35 | 6 |
| Residential mortgage-backed | 746 | — | 19 | — | 194 | 3 |
| Commercial mortgage-backed | 511 | — | 6 | — | 131 | — |
| Other asset-backed | 142 | 1 | 1 | — | 44 | 1 |
| Total | $ 3,672 | $ 146 | $ 87 | $ 61 | 805 | 15 |
| **December 31, 2016** | | | | | | |
| U.S. Treasuries | $ 136 | $ — | $ 2 | $ — | 22 | — |
| State, municipalities and political subdivisions | 448 | — | 16 | — | 187 | — |
| U.S. corporate public securities | 2,352 | 9 | 69 | 3 | 417 | 3 |
| U.S. corporate private securities | 1,162 | 82 | 56 | 23 | 108 | 3 |
| Foreign corporate public securities and foreign governments | 837 | 13 | 35 | 3 | 159 | 3 |
| Foreign corporate private securities | 670 | — | 26 | — | 64 | 2 |
| Residential mortgage-backed | 1,073 | — | 29 | — | 196 | 3 |
| Commercial mortgage-backed | 442 | — | 16 | — | 90 | 1 |
| Other asset-backed | 164 | 2 | 1 | — | 37 | 1 |
| Total | $ 7,284 | $ 106 | $ 250 | $ 29 | 1,280 | 16 |

Investments with fair values less than amortized cost are included in the Company's other-than-temporary impairment analysis. Impairments were recognized as disclosed in the "Evaluating Securities for Other-Than-Temporary Impairments" section below. The Company evaluates non-agency RMBS and ABS for "other-than-temporary impairments" each quarter based on actual and projected cash flows after considering the quality and updated loan-to-value ratios reflecting current home prices of underlying collateral, forecasted loss severity, the payment priority within the tranche structure of the security and amount of any credit enhancements. The Company's assessment of current levels of cash flows compared to estimated cash flows at the time the securities were acquired (typically pre-2008) indicates the amount and the pace of projected cash flows from the underlying collateral has generally been lower and slower, respectively. However, since cash flows are typically projected at a trust level, the impairment review incorporates the security's position within the trust structure as well as credit enhancement remaining in the trust to determine whether an impairment is warranted. Therefore, while lower and slower cash flows will impact the trust, the effect on the valuation of a particular security within the trust will also be dependent upon the trust structure. Where the assessment continues to project full recovery of principal and interest on schedule, the Company has not recorded an impairment. Based on this analysis, the Company determined that the remaining investments in an unrealized loss position were not other-than-temporarily impaired and therefore no further other-than-temporary impairment was necessary.

*Troubled Debt Restructuring*

The Company invests in high quality, well performing portfolios of commercial mortgage loans and private placements. Under certain circumstances, modifications are granted to these contracts. Each modification is evaluated as to whether a troubled debt restructuring has occurred. A modification is a troubled debt restructuring when the borrower is in financial difficulty and the creditor makes concessions. Generally, the types of concessions may include reducing the face amount or maturity amount of the debt as originally stated, reducing the contractual interest rate, extending the maturity date at an interest rate lower than current market interest rates and/or reducing accrued interest. The Company considers the amount, timing and extent of the concession granted in determining any impairment or changes in the specific valuation allowance recorded in connection with the troubled debt restructuring. A valuation allowance may have been recorded prior to the quarter when the loan is modified in a troubled debt restructuring. Accordingly, the carrying value (net of the specific valuation allowance) before and after modification through a troubled debt restructuring may not change significantly, or may increase if the expected recovery is higher than the pre-modification recovery assessment. As of December 31, 2017, the Company did not have any new commercial mortgage loan troubled debt restructuring and had one private placement troubled debt restructuring with a pre-modification and post-modification carrying value of $3. As of December 31, 2016, the Company had no new troubled debt restructurings for commercial mortgage loans or private placement bonds.

As of December 31, 2017 the Company held no commercial mortgage troubled debt restructured loans.

As of December 31, 2017 and 2016, the Company did not have any commercial mortgage loans or private placements modified in a troubled debt restructuring with a subsequent payment default.

*Mortgage Loans on Real Estate*

The Company's mortgage loans on real estate are all commercial mortgage loans held for investment, which are reported at amortized cost, less impairment write-downs and allowance for losses. The Company diversifies its commercial mortgage loan portfolio by geographic region and property type to reduce concentration risk. The Company manages risk when originating commercial mortgage loans by generally lending only up to 75% of the estimated fair value of the underlying real estate. Subsequently, the Company continuously evaluates mortgage loans based on relevant current information including a review of loan-specific credit quality, property characteristics and market trends. Loan performance is monitored on a loan specific basis through the review of submitted appraisals, operating statements, rent revenues and annual inspection reports, among other items. This review ensures properties are performing at a consistent and acceptable level to secure the debt. The components to evaluate debt service coverage are received and reviewed at least annually to determine the level of risk.

The following table summarizes the Company's investment in mortgage loans as of the dates indicated:

| | December 31, 2017 | | | December 31, 2016 | | |
|---|---|---|---|---|---|---|
| | Impaired | Non Impaired | Total | Impaired | Non Impaired | Total |
| Commercial mortgage loans | $ 4 | $ 4,907 | $ 4,911 | $ 5 | $ 4,251 | $ 4,256 |
| Collective valuation allowance for losses | N/A | (1) | (1) | N/A | (1) | (1) |
| Total net commercial mortgage loans | $ 4 | $ 4,906 | $ 4,910 | $ 5 | $ 4,250 | $ 4,255 |

N/A - Not Applicable

There were no impairments taken on the mortgage loan portfolio for the years ended December 31, 2017, 2016 and 2015.

The following table summarizes the activity in the allowance for losses for commercial mortgage loans for the periods indicated:

| | December 31, 2017 | December 31, 2016 |
|---|---|---|
| Collective valuation allowance for losses, balance at January 1 | $ 1 | $ 1 |
| Addition to (reduction of) allowance for losses | — | — |
| Collective valuation allowance for losses, end of period | $ 1 | $ 1 |

The carrying values and unpaid principal balances of impaired mortgage loans were as follows as of the dates indicated:

| | December 31, 2017 | December 31, 2016 |
|---|---|---|
| Impaired loans without allowances for losses | $ 4 | $ 4 |
| Less: Allowances for losses on impaired loans | — | — |
| Impaired loans, net | $ 4 | $ 4 |
| Unpaid principal balance of impaired loans | $ 6 | $ 6 |

As of December 31, 2017 and 2016 the Company did not have any impaired loans with allowances for losses.

The Company defines delinquent mortgage loans consistent with industry practice as 60 days past due. The Company's policy is to recognize interest income until a loan becomes 90 days delinquent or foreclosure proceedings are commenced, at which point interest accrual is discontinued. Interest accrual is not resumed until the loan is brought current.

There were no mortgage loans in the Company's portfolio in process of foreclosure as of December 31, 2017 and 2016.

There were no loans 30 days or less in arrears, with respect to principal and interest as of December 31, 2017 and 2016.

Commercial loans are placed on non-accrual status when 90 days in arrears if the Company has concerns regarding the collectability of future payments, or if a loan has matured without being paid off or extended. Factors considered may include loss of major tenant, bankruptcy of borrower or major tenant, decreased property cash flow, number of days past due, or various other circumstances. Based on an assessment as to the collectability of the principal, a determination is made to either apply against the book value or apply according to the contractual terms of the loan. Funds recovered in excess of book value would then be applied to recover expenses, impairments, and then interest. Accrual of interest resumes after factors resulting in doubts about collectability have improved.

The following table presents information on the average investment during the period in impaired loans and interest income recognized on impaired and troubled debt restructured loans for the periods indicated:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2017 | 2016 | 2015 |
| Impaired loans, average investment during the period (amortized cost)[(1)] | $ 4 | $ 8 | $ 22 |
| Interest income recognized on impaired loans, on an accrual basis[(1)] | — | — | 1 |
| Interest income recognized on impaired loans, on a cash basis[(1)] | — | — | 1 |
| Interest income recognized on troubled debt restructured loans, on an accrual basis | — | — | 1 |

[(1)] Includes amounts for Troubled debt restructured loans.

Loan-to-value ("LTV") and debt service coverage ("DSC") ratios are measures commonly used to assess the risk and quality of mortgage loans. The LTV ratio, calculated at time of origination, is expressed as a percentage of the amount of the loan relative to the value of the underlying property. A LTV ratio in excess of 100% indicates the unpaid loan amount exceeds the underlying collateral. The DSC ratio, based upon the most recently received financial statements, is expressed as a percentage of the amount of a property's net income to its debt service payments. A DSC ratio of less than 1.0 indicates that a property's operations do not generate sufficient income to cover debt payments. These ratios are utilized as part of the review process described above.

The following table presents the LTV ratios as of the dates indicated:

| | December 31, 2017 [1] | December 31, 2016 [1] |
|---|---|---|
| Loan-to-Value Ratio: | | |
| 0% - 50% | $ 341 | $ 369 |
| >50% - 60% | 1,256 | 1,079 |
| >60% - 70% | 3,042 | 2,574 |
| >70% - 80% | 262 | 231 |
| >80% and above | 10 | 3 |
| Total Commercial mortgage loans | $ 4,911 | $ 4,256 |

[1] Balances do not include collective valuation allowance for losses.

The following table presents the DSC ratios as of the dates indicated:

| | December 31, 2017 [1] | December 31, 2016 [1] |
|---|---|---|
| Debt Service Coverage Ratio: | | |
| Greater than 1.5x | $ 3,902 | $ 3,428 |
| >1.25x - 1.5x | 340 | 415 |
| >1.0x - 1.25x | 600 | 341 |
| Less than 1.0x | 54 | 47 |
| Commercial mortgage loans secured by land or construction loans | 15 | 25 |
| Total Commercial mortgage loans | $ 4,911 | $ 4,256 |

[1] Balances do not include collective valuation allowance for losses.

Properties collateralizing mortgage loans are geographically dispersed throughout the United States, as well as diversified by property type, as reflected in the following tables as of the dates indicated:

| | December 31, 2017 [1] | | December 31, 2016 [1] | |
|---|---|---|---|---|
| | Gross Carrying Value | % of Total | Gross Carrying Value | % of Total |
| Commercial Mortgage Loans by U.S. Region: | | | | |
| Pacific | $ 985 | 20.1% | $ 969 | 22.8% |
| South Atlantic | 982 | 20.0% | 956 | 22.5% |
| Middle Atlantic | 1,097 | 22.4% | 710 | 16.7% |
| West South Central | 552 | 11.2% | 432 | 10.2% |
| Mountain | 457 | 9.3% | 371 | 8.7% |
| East North Central | 468 | 9.5% | 448 | 10.5% |
| New England | 77 | 1.6% | 81 | 1.9% |
| West North Central | 243 | 4.9% | 223 | 5.2% |
| East South Central | 50 | 1.0% | 66 | 1.5% |
| Total Commercial mortgage loans | $ 4,911 | 100.0% | $ 4,256 | 100.0% |

[1] Balances do not include collective valuation allowance for losses.

| | December 31, 2017 [1] | | December 31, 2016 [1] | |
|---|---|---|---|---|
| | Gross Carrying Value | % of Total | Gross Carrying Value | % of Total |
| Commercial Mortgage Loans by Property Type: | | | | |
| Retail | $ 1,383 | 28.1% | $ 1,359 | 31.8% |
| Industrial | 1,326 | 27.0% | 961 | 22.6% |
| Apartments | 948 | 19.3% | 794 | 18.7% |
| Office | 829 | 16.9% | 711 | 16.7% |
| Hotel/Motel | 177 | 3.6% | 170 | 4.0% |
| Mixed Use | 52 | 1.1% | 50 | 1.2% |
| Other | 196 | 4.0% | 211 | 5.0% |
| Total Commercial mortgage loans | $ 4,911 | 100.0% | $ 4,256 | 100.0% |

[1] Balances do not include collective valuation allowance for losses.

The following table presents mortgages by year of origination as of the dates indicated:

| | December 31, 2017 [1] | December 31, 2016 [1] |
|---|---|---|
| Year of Origination: | | |
| 2017 | $ 1,086 | $ — |
| 2016 | 867 | 875 |
| 2015 | 703 | 729 |
| 2014 | 538 | 548 |
| 2013 | 644 | 685 |
| 2012 | 510 | 681 |
| 2011 and prior | 563 | 738 |
| Total Commercial mortgage loans | $ 4,911 | $ 4,256 |

[1] Balances do not include collective valuation allowance for losses.

*Evaluating Securities for Other-Than-Temporary Impairments*

The Company performs a regular evaluation, on a security-by-security basis, of its available-for-sale securities holdings, including fixed maturity securities and equity securities, in accordance with its impairment policy in order to evaluate whether such investments are other-than-temporarily impaired.

The following table identifies the Company's credit-related and intent-related impairments included in the Consolidated Statements of Operations, excluding impairments included in Other comprehensive income (loss) by type for the periods indicated:

| | Year Ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2017 | | 2016 | | 2015 | |
| | Impairment | No. of Securities | Impairment | No. of Securities | Impairment | No. of Securities |
| U.S. corporate public securities | $ — * | 3 | $ 3 | 2 | $ 9 | 8 |
| Foreign corporate public securities and foreign governments[1] | 2 | 3 | 12 | 3 | 34 | 9 |
| Foreign corporate private securities[1] | 9 | 2 | 1 | 2 | 1 | 1 |
| Residential mortgage-backed | 1 | 17 | 3 | 25 | 2 | 26 |
| Commercial mortgage-backed | — * | 1 | — | — | — | — |
| Other asset-backed | — | — | — | — | — * | 1 |
| Total | $ 12 | 26 | $ 19 | 32 | $ 46 | 45 |

[1] Primarily U.S. dollar denominated.

*Less than $1.

The above tables include $12, $1 and $4 of write-downs related to credit impairments for the years ended December 31, 2017, 2016 and 2015, respectively, in Other-than-temporary impairments, which are recognized in the Consolidated Statements of Operations. The remaining write-downs for the year ended December 31, 2017 related to intent impairments are immaterial. The remaining $18 and $42 in write-downs for the years ended December 31, 2016 and 2015, respectively, are related to intent impairments.

The following table summarizes these intent impairments, which are also recognized in earnings, by type for the periods indicated:

| | Year Ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2017 | | 2016 | | 2015 | |
| | Impairment | No. of Securities | Impairment | No. of Securities | Impairment | No. of Securities |
| U.S. corporate public securities | $ — * | 3 | $ 4 | 1 | $ 9 | 7 |
| Foreign corporate public securities and foreign governments[1] | — | — | 12 | 2 | 32 | 8 |
| Residential mortgage-backed | — * | 6 | 2 | 4 | 1 | 5 |
| Commercial mortgage-backed | — * | 1 | — | — | — | — |
| Total | $ — | 10 | $ 18 | 7 | $ 42 | 20 |

[1] Primarily U.S. dollar denominated.

*Less than $1.

The Company may sell securities during the period in which fair value has declined below amortized cost for fixed maturities or cost for equity securities. In certain situations, new factors, including changes in the business environment, can change the Company's previous intent to continue holding a security. Accordingly, these factors may lead the Company to record additional intent related capital losses.

The following table identifies the amount of credit impairments on fixed maturities for which a portion of the OTTI loss was recognized in Other comprehensive income (loss) and the corresponding changes in such amounts for the periods indicated:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2017 | 2016 | 2015 |
| Balance at January 1 | $ 9 | $ 19 | $ 22 |
| Additional credit impairments: | | | |
| On securities not previously impaired | 9 | — | — |
| On securities previously impaired | — | 1 | 1 |
| Reductions: | | | |
| Increase in cash flows | — | 2 | — |
| Securities sold, matured, prepaid or paid down | 2 | 9 | 4 |
| Balance at December 31 | $ 16 | $ 9 | $ 19 |

*Net Investment Income*

The following table summarizes Net investment income for the periods indicated:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2017 | 2016 | 2015 |
| Fixed maturities | $ 1,302 | $ 1,325 | $ 1,230 |
| Equity securities, available-for-sale | 4 | 4 | 4 |
| Mortgage loans on real estate | 211 | 191 | 195 |
| Policy loans | 10 | 12 | 12 |
| Short-term investments and cash equivalents | 1 | 1 | 1 |
| Other | 60 | 30 | 22 |
| Gross investment income | 1,588 | 1,563 | 1,464 |
| Less: investment expenses | 68 | 62 | 54 |
| Net investment income | $ 1,520 | $ 1,501 | $ 1,410 |

As of December 31, 2017 and 2016, the Company had $3 of investments in fixed maturities that did not produce net investment income. Fixed maturities are moved to a non-accrual status when the investment defaults.

Interest income on fixed maturities is recorded when earned using an effective yield method, giving effect to amortization of premiums and accretion of discounts. Such interest income is recorded in Net investment income in the Consolidated Statements of Operations.

*Net Realized Capital Gains (Losses)*

Net realized capital gains (losses) comprise the difference between the amortized cost of investments and proceeds from sale and redemption, as well as losses incurred due to the credit-related and intent-related other-than-temporary impairment of investments. Realized investment gains and losses are also primarily generated from changes in fair value of embedded derivatives within products and fixed maturities, changes in fair value of fixed maturities recorded at FVO and changes in fair value including accruals on derivative instruments, except for effective cash flow hedges. The cost of the investments on disposal is generally determined based on FIFO methodology.

Net realized capital gains (losses) were as follows for the periods indicated:

| | Year Ended December 31, | | |
|---|---|---|---|
| | **2017** | **2016** | **2015** |
| Fixed maturities, available-for-sale, including securities pledged | $ (29) | $ (70) | $ (65) |
| Fixed maturities, at fair value option | (226) | (201) | (142) |
| Derivatives | 9 | 51 | (14) |
| Embedded derivatives - fixed maturities | (5) | (6) | (4) |
| Guaranteed benefit derivatives | 55 | 13 | (52) |
| Other investments | (4) | — | — |
| Net realized capital gains (losses) | $ (200) | $ (213) | $ (277) |
| After-tax net realized capital gains (losses) | $ (131) | $ (139) | $ (180) |

Proceeds from the sale of fixed maturities and equity securities, available-for-sale and the related gross realized gains and losses, before tax were as follows for the periods indicated:

| | Year Ended December 31, | | |
|---|---|---|---|
| | **2017** | **2016** | **2015** |
| Proceeds on sales | $ 2,916 | $ 1,825 | $ 1,836 |
| Gross gains | 30 | 20 | 25 |
| Gross losses | 39 | 85 | 49 |

## 3. Derivative Financial Instruments

The Company enters into the following types of derivatives:

*Interest rate caps*: The Company uses interest rate cap contracts to hedge the interest rate exposure arising from duration mismatches between assets and liabilities. Interest rate caps are also used to hedge interest rate exposure if rates rise above a specified level. Such increases in rates will require the Company to incur additional expenses. The future payout from the interest rate caps fund this increased exposure. The Company pays an upfront premium to purchase these caps. The Company utilizes these contracts in non-qualifying hedging relationships.

*Interest rate swaps*: Interest rate swaps are used by the Company primarily to reduce market risks from changes in interest rates and to alter interest rate exposure arising from mismatches between assets and/or liabilities. Interest rate swaps are also used to hedge the interest rate risk associated with the value of assets it owns or in an anticipation of acquiring them. Using interest rate swaps, the Company agrees with another party to exchange, at specified intervals, the difference between fixed rate and floating rate interest payments, calculated by reference to an agreed upon notional principal amount. These transactions are entered into pursuant to master agreements that provide for a single net payment to be made to/from the counterparty at each due date. The Company utilizes these contracts in qualifying hedging relationships as well as non-qualifying hedging relationships.

*Foreign exchange swaps*: The Company uses foreign exchange or currency swaps to reduce the risk of change in the value, yield or cash flows associated with certain foreign denominated invested assets. Foreign exchange swaps represent contracts that require the exchange of foreign currency cash flows against U.S. dollar cash flows at regular periods, typically quarterly or semi-annually. The Company utilizes these contracts in qualifying hedging relationships as well as non-qualifying hedging relationships.

*Credit default swaps*: Credit default swaps are used to reduce credit loss exposure with respect to certain assets that the Company owns or to assume credit exposure on certain assets that the Company does not own. Payments are made to, or received from, the counterparty at specified intervals. In the event of a default on the underlying credit exposure, the Company will either receive a payment (purchased credit protection) or will be required to make a payment (sold credit protection) equal to the par minus recovery value of the swap contract. The Company utilizes these contracts in non-qualifying hedging relationships.

*Currency forwards:* The Company utilizes currency forward contracts to hedge currency exposure related to invested assets. The Company utilizes these contracts in non-qualifying hedging relationships.

*Futures:* Futures contracts are used to hedge against a decrease in certain equity indices. Such decreases may correlate to a decrease in variable annuity account values which would increase the possibility of the Company incurring an expense for guaranteed benefits in excess of account values. The Company also uses interest rate futures contracts to hedge its exposure to market risks due to changes in interest rates. The Company enters into exchange traded futures with regulated futures commissions that are members of the exchange. The Company also posts initial and variation margins, with the exchange, on a daily basis. The Company utilizes exchange-traded futures in non-qualifying hedging relationships. The Company also used futures contracts as a hedge against an increase in certain equity indices. Such increases may result in increased payments to the holders of fixed index annuity ("FIA") contracts.

*Swaptions*: A swaption is an option to enter into a swap with a forward starting effective date. The Company uses swaptions to hedge the interest rate exposure associated with the minimum crediting rate and book value guarantees embedded in the retirement products that the Company offers. Increases in interest rates will generate losses on assets that are backing such liabilities. In certain instances, the Company locks in the economic impact of existing purchased swaptions by entering into offsetting written swaptions. The Company pays a premium when it purchases the swaption. The Company utilizes these contracts in non-qualifying hedging relationships.

*Options:* The Company uses equity options to hedge against an increase in various equity indices. Such increases may result in increased payments to the holders of the FIA contracts. The Company pays an upfront premium to purchase these options. The Company utilizes these options in non-qualifying hedging relationships.

*Managed custody guarantees ("MCGs")*: The Company issues certain credited rate guarantees on variable fixed income portfolios that represent stand-alone derivatives. The market value is partially determined by, among other things, levels of or changes in interest rates, prepayment rates and credit ratings/spreads.

*Embedded derivatives*: The Company also invests in certain fixed maturity instruments and has issued certain products that contain embedded derivatives for which market value is at least partially determined by, among other things, levels of or changes in domestic and/or foreign interest rates (short-term or long-term), exchange rates, prepayment rates, equity rates, or credit ratings/spreads. In addition, the Company has entered into coinsurance with funds withheld arrangements, accounted for under the deposit method, that contain embedded derivatives.

The Company's use of derivatives is limited mainly to economic hedging to reduce the Company's exposure to cash flow variability of assets and liabilities, interest rate risk, credit risk, exchange rate risk and equity market risk. It is the Company's policy not to offset amounts recognized for derivative instruments and amounts recognized for the right to reclaim cash collateral or the obligation to return cash collateral arising from derivative instruments executed with the same counterparty under a master netting arrangement, which provides the Company with the legal right of offset. However, in accordance with the Chicago Mercantile Exchange ("CME") rule changes related to the variation margin payments, effective the first quarter of 2017, the Company is required to adjust the derivative balances with the variation margin payments related to our cleared derivatives executed through CME.

The notional amounts and fair values of derivatives were as follows as of the dates indicated:

| | December 31, 2017 | | | December 31, 2016 | | |
|---|---|---|---|---|---|---|
| | Notional Amount | Asset Fair Value | Liability Fair Value | Notional Amount | Asset Fair Value | Liability Fair Value |
| **Derivatives: Qualifying for hedge accounting[1]** | | | | | | |
| Cash flow hedges: | | | | | | |
| Interest rate contracts | $ 35 | $ — | $ — | $ 35 | $ — | $ — |
| Foreign exchange contracts | 533 | — | 52 | 231 | 13 | 7 |
| **Derivatives: Non-qualifying for hedge accounting[1]** | | | | | | |
| Interest rate contracts | 18,769 | 117 | 20 | 29,112 | 438 | 154 |
| Foreign exchange contracts | 26 | — | — | 175 | 12 | 12 |
| Equity contracts | 154 | 9 | 7 | 89 | 2 | — |
| Credit contracts | 771 | 10 | 6 | 426 | 6 | — |
| **Embedded derivatives and Managed custody guarantees:** | | | | | | |
| Within fixed maturity investments | N/A | 12 | — | N/A | 17 | — |
| Within products | N/A | — | 117 | N/A | — | 174 |
| Within reinsurance agreements | N/A | — | (21) | N/A | — | (44) |
| Managed custody guarantees | N/A | — | — | N/A | — | — |
| Total | | $ 148 | $ 181 | | $ 488 | $ 303 |

[1] Open derivative contracts are reported as Derivatives assets or liabilities on the Consolidated Balance Sheets at fair value.
N/A - Not Applicable

Based on the notional amounts, a substantial portion of the Company's derivative positions was not designated or did not qualify for hedge accounting as part of a hedging relationship as of December 31, 2017 and 2016. The Company utilizes derivative contracts mainly to hedge exposure to variability in cash flows, interest rate risk, credit risk, foreign exchange risk and equity market risk. The majority of derivatives used by the Company are designated as product hedges, which hedge the exposure arising from insurance liabilities or guarantees embedded in the contracts the Company offers through various product lines. These derivatives do not qualify for hedge accounting as they do not meet the criteria of being "highly effective" as outlined in ASC Topic 815, but do provide an economic hedge, which is in line with the Company's risk management objectives. The Company also uses derivatives

contracts to hedge its exposure to various risks associated with the investment portfolio. The Company does not seek hedge accounting treatment for certain of these derivatives as they generally do not qualify for hedge accounting due to the criteria required under the portfolio hedging rules outlined in ASC Topic 815. The Company also uses credit default swaps coupled with other investments in order to produce the investment characteristics of otherwise permissible investments that do not qualify as effective accounting hedges under ASC Topic 815.

Although the Company has not elected to net its derivative exposures, the notional amounts and fair values of Over-The-Counter ("OTC") and cleared derivatives excluding exchange traded contracts and forward contracts (To Be Announced mortgage-backed securities) are presented in the tables below as of the dates indicated:

| | December 31, 2017 | | |
|---|---|---|---|
| | Notional Amount | Asset Fair Value | Liability Fair Value |
| Credit contracts | $ 771 | $ 10 | $ 6 |
| Equity contracts | 154 | 9 | 7 |
| Foreign exchange contracts | 559 | — | 52 |
| Interest rate contracts | 17,286 | 117 | 20 |
| | | 136 | 85 |
| Counterparty netting[(1)] | | (50) | (50) |
| Cash collateral netting[(1)] | | (84) | — |
| Securities collateral netting[(1)] | | — | (30) |
| Net receivables/payables | | $ 2 | $ 5 |

[(1)]Represents the netting of receivable balances with payable balances, net of collateral, for the same counterparty under eligible netting agreements.

| | December 31, 2016 | | |
|---|---|---|---|
| | Notional Amount | Asset Fair Value | Liability Fair Value |
| Credit contracts | $ 426 | $ 6 | $ — |
| Equity contracts | 89 | 2 | — |
| Foreign exchange contracts | 406 | 25 | 19 |
| Interest rate contracts | 25,606 | 438 | 154 |
| | | 471 | 173 |
| Counterparty netting[(1)] | | (169) | (169) |
| Cash collateral netting[(1)] | | (266) | — |
| Securities collateral netting[(1)] | | (11) | (2) |
| Net receivables/payables | | $ 25 | $ 2 |

[(1)]Represents the netting of receivable balances with payable balances, net of collateral, for the same counterparty under eligible netting agreements.

*Collateral*

Under the terms of the OTC Derivative International Swaps and Derivatives Association, Inc. ("ISDA") agreements, the Company may receive from, or deliver to, counterparties collateral to assure that terms of the ISDA agreements will be met with regard to the Credit Support Annex ("CSA"). The terms of the CSA call for the Company to pay interest on any cash received equal to the Federal Funds rate. To the extent cash collateral is received and delivered, it is included in Payables under securities loan agreements, including collateral held and Short-term investments under securities loan agreements, including collateral delivered, respectively, on the Consolidated Balance Sheets and is reinvested in short-term investments. Collateral held is used in accordance with the CSA to satisfy any obligations. Investment grade bonds owned by the Company are the source of noncash collateral posted, which is reported in Securities pledged on the Consolidated Balance Sheets. As of December 31, 2017, the Company held $11 and $74 of net cash collateral related to OTC derivative contracts and cleared derivative contracts, respectively. As of December 31, 2016, the Company held $43 and $227 of net cash collateral related to OTC derivative contracts and cleared derivative contracts, respectively. In addition, as of December 31, 2017, the Company delivered $161 of securities and held no securities as collateral. As of December 31, 2016, the Company delivered $220 of securities and held $11 of securities as collateral.

Net realized gains (losses) on derivatives were as follows for the periods indicated:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2017 | 2016 | 2015 |
| **Derivatives: Qualifying for hedge accounting[1]** | | | |
| Cash flow hedges: | | | |
| Interest rate contracts | $ 1 | $ — | $ 1 |
| Foreign exchange contracts | 12 | (2) | 1 |
| **Derivatives: Non-qualifying for hedge accounting[2]** | | | |
| Interest rate contracts | (7) | 50 | (16) |
| Foreign exchange contracts | (3) | (1) | 1 |
| Equity contracts | 1 | 1 | (1) |
| Credit contracts | 5 | 3 | — |
| **Embedded derivatives and Managed custody guarantees:** | | | |
| Within fixed maturity investments[2] | (5) | (6) | (4) |
| Within products[2] | 55 | 12 | (52) |
| Within reinsurance agreements[3] | (22) | (28) | 58 |
| Managed custody guarantees[2] | — | 1 | — |
| Total | $ 37 | $ 30 | $ (12) |

[1] Changes in value for effective fair value hedges are recorded in Other net realized capital gains (losses). Changes in fair value upon disposal for effective cash flow hedges are amortized through Net investment income and the ineffective portion is recorded in Other net realized capital gains (losses) in the Consolidated Statements of Operations. For the years ended December 31, 2017, 2016 and 2015, ineffective amounts were immaterial.
[2] Changes in value are included in Other net realized capital gains (losses) in the Consolidated Statements of Operations.
[3] Changes in value are included in Interest credited and other benefits to contract owners/policyholders in the Consolidated Statements of Operations.

*Credit Default Swaps*

The Company has entered into various credit default swaps. When credit default swaps are sold, the Company assumes credit exposure to certain assets that it does not own. Credit default swaps may also be purchased to reduce credit exposure in the Company's portfolio. Credit default swaps involve a transfer of credit risk from one party to another in exchange for periodic payments. As of December 31, 2017, the fair values of credit default swaps of $10 and $6 were included in Derivatives assets and Derivatives liabilities, respectively, on the Consolidated Balance Sheets. As of December 31, 2016, the fair value of credit default swaps of $6 was included in Derivatives assets on the Consolidated Balance Sheets. As of December 31, 2016, there were no credit default swaps included in Derivatives liabilities on the Consolidated Balance Sheets. As of December 31, 2017, the maximum potential future exposure to the Company was $497 on credit default swaps. As of December 31, 2016, the maximum potential

future exposure to the Company was $402 on credit default swaps. These instruments are typically written for a maturity period of 5 years and contain no recourse provisions. If the Company's current debt and claims paying ratings were downgraded in the future, the terms in the Company's derivative agreements may be triggered, which could negatively impact overall liquidity.

## 4. Fair Value Measurements

*Fair Value Measurement*

The Company categorizes its financial instruments into a three-level hierarchy based on the priority of the inputs to the valuation technique, pursuant to ASU 2011-04, "Fair Value Measurements (ASC Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP" ("ASU 2011-04"). The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure fair value fall within different levels of the hierarchy, the category level is based on the lowest priority level input that is significant to the fair value measurement of the instrument. Financial assets and liabilities recorded at fair value on the Consolidated Balance Sheets are categorized as follows:

- Level 1 - Unadjusted quoted prices for identical assets or liabilities in an active market. The Company defines an active market as a market in which transactions take place with sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2 - Quoted prices in markets that are not active or valuation techniques that require inputs that are observable either directly or indirectly for substantially the full term of the asset or liability. Level 2 inputs include the following:
  a) Quoted prices for similar assets or liabilities in active markets;
  b) Quoted prices for identical or similar assets or liabilities in non-active markets;
  c) Inputs other than quoted market prices that are observable; and
  d) Inputs that are derived principally from or corroborated by observable market data through correlation or other means.
- Level 3 - Prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These valuations, whether derived internally or obtained from a third party, use critical assumptions that are not widely available to estimate market participant expectations in valuing the asset or liability.

When available, the estimated fair value of financial instruments is based on quoted prices in active markets that are readily and regularly obtainable. When quoted prices in active markets are not available, the determination of estimated fair value is based on market standard valuation methodologies, including discounted cash flow methodologies, matrix pricing or other similar techniques.

The following table presents the Company's hierarchy for its assets and liabilities measured at fair value on a recurring basis as of December 31, 2017:

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Assets: | | | | |
| Fixed maturities, including securities pledged: | | | | |
| U.S. Treasuries | $ 597 | $ 59 | $ — | $ 656 |
| U.S. Government agencies and authorities | — | 3 | — | 3 |
| State, municipalities and political subdivisions | — | 878 | — | 878 |
| U.S. corporate public securities | — | 9,210 | 26 | 9,236 |
| U.S. corporate private securities | — | 2,855 | 642 | 3,497 |
| Foreign corporate public securities and foreign governments[1] | — | 2,777 | — | 2,777 |
| Foreign corporate private securities [1] | — | 3,123 | 92 | 3,215 |
| Residential mortgage-backed securities | — | 2,608 | 21 | 2,629 |
| Commercial mortgage-backed securities | — | 1,463 | 7 | 1,470 |
| Other asset-backed securities | — | 638 | 43 | 681 |
| Total fixed maturities, including securities pledged | 597 | 23,614 | 831 | 25,042 |
| Equity securities, available-for-sale | 10 | — | 50 | 60 |
| Derivatives: | | | | |
| Interest rate contracts | — | 117 | — | 117 |
| Foreign exchange contracts | — | — | — | — |
| Equity contracts | — | 9 | — | 9 |
| Credit contracts | — | 10 | — | 10 |
| Cash and cash equivalents, short-term investments and short-term investments under securities loan agreements | 1,078 | — | — | 1,078 |
| Assets held in separate accounts | 67,966 | 5,059 | 11 | 73,036 |
| Total assets | $ 69,651 | $ 28,809 | $ 892 | $ 99,352 |
| Percentage of Level to total | 70% | 29% | 1% | 100% |
| Liabilities: | | | | |
| Derivatives: | | | | |
| Guaranteed benefit derivatives: | | | | |
| FIA | $ — | $ — | $ 20 | $ 20 |
| Stabilizer and MCGs | — | — | 97 | 97 |
| Other derivatives: | | | | |
| Interest rate contracts | — | 20 | — | 20 |
| Foreign exchange contracts | — | 52 | — | 52 |
| Equity contracts | — | 7 | — | 7 |
| Credit contracts | — | 6 | — | 6 |
| Embedded derivative on reinsurance | — | (21) | — | (21) |
| Total liabilities | $ — | $ 64 | $ 117 | $ 181 |

[1] Primarily U.S. dollar denominated.

The following table presents the Company's hierarchy for its assets and liabilities measured at fair value on a recurring basis as of December 31, 2016:

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Assets: | | | | |
| Fixed maturities, including securities pledged: | | | | |
| U.S. Treasuries | $ 729 | $ 58 | $ — | $ 787 |
| U.S. Government agencies and authorities | — | 4 | — | 4 |
| State, municipalities and political subdivisions | — | 795 | — | 795 |
| U.S. corporate public securities | — | 9,965 | 7 | 9,972 |
| U.S. corporate private securities | — | 2,436 | 525 | 2,961 |
| Foreign corporate public securities and foreign governments[1] | — | 2,884 | — | 2,884 |
| Foreign corporate private securities [1] | — | 2,756 | 154 | 2,910 |
| Residential mortgage-backed securities | — | 2,767 | 21 | 2,788 |
| Commercial mortgage-backed securities | — | 1,308 | 10 | 1,318 |
| Other asset-backed securities | — | 449 | 27 | 476 |
| Total fixed maturities, including securities pledged | 729 | 23,422 | 744 | 24,895 |
| Equity securities, available-for-sale | 34 | — | 48 | 82 |
| Derivatives: | | | | |
| Interest rate contracts | — | 438 | — | 438 |
| Foreign exchange contracts | — | 25 | — | 25 |
| Equity contracts | — | 2 | — | 2 |
| Credit contracts | — | 6 | — | 6 |
| Cash and cash equivalents, short-term investments and short-term investments under securities loan agreements | 940 | 33 | — | 973 |
| Assets held in separate accounts | 57,192 | 4,783 | 6 | 61,981 |
| Total assets | $ 58,895 | $ 28,709 | $ 798 | $ 88,402 |
| Percentage of Level to total | 67% | 32% | 1% | 100% |
| Liabilities: | | | | |
| Derivatives: | | | | |
| Guaranteed benefit derivatives: | | | | |
| FIA | $ — | $ — | $ 23 | $ 23 |
| Stabilizer and MCGs | — | — | 151 | 151 |
| Other derivatives: | | | | |
| Interest rate contracts | 1 | 153 | — | 154 |
| Foreign exchange contracts | — | 19 | — | 19 |
| Equity contracts | — | — | — | — |
| Credit contracts | — | — | — | — |
| Embedded derivative on reinsurance | — | (44) | — | (44) |
| Total liabilities | $ 1 | $ 128 | $ 174 | $ 303 |

[1] Primarily U.S. dollar denominated.

*Valuation of Financial Assets and Liabilities at Fair Value*

Certain assets and liabilities are measured at estimated fair value on the Company's Consolidated Balance Sheets. The Company defines fair value as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The exit price and the transaction (or entry) price will be the same at initial recognition in many circumstances. However, in certain cases, the transaction price may not represent fair value. The fair value of a liability is based on the amount that would be paid to transfer a liability to a third-party with an equal credit standing. Fair value is required to be a market-based measurement that is determined based on a hypothetical transaction at the measurement date, from a market participant's perspective. The Company considers three broad valuation approaches when a quoted price is unavailable: (i) the market approach, (ii) the income approach and (iii) the cost approach. The Company determines the most appropriate valuation technique to use, given the instrument being measured and the availability of sufficient inputs. The Company prioritizes the inputs to fair valuation techniques and allows for the use of unobservable inputs to the extent that observable inputs are not available.

The Company utilizes a number of valuation methodologies to determine the fair values of its financial assets and liabilities in conformity with the concepts of exit price and the fair value hierarchy as prescribed in ASC Topic 820. Valuations are obtained from third-party commercial pricing services, brokers and industry-standard, vendor-provided software that models the value based on market observable inputs. The valuations obtained from third-party commercial pricing services are non-binding. The Company reviews the assumptions and inputs used by third-party commercial pricing services for each reporting period in order to determine an appropriate fair value hierarchy level. The documentation and analysis obtained from third-party commercial pricing services are reviewed by the Company, including in-depth validation procedures confirming the observability of inputs. The valuations are reviewed and validated monthly through the internal valuation committee price variance review, comparisons to internal pricing models, back testing to recent trades or monitoring of trading volumes.

*Fixed maturities:* The fair values for actively traded marketable bonds are determined based upon the quoted market prices and are classified as Level 1 assets. Assets in this category primarily include certain U.S. Treasury securities.

For fixed maturities classified as Level 2 assets, fair values are determined using a matrix-based market approach, based on prices obtained from third-party commercial pricing services and the Company’s matrix and analytics-based pricing models, which in each case incorporate a variety of market observable information as valuation inputs. The market observable inputs used for these fair value measurements, by fixed maturity asset class, are as follows:

*U.S. Treasuries:* Fair value is determined using third-party commercial pricing services, with the primary inputs being stripped interest and principal U.S. Treasury yield curves that represent a U.S. Treasury zero-coupon curve.

*U.S. Government agencies and authorities, State, municipalities and political subdivisions:* Fair value is determined using third-party commercial pricing services, with the primary inputs being U.S. Treasury yield curves, trades of comparable securities, credit spreads off benchmark yields and issuer ratings.

*U.S. corporate public securities, Foreign corporate public securities, and foreign governments:* Fair value is determined using third-party commercial pricing services, with the primary inputs being benchmark yields, trades of comparable securities, issuer ratings, bids and credit spreads off benchmark yields.

*U.S. corporate private securities and Foreign corporate private securities:* Fair values are determined using a matrix and analytics-based pricing model. The model incorporates the current level of risk-free interest rates, current corporate credit spreads, credit quality of the issuer and cash flow characteristics of the security. The model also considers a liquidity spread, the value of any collateral, the capital structure of the issuer, the presence of guarantees, and prices and quotes for comparably rated publicly traded securities.

*RMBS, CMBS and ABS:* Fair value is determined using third-party commercial pricing services, with the primary inputs being credit spreads off benchmark yields, prepayment speed assumptions, current and forecasted loss severity, debt service coverage ratios, collateral type, payment priority within tranche and the vintage of the loans underlying the security.

Generally, the Company does not obtain more than one vendor price from pricing services per instrument. The Company uses a hierarchy process in which prices are obtained from a primary vendor and, if that vendor is unable to provide the price, the next vendor in the hierarchy is contacted until a price is obtained or it is determined that a price cannot be obtained from a commercial pricing service. When a price cannot be obtained from a commercial pricing service, independent broker quotes are solicited. Securities priced using independent broker quotes are classified as Level 3.

Broker quotes and prices obtained from pricing services are reviewed and validated through an internal valuation committee price variance review, comparisons to internal pricing models, back testing to recent trades or monitoring of trading volumes. As of December 31, 2017, $0.6 billion and $18.1 billion of a total fair value of $25.0 billion in fixed maturities, including securities pledged, were valued using unadjusted broker quotes and unadjusted prices obtained from pricing services, respectively, and verified through the review process. The remaining balance in fixed maturities consisted primarily of privately placed bonds valued using a matrix-based pricing. As of December 31, 2016, $0.7 billion and $18.8 billion of a total fair value of $24.9 billion in fixed maturities, including securities pledged, were valued using unadjusted broker quotes and unadjusted prices obtained from pricing services, respectively, and verified through the review process. The remaining balance in fixed maturities consisted primarily of privately placed bonds valued using a matrix-based pricing.

All prices and broker quotes obtained go through the review process described above including valuations for which only one broker quote is obtained. After review, for those instruments where the price is determined to be appropriate, the unadjusted price provided is used for financial statement valuation. If it is determined that the price is questionable, another price may be requested from a different vendor. The internal valuation committee then reviews all prices for the instrument again, along with information from the review, to determine which price best represents exit price for the instrument.

Fair values of privately placed bonds are determined primarily using a matrix-based pricing model and are generally classified as Level 2 assets. The model considers the current level of risk-free interest rates, current corporate spreads, the credit quality of the issuer and cash flow characteristics of the security. Also considered are factors such as the net worth of the borrower, the value of collateral, the capital structure of the borrower, the presence of guarantees and the Company's evaluation of the borrower's ability to compete in its relevant market. Using this data, the model generates estimated market values which the Company considers reflective of the fair value of each privately placed bond.

*Equity securities, available-for-sale*: Fair values of publicly traded equity securities are based upon quoted market price and are classified as Level 1 assets. Other equity securities, typically private equities or equity securities not traded on an exchange, are valued by other sources such as analytics or brokers and are classified as Level 2 or Level 3 assets.

*Derivatives*: Derivatives are carried at fair value, which is determined using the Company's derivative accounting system in conjunction with observable key financial data from third party sources, such as yield curves, exchange rates, S&P 500 Index prices, London Interbank Offered Rates ("LIBOR") and Overnight Index Swap ("OIS") rates. The Company uses OIS for valuations of collateralized interest rate derivatives, which are obtained from third-party sources. For those derivatives that are unable to be valued by the accounting system, the Company typically utilizes values established by third-party brokers. Counterparty credit risk is considered and incorporated in the Company's valuation process through counterparty credit rating requirements and monitoring of overall exposure. It is the Company's policy to transact only with investment grade counterparties with a credit rating of A- or better. The Company's nonperformance risk is also considered and incorporated in the Company's valuation process. Valuations for the Company's futures and interest rate forward contracts are based on unadjusted quoted prices from an active exchange and, therefore, are classified as Level 1. The Company also has certain credit default swaps and options that are priced using models that primarily use market observable inputs, but contain inputs that are not observable to market participants, which have been classified as Level 3.The remaining derivative instruments, including those priced by third-party vendors, are valued based on market observable inputs and are classified as Level 2.

*Cash and cash equivalents, Short-term investments and Short-term investments under securities loan agreement*: The carrying amounts for cash reflect the assets' fair values. The fair values for cash equivalents and most short-term investments are determined based on quoted market prices. These assets are classified as Level 1. Other short-term investments are valued and classified in the fair value hierarchy consistent with the policies described herein, depending on investment type.

*Assets held in separate accounts*: Assets held in separate accounts are reported at the quoted fair values of the underlying investments in the separate accounts. The underlying investments include mutual funds, short-term investments and cash, the valuations of

which are based upon a quoted market price and are included in Level 1. Fixed maturity valuations are obtained from third-party commercial pricing services and brokers and are classified in the fair value hierarchy consistent with the policy described above for fixed maturities.

*Guaranteed benefit derivatives*: The index-crediting feature in the Company's FIA contract is an embedded derivative that is required to be accounted for separately from the host contract. The fair value of the obligation is calculated based on actuarial and capital market assumptions related to the projected cash flows, including benefits and related contract charges, over the anticipated life of the related contracts. The cash flow estimates are produced by market implied assumptions. These derivatives are classified as Level 3 liabilities in the fair value hierarchy.

The Company records reserves for Stabilizer and MCG contracts containing guaranteed credited rates. The guarantee is treated as an embedded derivative or a stand-alone derivative (depending on the underlying product) and is required to be reported at fair value. The estimated fair value is determined based on the present value of projected future claims, minus the present value of future guaranteed premiums. At inception of the contract, the Company projects a guaranteed premium to be equal to the present value of the projected future claims. The income associated with the contracts is projected using relevant actuarial and capital market assumptions, including benefits and related contract charges, over the anticipated life of the related contracts. The cash flow estimates are produced by using stochastic techniques under a variety of risk neutral scenarios and other market implied assumptions. These derivatives are classified as Level 3 liabilities.

The discount rate used to determine the fair value of the embedded derivatives and stand-alone derivative includes an adjustment for nonperformance risk. The nonperformance risk adjustment incorporates a blend of observable, similarly rated peer holding company credit default swap spreads, adjusted to reflect the credit quality of the Company, the issuer of the guarantee, as well as an adjustment to reflect the priority of policyholder claims.

The Company's valuation actuaries are responsible for the policies and procedures for valuing the embedded derivatives, reflecting the capital markets and actuarial valuation inputs and nonperformance risk in the estimate of the fair value of the embedded derivatives. The actuarial and capital market assumptions for each liability are approved by each product's Chief Risk Officer ("CRO"), including an independent annual review by the CRO. Models used to value the embedded derivatives must comply with the Company's governance policies.

Quarterly, an attribution analysis is performed to quantify changes in fair value measurements and a sensitivity analysis is used to analyze the changes. The changes in fair value measurements are also compared to corresponding movements in the hedge target to assess the validity of the attributions. The results of the attribution analysis are reviewed by the valuation actuaries, responsible CFOs, Controllers, CROs and/or others as nominated by management.

*Embedded derivatives on reinsurance:* The carrying value of embedded derivatives is estimated based upon the change in the fair value of the assets supporting the funds withheld payable under reinsurance agreements. As the fair value of the assets held in trust is based on a quoted market price (Level 1), the fair value of the embedded derivatives is based on market observable inputs and is classified as Level 2.

*Transfers in and out of Level 1 and 2*

There were no securities transferred between Level 1 and Level 2 for the years ended December 31, 2017 and 2016. The Company's policy is to recognize transfers in and transfers out as of the beginning of the reporting period.

*Level 3 Financial Instruments*

The fair values of certain assets and liabilities are determined using prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement (i.e., Level 3 as defined by ASC Topic 820), including but not limited to liquidity spreads for investments within markets deemed not currently active. These valuations, whether derived internally or obtained from a third party, use critical assumptions that are not widely available to estimate market participant expectations in valuing the asset or liability. In addition, the Company has determined, for certain financial instruments, an active market is such a significant input to determine fair value that the presence of an inactive market may lead to classification in Level 3. In light of the methodologies employed to obtain the fair values of financial assets and liabilities classified as Level 3, additional information is presented below.

The following table summarizes the change in fair value of the Company's Level 3 assets and liabilities and transfers in and out of Level 3 for the period indicated:

| | Year Ended December 31, 2017 | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Fair Value as of January 1 | Total Realized/ Unrealized Gains (Losses) Included in: | | Purchases | Issuances | Sales | Settlements | Transfers into Level 3[3] | Transfers out of Level 3[3] | Fair Value as of December 31 | Change in Unrealized Gains (Losses) Included in Earnings[4] |
| | | Net Income | OCI | | | | | | | | |
| Fixed maturities, including securities pledged: | | | | | | | | | | | |
| U.S. Corporate public securities | $ 7 | $ — | $ — | $ 11 | $ — | $ — | $ (1) | $ 9 | $ — | $ 26 | $ — |
| U.S. Corporate private securities | 525 | — | 10 | 61 | — | (1) | (12) | 69 | (10) | 642 | — |
| Foreign corporate public securities and foreign governments[1] | — | — | — | — | — | — | — | — | — | — | — |
| Foreign corporate private securities[1] | 154 | (9) | (37) | 31 | — | — | (14) | — | (33) | 92 | (9) |
| Residential mortgage-backed securities | 21 | (7) | — | 5 | — | — | — | 2 | — | 21 | (7) |
| Commercial mortgage-backed securities | 10 | — | — | 7 | — | — | — | — | (10) | 7 | — |
| Other asset-backed securities | 27 | — | 1 | 32 | — | — | (2) | — | (15) | 43 | — |
| Total fixed maturities, including securities pledged | 744 | (16) | (26) | 147 | — | (1) | (29) | 80 | (68) | 831 | (16) |
| Equity securities, available-for-sale | 48 | — | — | 2 | — | — | — | — | — | 50 | — |
| Derivatives: | | | | | | | | | | | |
| Guaranteed benefit derivatives: | | | | | | | | | | | |
| Stabilizer and MCGs[2] | (151) | 57 | — | — | (3) | — | — | — | — | (97) | — |
| FIA[2] | (23) | (2) | — | — | — | — | 5 | — | — | (20) | — |
| Assets held in separate accounts[5] | 6 | — | — | 18 | — | (3) | — | 2 | (12) | 11 | — |

[1] Primarily U.S. dollar denominated.

[2] All gains and losses on Level 3 liabilities are classified as realized gains (losses) for the purpose of this disclosure because it is impracticable to track realized and unrealized gains (losses) separately on a contract-by-contract basis. These amounts are included in Other net realized capital gains (losses) in the Consolidated Statements of Operations.

[3] The Company's policy is to recognize transfers in and transfers out as of the beginning of the reporting period.

[4] For financial instruments still held as of December 31, amounts are included in Net investment income and Total net realized capital gains (losses) in the Consolidated Statements of Operations.

[5] The investment income and realized gains (losses) and change in unrealized gains (losses) included in net income (loss) for separate account assets are offset by an equal amount for separate account liabilities, which results in a net zero impact on Net income (loss) for the Company.

The following table summarizes the change in fair value of the Company's Level 3 assets and liabilities and transfers in and out of Level 3 for the period indicated:

| | Year Ended December 31, 2016 | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Fair Value as of January 1 | Total Realized/ Unrealized Gains (Losses) Included in: | | Purchases | Issuances | Sales | Settlements | Transfers into Level 3[3] | Transfers out of Level 3[3] | Fair Value as of December 31 | Change in Unrealized Gains (Losses) Included in Earnings[4] |
| | | Net Income | OCI | | | | | | | | |
| Fixed maturities, including securities pledged: | | | | | | | | | | | |
| U.S. Corporate public securities | $ 2 | $ — | $ — | $ — | $ — | $ (1) | $ (1) | $ 7 | $ — | $ 7 | $ — |
| U.S. Corporate private securities | 396 | — | 3 | 173 | — | (17) | (67) | 44 | (7) | 525 | — |
| Foreign corporate public securities and foreign governments[1] | 1 | (1) | — | — | — | — | — | — | — | — | — |
| Foreign corporate private securities[1] | 158 | (1) | 6 | — | — | — | (26) | 20 | (3) | 154 | (1) |
| Residential mortgage-backed securities | 28 | (7) | — | — | — | — | — | — | — | 21 | (7) |
| Commercial mortgage-backed securities | 13 | — | — | 3 | — | — | (5) | — | (1) | 10 | — |
| Other asset-backed securities | 13 | — | — | 15 | — | — | (2) | 1 | — | 27 | — |
| Total fixed maturities, including securities pledged | 611 | (9) | 9 | 191 | — | (18) | (101) | 72 | (11) | 744 | (8) |
| Equity securities, available-for-sale | 48 | — | — | — | — | — | — | — | — | 48 | — |
| Derivatives: | | | | | | | | | | | |
| Guaranteed benefit derivatives: | | | | | | | | | | | |
| Stabilizer and MCGs[2] | (162) | 16 | — | — | (5) | — | — | — | — | (151) | — |
| FIA[2] | (23) | (3) | — | — | — | — | 3 | — | — | (23) | — |
| Assets held in separate accounts[5] | 4 | — | — | 3 | — | — | — | 3 | (4) | 6 | — |

[1] Primarily U.S. dollar denominated.

[2] All gains and losses on Level 3 liabilities are classified as realized gains (losses) for the purpose of this disclosure because it is impracticable to track realized and unrealized gains (losses) separately on a contract-by-contract basis. These amounts are included in Other net realized capital gains (losses) in the Consolidated Statements of Operations.

[3] The Company's policy is to recognize transfers in and transfers out as of the beginning of the reporting period.

[4] For financial instruments still held as of December 31, amounts are included in Net investment income and Total net realized capital gains (losses) in the Consolidated Statements of Operations.

[5] The investment income and realized gains (losses) and change in unrealized gains (losses) included in net income (loss) for separate account assets are offset by an equal amount for separate account liabilities, which results in a net zero impact on Net income (loss) for the Company.

For the years ended December 31, 2017 and 2016, the transfers in and out of Level 3 for fixed maturities and separate accounts were due to the variation in inputs relied upon for valuation each quarter. Securities that are primarily valued using independent broker quotes when prices are not available from one of the commercial pricing services are reflected as transfers into Level 3. When securities are valued using more widely available information, the securities are transferred out of Level 3 and into Level 1 or 2, as appropriate.

*Significant Unobservable Inputs*

The Company's Level 3 fair value measurements of its fixed maturities, equity securities available-for-sale and equity and credit derivative contracts are primarily based on broker quotes for which the quantitative detail of the unobservable inputs is neither provided nor reasonably corroborated, thus negating the ability to perform a sensitivity analysis. The Company performs a review of broker quotes by performing a monthly price variance comparison and back tests broker quotes to recent trade prices.

Quantitative information about the significant unobservable inputs used in the Company's Level 3 fair value measurements of its guaranteed benefit derivatives is presented in the following sections and table.

Significant unobservable inputs used in the fair value measurements of FIAs include nonperformance risk and policyholder behavior assumptions, such as lapses and partial withdrawals. Such inputs are monitored quarterly.

The significant unobservable inputs used in the fair value measurement of the Stabilizer embedded derivatives and MCG derivative are interest rate implied volatility, nonperformance risk, lapses and policyholder deposits. Such inputs are monitored quarterly.

Following is a description of selected inputs:

*Interest Rate Volatility*: A term-structure model is used to approximate implied volatility for the swap rates for the Stabilizer and MCG fair value measurements. Where no implied volatility is readily available in the market, an alternative approach is applied based on historical volatility.

*Nonperformance Risk:* For the estimate of the fair value of embedded derivatives associated with the Company's product guarantees, the Company uses a blend of observable, similarly rated peer company credit default swap spreads, adjusted to reflect the credit quality of the Company and the priority of policyholder claims.

*Actuarial Assumptions:* Management regularly reviews actuarial assumptions, which are based on the Company's experience and periodically reviewed against industry standards. Industry standards and Company experience may be limited on certain products.

The following table presents the unobservable inputs for Level 3 fair value measurements as of December 31, 2017:

| | Range[1] | |
|---|---|---|
| **Unobservable Input** | **FIA** | **Stabilizer / MCG** |
| Interest rate implied volatility | — | 0.1% to 6.3% |
| Nonperformance risk | 0.02% to 1.1% | 0.02% to 1.1% |
| Actuarial Assumptions: | | |
| Partial Withdrawals | 0.5% to 7.0% | — |
| Lapses | 0% to 42% [2] | 0% to 50% [3] |
| Policyholder Deposits[4] | — | 0% to 50% [3] |

[1] Represents the range of reasonable assumptions that management has used in its fair value calculations.
[2] Lapse rates tend to be lower during the contractual surrender charge period and higher after the surrender charge period ends; the highest lapse rates occur in the year immediately after the end of the surrender charge period.
[3] Stabilizer contracts with recordkeeping agreements have different range of lapse and policyholder deposit assumptions from Stabilizer (Investment only) and MCG contracts as shown below:

| | Percentage of Plans | Overall Range of Lapse Rates | Range of Lapse Rates for 85% of Plans | Overall Range of Policyholder Deposits | Range of Policyholder Deposits for 85% of Plans |
|---|---|---|---|---|---|
| Stabilizer (Investment Only) and MCG Contracts | 92% | 0-25% | 0-15% | 0-30% | 0-15% |
| Stabilizer with Recordkeeping Agreements | 8% | 0-50% | 0-30% | 0-50% | 0-25% |
| Aggregate of all plans | 100% | 0-50% | 0-30% | 0-50% | 0-25% |

[4] Measured as a percentage of assets under management or assets under administration.

The following table presents the unobservable inputs for Level 3 fair value measurements as of December 31, 2016:

| | Range[1] | |
|---|---|---|
| **Unobservable Input** | **FIA** | **Stabilizer / MCG** |
| Interest rate implied volatility | — | 0.1% to 7.5% |
| Nonperformance risk | 0.25% to 1.6% | 0.25% to 1.6% |
| Actuarial Assumptions: | | |
| Partial Withdrawals | 0% to 7.0% | — |
| Lapses | 0% to 42% [2] | 0% to 50% [3] |
| Policyholder Deposits[4] | — | 0% to 50% [3] |

[1] Represents the range of reasonable assumptions that management has used in its fair value calculations.
[2] Lapse rates tend to be lower during the contractual surrender charge period and higher after the surrender charge period ends; the highest lapse rates occur in the year immediately after the end of the surrender charge period.
[3] Stabilizer contracts with recordkeeping agreements have different range of lapse and policyholder deposit assumptions from Stabilizer (Investment only) and MCG contracts as shown below:

| | Percentage of Plans | Overall Range of Lapse Rates | Range of Lapse Rates for 85% of Plans | Overall Range of Policyholder Deposits | Range of Policyholder Deposits for 85% of Plans |
|---|---|---|---|---|---|
| Stabilizer (Investment Only) and MCG Contracts | 93% | 0-25% | 0-15% | 0-30% | 0-15% |
| Stabilizer with Recordkeeping Agreements | 7% | 0-50% | 0-30% | 0-50% | 0-25% |
| Aggregate of all plans | 100% | 0-50% | 0-30% | 0-50% | 0-25% |

[4] Measured as a percentage of assets under management or assets under administration.

Generally, the following will cause an increase (decrease) in the FIA embedded derivative fair value liability:

- A decrease (increase) in nonperformance risk
- A decrease (increase) in lapses

Generally, the following will cause an increase (decrease) in the derivative and embedded derivative fair value liabilities related to Stabilizer and MCG contracts:

- An increase (decrease) in interest rate implied volatility
- A decrease (increase) in nonperformance risk
- A decrease (increase) in lapses
- A decrease (increase) in policyholder deposits

The Company notes the following interrelationships:

- Generally, an increase (decrease) in interest rate volatility will increase (decrease) lapses of Stabilizer and MCG contracts due to dynamic participant behavior.

*Other Financial Instruments*

The carrying values and estimated fair values of the Company's financial instruments as of the dates indicated:

| | December 31, 2017 | | December 31, 2016 | |
|---|---|---|---|---|
| | Carrying Value | Fair Value | Carrying Value | Fair Value |
| Assets: | | | | |
| Fixed maturities, including securities pledged | $ 25,042 | $ 25,042 | $ 24,895 | $ 24,895 |
| Equity securities, available-for-sale | 60 | 60 | 82 | 82 |
| Mortgage loans on real estate | 4,910 | 4,924 | 4,255 | 4,340 |
| Policy loans | 214 | 214 | 219 | 219 |
| Cash and cash equivalents, short-term investments and short-term investments under securities loan agreements | 1,078 | 1,078 | 973 | 973 |
| Derivatives | 136 | 136 | 471 | 471 |
| Notes receivable from affiliates | 175 | 222 | 175 | 216 |
| Short-term loan to affiliate | 80 | 80 | — | — |
| Assets held in separate accounts | 73,036 | 73,036 | 61,981 | 61,981 |
| Liabilities: | | | | |
| Investment contract liabilities: | | | | |
| Funding agreements without fixed maturities and deferred annuities[1] | 25,314 | 29,431 | 24,943 | 28,877 |
| Supplementary contracts, immediate annuities and other | 365 | 418 | 386 | 438 |
| Deposit liabilities | 135 | 198 | 172 | 246 |
| Derivatives: | | | | |
| Guaranteed benefit derivatives: | | | | |
| FIA | 20 | 20 | 23 | 23 |
| Stabilizer and MCGs | 97 | 97 | 151 | 151 |
| Other derivatives | 85 | 85 | 173 | 173 |
| Long-term debt | 5 | 5 | 5 | 5 |
| Embedded derivatives on reinsurance | (21) | (21) | (44) | (44) |

[1] Certain amounts included in Funding agreements without fixed maturities and deferred annuities are also reflected within the Guaranteed benefit derivatives section of the table above.

The following disclosures are made in accordance with the requirements of ASC Topic 825 which requires disclosure of fair value information about financial instruments, whether or not recognized at fair value on the Consolidated Balance Sheets, for which it is practicable to estimate that value. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. In that regard, the derived fair value estimates, in many cases, could not be realized in immediate settlement of the instrument.

ASC Topic 825 excludes certain financial instruments, including insurance contracts and all nonfinancial instruments from its disclosure requirements. Accordingly, the aggregate fair value amounts presented do not represent the underlying value of the Company.

The following valuation methods and assumptions were used by the Company in estimating the fair value of the following financial instruments, which are not carried at fair value on the Consolidated Balance Sheets:

*Mortgage loans on real estate*: The fair values for mortgage loans on real estate are estimated on a monthly basis using discounted cash flow analyses and rates currently being offered in the marketplace for similar loans to borrowers with similar credit ratings. Loans with similar characteristics are aggregated for purposes of the calculations. Mortgage loans on real estate are classified as Level 3.

*Policy loans*: The fair value of policy loans approximates the carrying value of the loans. Policy loans are collateralized by the cash surrender value of the associated insurance contracts and are classified as Level 2.

*Notes receivable from affiliates*: Estimated fair value of the Company's notes receivable from affiliates is determined primarily using a matrix-based pricing. The model considers the current level of risk-free interest rates, credit quality of the issuer and cash flow characteristics of the security model and is classified as Level 2.

*Short-term loans to affiliate*: Due to their short-term nature, fair value approximates carrying value. Short-term loans to affiliate are classified as Level 2.

*Investment contract liabilities*:

> *Funding agreements without a fixed maturity and deferred annuities:* Fair value is estimated as the present value of expected cash flows associated with the contract liabilities discounted using risk-free rates plus an adjustment for nonperformance risk. The valuation is consistent with current market parameters. Margins for non-financial risks associated with the contract liabilities are also included. These liabilities are classified as Level 3.
>
> *Supplementary contracts and immediate annuities:* Fair value is estimated as the present value of expected cash flows associated with the contract liabilities discounted using risk-free rates plus an adjustment for nonperformance risk. The valuation is consistent with current market parameters. Margins for non-financial risks associated with the contract liabilities are also included. These liabilities are classified as Level 3.

*Deposit liabilities*: Fair value is estimated as the present value of expected cash flows associated with the deposit liability discounted using risk-free rates plus adjustments for nonperformance risk and uncertainty in the expected cash flows. These liabilities are classified as Level 3.

*Long-term debt*: Estimated fair value of the Company’s long-term debt is based upon discounted future cash flows using a discount rate approximating the current market rate, incorporating nonperformance risk. Long-term debt is classified as Level 2.

Fair value estimates are made at a specific point in time, based on available market information and judgments about various financial instruments, such as estimates of timing and amounts of future cash flows. Such estimates do not reflect any premium or discount that could result from offering for sale at one time the Company's entire holdings of a particular financial instrument, nor do they consider the tax impact of the realization of unrealized capital gains (losses). In many cases, the fair value estimates cannot be substantiated by comparison to independent markets, nor can the disclosed value be realized in immediate settlement

of the instruments. In evaluating the Company's management of interest rate, price and liquidity risks, the fair values of all assets and liabilities should be taken into consideration, not only those presented above.

## 5. Deferred Policy Acquisition Costs and Value of Business Acquired

The following table presents a rollforward of DAC and VOBA for the periods indicated:

| | DAC | VOBA | Total |
|---|---|---|---|
| Balance at January 1, 2015 | $ 396 | $ 527 | $ 923 |
| Deferrals of commissions and expenses | 77 | 6 | 83 |
| Amortization: | | | |
| Amortization, excluding unlocking | (84) | (109) | (193) |
| Unlocking [1] | (23) | (9) | (32) |
| Interest accrued | 36 | 56 [2] | 92 |
| Net amortization included in the Consolidated Statements of Operations | (71) | (62) | (133) |
| Change in unrealized capital gains/losses on available-for-sale securities | 118 | 238 | 356 |
| Balance as of December 31, 2015 | 520 | 709 | 1,229 |
| Deferrals of commissions and expenses | 74 | 5 | 79 |
| Amortization: | | | |
| Amortization, excluding unlocking | (72) | (87) | (159) |
| Unlocking [1] | (24) | (73) | (97) |
| Interest accrued | 38 | 51 [2] | 89 |
| Net amortization included in the Consolidated Statements of Operations | (58) | (109) | (167) |
| Change in unrealized capital gains/losses on available-for-sale securities | (59) | (68) | (127) |
| Balance as of December 31, 2016 | 477 | 537 | 1,014 |
| Deferrals of commissions and expenses | 75 | 5 | 80 |
| Amortization: | | | |
| Amortization, excluding unlocking | (76) | (83) | (159) |
| Unlocking [1] | (61) | (93) | (154) |
| Interest accrued | 37 | 43 [2] | 80 |
| Net amortization included in the Consolidated Statements of Operations | (100) | (133) | (233) |
| Change in unrealized capital gains/losses on available-for-sale securities | (67) | (42) | (109) |
| Balance as of December 31, 2017 | $ 385 | $ 367 | $ 752 |

[1] DAC/VOBA unlocking includes the impact of annual review of assumptions which typically occurs in the third quarter; and retrospective and prospective unlocking. The 2017 amounts include unfavorable unlocking for DAC and VOBA of $80 and $140, respectively, associated with consent acceptances received from customers and expected future acceptances of customer consents to changes related to guaranteed minimum interest rate provisions of certain retirement plan contracts with fixed investment options.

[2] Interest accrued at the following rates for VOBA: 5.5% to 7.0% during 2017, 2016 and 2015.

The estimated amount of VOBA amortization expense, net of interest, during the next five years is presented in the following table. Actual amortization incurred during these years may vary as assumptions are modified to incorporate actual results and/or changes in best estimates of future results.

| Year | Amount |
|---|---|
| 2018 | 38 |
| 2019 | 26 |
| 2020 | 23 |
| 2021 | 20 |
| 2022 | 18 |

## 6. Guaranteed Benefit Features

The Company calculates an additional liability for certain GMDBs and other minimum guarantees in order to recognize the expected value of these benefits in excess of the projected account balance over the accumulation period based on total expected assessments.

The Company regularly evaluates estimates used to adjust the additional liability balance, with a related charge or credit to benefit expense, if actual experience or other evidence suggests that earlier assumptions should be revised.

As of December 31, 2017, the account value for the separate account contracts with guaranteed minimum benefits was $38.1 billion. The additional liability recognized related to minimum guarantees was $103. As of December 31, 2016, the account value for the separate account contracts with guaranteed minimum benefits was $38.4 billion. The additional liability recognized related to minimum guarantees was $158.

The aggregate fair value of fixed income securities and equity securities, including mutual funds, supporting separate accounts with additional insurance benefits and minimum investment return guarantees as of December 31, 2017 and 2016 was $8.6 billion and $8.0 billion, respectively.

## 7. Reinsurance

As of December 31, 2017, the Company has reinsurance treaties with 6 unaffiliated reinsurers covering a significant portion of the mortality risks and guaranteed death benefits under its variable contracts. As of December 31, 2017, the Company had agreements with two of its affiliates, Langhorne I, LLC, and Security Life of Denver International ("SLDI"), which are accounted for under the deposit method of accounting. Subsequent to December 31, 2017, the Company recaptured its agreement with Langhorne I, LLC. Refer to the *Related Party Transactions* Note for further detail.

On October 1, 1998, the Company disposed of its individual life insurance business under an indemnity reinsurance arrangement with a subsidiary of Lincoln for $1.0 billion in cash. Under the agreement, the Lincoln subsidiary contractually assumed from the Company certain policyholder liabilities and obligations, although the Company remains obligated to contract owners. The Lincoln subsidiary established a trust to secure its obligations to the Company under the reinsurance agreement. As of December 31, 2017 and 2016, the Company had $1.5 billion and $1.6 billion, respectively, related to Reinsurance recoverable from the subsidiary of Lincoln.

The Company assumed $25 of premium revenue from Aetna Life for the purchase and administration of a life contingent single premium variable payout annuity contract. In addition, the Company is also responsible for administering fixed annuity payments that are made to annuitants receiving variable payments. Reserves of $7 and $8 were maintained for this contract as of December 31, 2017 and 2016, respectively.

Premiums receivable and reinsurance recoverable was comprised of the following as of the dates indicated:

| | December 31, | |
|---|---|---|
| | 2017 | 2016 |
| Reserves ceded and claims recoverable | $ 1,512 | $ 1,650 |
| Premiums receivable, net | (16) | (16) |
| Total | $ 1,496 | $ 1,634 |

For the years ended December 31, 2017, 2016 and 2015, premiums, net of reinsurance were $48, $870 and $657, respectively.

## 8. Capital Contributions, Dividends and Statutory Information

Connecticut insurance law imposes restrictions on a Connecticut insurance company's ability to pay dividends to its parent. These restrictions are based in part on the prior year's statutory income and surplus. In general, dividends up to specified levels are considered ordinary and may be paid without prior approval. Dividends in larger amounts, or extraordinary dividends, are subject to approval by the Connecticut Insurance Commissioner.

Under Connecticut insurance law, an extraordinary dividend or distribution is defined as a dividend or distribution that, together with other dividends or distributions made within the preceding twelve months, exceeds the greater of (1) ten percent (10%) of VRIAC's earned statutory surplus at the prior year end or (2) VRIAC's prior year statutory net gain from operations. Connecticut law also prohibits a Connecticut insurer from declaring or paying a dividend except out of its earned surplus unless prior insurance regulatory approval is obtained.

During the year ended December 31, 2017, VRIAC declared ordinary dividends to its Parent in the aggregate amount of $265, $261 of which was paid on May 24, 2017 and $4 of which was paid on December 28, 2017. During the year ended December 31, 2016, VRIAC declared ordinary dividends to its Parent in the aggregate amount of $278, $274 of which was paid on May 23, 2016 and $4 of which was paid on December 27, 2016.

On March 23, 2017, VFP paid a $20 dividend to VRIAC; on June 23, 2017, VFP paid a $20 dividend to VRIAC; on September 25, 2017, VFP paid a $20 dividend to VRIAC; and on December 15, 2017, VFP paid a $25 dividend to VRIAC. During the year ended December 31, 2016, VFP paid dividends in the amount of $85 to VRIAC.

During the years ended December 31, 2017 and 2016, DSL did not pay any dividends to VRIAC, its parent.

During the years ended December 31, 2017 and 2016, VRIAC did not receive any capital contributions from its Parent.

The Company is subject to minimum risk-based capital ("RBC") requirements established by the Department. The formulas for determining the amount of RBC specify various weighting factors that are applied to financial balances or various levels of activity based on the perceived degree of risk. Regulatory compliance is determined by a ratio of total adjusted capital ("TAC"), as defined by the National Association of Insurance Commissioners ("NAIC"), to authorized control level RBC, as defined by the NAIC. The Company exceeded the minimum RBC requirements that would require any regulatory or corrective action for all periods presented herein.

The Company is required to prepare statutory financial statements in accordance with statutory accounting practices prescribed or permitted by the Department. Such statutory accounting practices primarily differ from U.S. GAAP by charging policy acquisition costs to expense as incurred, establishing future policy benefit liabilities and contract owner account balances using different actuarial assumptions as well as valuing investments and certain assets and accounting for deferred taxes on a different basis. Certain assets that are not admitted under statutory accounting principles are charged directly to surplus. Depending on the regulations of the Department, the entire amount or a portion of an insurance company's asset balance can be non-admitted depending on specific rules regarding admissibility. The most significant non-admitted assets of the Company are typically deferred tax assets.

Statutory net income (loss) was $195, $266 and $318, for the years ended December 31, 2017, 2016 and 2015, respectively. Statutory capital and surplus was $1.8 billion and $2.0 billion as of December 31, 2017 and 2016, respectively.

## 9. Accumulated Other Comprehensive Income (Loss)

Shareholder's equity included the following components of AOCI as of the dates indicated.

| | December 31, | | |
|---|---|---|---|
| | 2017 | 2016 | 2015 |
| Fixed maturities, net of OTTI | $ 1,451 | $ 862 | $ 437 |
| Equity securities, available-for-sale | 15 | 15 | 14 |
| Derivatives | 124 | 201 | 209 |
| DAC/VOBA and Sales inducements adjustments on available-for-sale securities | (433) | (324) | (196) |
| Premium deficiency reserve adjustment | (115) | (90) | (67) |
| Other | 5 | — | — |
| Unrealized capital gains (losses), before tax | 1,047 | 664 | 397 |
| Deferred income tax asset (liability) | (234) | (111) | (18) |
| Unrealized capital gains (losses), after tax | 813 | 553 | 379 |
| Pension and other postretirement benefits liability, net of tax | 5 | 6 | 7 |
| AOCI | $ 818 | $ 559 | $ 386 |

Changes in AOCI, including the reclassification adjustments recognized in the Consolidated Statements of Operations were as follows for the periods indicated:

| | Year Ended December 31, 2017 | | |
|---|---|---|---|
| | Before-Tax Amount | Income Tax | After-Tax Amount |
| Available-for-sale securities: | | | |
| Fixed maturities | $ 564 | $ (190) | $ 374 |
| Equity securities | — | — | — |
| Other | 5 | (2) | 3 |
| OTTI | (4) | 1 | (3) |
| Adjustments for amounts recognized in Net realized capital gains (losses) in the Consolidated Statements of Operations | 29 | (10) | 19 |
| DAC/VOBA and Sales inducements | (109) [1] | 42 | (67) |
| Premium deficiency reserve adjustment | (25) | 9 | (16) |
| Change in unrealized gains/losses on available-for-sale securities | 460 | (150) | 310 |
| | | | |
| Derivatives: | | | |
| Derivatives | (53) [2] | 19 | (34) |
| Adjustments related to effective cash flow hedges for amounts recognized in Net investment income in the Consolidated Statements of Operations | (24) | 8 | (16) |
| Change in unrealized gains/losses on derivatives | (77) | 27 | (50) |
| | | | |
| Pension and other postretirement benefits liability: | | | |
| Amortization of prior service cost recognized in Operating expenses in the Consolidated Statements of Operations | (2) [3] | 1 | (1) |
| Change in pension and other postretirement benefits liability | (2) | 1 | (1) |
| Change in Other comprehensive income (loss) | $ 381 | $ (122) | $ 259 |

[1] See the *Deferred Policy Acquisition Costs and Value of Business Acquired* Note to these Consolidated Financial Statements for additional information.
[2] See the *Derivative Financial Instruments* Note to these Consolidated Financial Statements for additional information.
[3] See the *Benefit Plans* Note to these Consolidated Financial Statements for amounts reported in Net Periodic (Benefit) Costs.

| | Year Ended December 31, 2016 | | |
|---|---|---|---|
| | Before-Tax Amount | Income Tax | After-Tax Amount |
| Available-for-sale securities: | | | |
| Fixed maturities | $ 346 | $ (121) | $ 225 |
| Equity securities | 1 | — | 1 |
| Other | — | — | — |
| OTTI | 9 | (3) | 6 |
| Adjustments for amounts recognized in Net realized capital gains (losses) in the Consolidated Statements of Operations | 70 | (25) | 45 |
| DAC/VOBA and Sales inducements | (128) [1] | 45 | (83) |
| Premium deficiency reserve adjustment | (23) | 8 | (15) |
| Change in unrealized gains/losses on available-for-sale securities | 275 | (96) | 179 |
| | | | |
| Derivatives: | | | |
| Derivatives | 11 [2] | (4) | 7 |
| Adjustments related to effective cash flow hedges for amounts recognized in Net investment income in the Consolidated Statements of Operations | (19) | 7 | (12) |
| Change in unrealized gains/losses on derivatives | (8) | 3 | (5) |
| | | | |
| Pension and other postretirement benefits liability: | | | |
| Amortization of prior service cost recognized in Operating expenses in the Consolidated Statements of Operations | (1) [3] | — | (1) |
| Change in pension and other postretirement benefits liability | (1) | — | (1) |
| Change in Other comprehensive income (loss) | $ 266 | $ (93) | $ 173 |

[1] See the *Deferred Policy Acquisition Costs and Value of Business Acquired* Note to these Consolidated Financial Statements for additional information.
[2] See the *Derivative Financial Instruments* Note to these Consolidated Financial Statements for additional information.
[3] See the *Benefit Plans* Note to these Consolidated Financial Statements for amounts reported in Net Periodic (Benefit) Costs.

| | Year Ended December 31, 2015 | | |
|---|---|---|---|
| | Before-Tax Amount | Income Tax | After-Tax Amount |
| Available-for-sale securities: | | | |
| Fixed maturities | $ (1,184) | $ 410 | $ (774) |
| Equity securities | — | — | — |
| Other | — | — | — |
| OTTI | 3 | (1) | 2 |
| Adjustments for amounts recognized in Net realized capital gains (losses) in the Consolidated Statements of Operations | 65 | (23) | 42 |
| DAC/VOBA and Sales inducements | 356 [1] | (125) | 231 |
| Premium deficiency reserve adjustment | 63 | (22) | 41 |
| Change in unrealized gains/losses on available-for-sale securities | (697) | 239 | (458) |
| | | | |
| Derivatives: | | | |
| Derivatives | 20 [2] | (7) | 13 |
| Adjustments related to effective cash flow hedges for amounts recognized in Net investment income in the Consolidated Statements of Operations | (14) | 5 | (9) |
| Change in unrealized gains/losses on derivatives | 6 | (2) | 4 |
| | | | |
| Pension and other postretirement benefits liability: | | | |
| Amortization of prior service cost recognized in Operating expenses in the Consolidated Statements of Operations | (2) [3] | 1 | (1) |
| Change in pension and other postretirement benefits liability | (2) | 1 | (1) |
| Change in Other comprehensive income (loss) | $ (693) | $ 238 | $ (455) |

[1] See the *Deferred Policy Acquisition Costs and Value of Business Acquired* Note to these Consolidated Financial Statements for additional information.
[2] See the *Derivative Financial Instruments* Note to these Consolidated Financial Statements for additional information.
[3] See the *Benefit Plans* Note to these Consolidated Financial Statements for amounts reported in Net Periodic (Benefit) Costs.

## 10. Income Taxes

Income tax expense (benefit) consisted of the following for the periods indicated:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2017 | 2016 | 2015 |
| Current tax expense (benefit): | | | |
| Federal | $ 37 | $ 24 | $ 54 |
| Total current tax expense (benefit) | 37 | 24 | 54 |
| Deferred tax expense (benefit): | | | |
| Federal | (158) | (3) | (1) |
| Total deferred tax expense (benefit) | (158) | (3) | (1) |
| Total income tax expense (benefit) | $ (121) | $ 21 | $ 53 |

Income taxes were different from the amount computed by applying the federal income tax rate to Income (loss) before income taxes for the following reasons for the periods indicated:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2017 | 2016 | 2015 |
| Income (loss) before income taxes | $ 89 | $ 134 | $ 226 |
| Tax rate | 35.0 % | 35.0% | 35.0% |
| Income tax expense (benefit) at federal statutory rate | 31 | 47 | 79 |
| Tax effect of: | | | |
| Dividends received deduction | (36) | (27) | (24) |
| Valuation allowance | (5) | (2) | (4) |
| Tax Credit | 5 | 2 | 4 |
| Effect of Tax Reform | (116) | — | — |
| Other | — | 1 | (2) |
| Income tax expense (benefit) | $ (121) | $ 21 | $ 53 |
| Effective tax rate | (136.0)% | 15.7% | 23.5% |

On December 22, 2017, the U.S. government enacted comprehensive tax legislation commonly referred to as the Tax Cuts and Jobs Act ("Tax Reform"). Tax Reform makes broad changes to U.S. federal tax law, including, but not limited to (1) reducing the U.S. federal corporate tax rate from 35% to 21%; (2) changing the computations of the dividends received deduction, tax reserves, and deferred acquisition costs; (3) changing how alternative minimum tax credits can be realized; and (4) eliminating the net operating loss (“NOL”) carryback and limiting the NOL carryforward deduction to 80% of taxable income for losses arising in taxable years beginning after December 31, 2017.

The SEC staff issued Staff Accounting Bulletin No. 118 (“SAB 118”) to address situations where a registrant does not have the necessary information available, prepared, or analyzed (including computations) in reasonable detail to complete the accounting under ASC Topic 740 for certain income tax effects of Tax Reform for the reporting period of enactment. SAB 118 allows the Company to provide a provisional estimate of the impacts of Tax Reform during a measurement period similar to the measurement period used when accounting for business combinations. Adjustments to provisional estimates and additional impacts from Tax Reform must be recorded as they are identified during the measurement period as provided for in SAB 118.

In reliance on SAB 118, the Company provisionally remeasured its deferred tax assets and liabilities based on the 21% tax rate at which they are expected to reverse in the future. The Company continues to analyze the effects of Tax Reform and will record adjustments and additional impacts from Tax Reform as they are identified during the measurement period as provided for in SAB 118.

***Temporary Differences***

The tax effects of temporary differences that give rise to deferred tax assets and deferred tax liabilities as of the dates indicated, are presented below.

| | December 31, | |
|---|---|---|
| | **2017** | **2016** |
| **Deferred tax assets** | | |
| Insurance reserves | $ 125 | $ 224 |
| Investments | 75 | 141 |
| Compensation and benefits | 55 | 71 |
| Other assets | 3 | 8 |
| Total gross assets before valuation allowance | 258 | 444 |
| Less: Valuation allowance | — | 5 |
| Assets, net of valuation allowance | 258 | 439 |
| | | |
| **Deferred tax liabilities** | | |
| Net unrealized investment (gains) losses | (311) | (346) |
| Deferred policy acquisition costs | (134) | (316) |
| Total gross liabilities | (445) | (662) |
| Net deferred income tax asset (liability) | $ (187) | $ (223) |

Valuation allowances are provided when it is considered more likely than not that some portion or all of the deferred tax assets will not be realized. As of December 31, 2017, the Company had no valuation allowance. As of December 31, 2016, the Company had total valuation allowance of $5. As of December 31, 2017 and December 31, 2016, $119 and $124, respectively, of these valuation allowances were allocated to continuing operations, and $(119) as of the end of each period was allocated to Other comprehensive income related to realized and unrealized capital losses.

For the years ended December 31, 2017, 2016 and 2015, the decreases in the valuation allowance were $5, $2 and $4, respectively, all of which were allocated to continuing operations.

***Tax Sharing Agreement***

The Company had a (payable)/receivable from Voya Financial, Inc. of $(23)and $1 as of December 31, 2017 and 2016, respectively, for federal income taxes under the intercompany tax sharing agreement.

The results of the Company's operations are included in the consolidated tax return of Voya Financial, Inc. Generally, the Company's consolidated financial statements recognize the current and deferred income tax consequences that result from the Company's activities during the current and preceding periods pursuant to the provisions of Income Taxes (ASC Topic 740) as if the Company were a separate taxpayer rather than a member of Voya Financial, Inc.'s consolidated income tax return group with the exception of any net operating loss carryforwards and capital loss carryforwards, which are recorded pursuant to the tax sharing agreement. If the Company instead were to follow a separate taxpayer approach without any exceptions, there would be no impact to income tax expense (benefit) for the periods indicated above. Also, any current tax benefit related to the Company's tax attributes realized by virtue of its inclusion in the consolidated tax return of Voya Financial, Inc. would have been recorded directly to equity rather than income. Under the tax sharing agreement, Voya Financial, Inc. will pay the Company for the tax benefits of ordinary and capital losses only in the event that the consolidated tax group actually uses the tax benefit of losses generated.

***Unrecognized Tax Benefits***

The Company had no unrecognized tax benefits as of December 31, 2017 and December 31, 2016.

***Interest and Penalties***

The Company recognizes accrued interest and penalties related to unrecognized tax benefits in current income taxes and Income tax expense on the Consolidated Balance Sheets and the Consolidated Statements of Operations, respectively. The Company had no accrued interest as of December 31, 2017 and December 31, 2016.

***Tax Regulatory Matters***

Voya Financial, Inc. (including the Company) return is currently under audit by the IRS, and it is expected that the examination of tax year 2016 will be finalized within the next twelve months. Voya Financial, Inc. (including the Company) and the IRS have agreed to participate in the Compliance Assurance Process for the tax years 2016 through 2018.

## 11. Benefit Plans

***Defined Benefit Plan***

Voya Services Company sponsors the Voya Retirement Plan (the "Retirement Plan"). Substantially all employees of Voya Services Company and its affiliates (excluding certain employees) are eligible to participate, including the Company's employees other than Company agents.

The Retirement Plan is a tax qualified defined benefit plan, the benefits of which are guaranteed (within certain specified legal limits) by the Pension Benefit Guaranty Corporation (“PBGC”). Beginning January 1, 2012, the Retirement Plan adopted a cash balance pension formula instead of a final average pay ("FAP") formula, allowing all eligible employees to participate in the Retirement Plan. Participants will earn an annual credit equal to 4% of eligible compensation. Interest is credited monthly based on a 30-year U.S. Treasury securities bond rate published by the Internal Revenue Service in the preceding August of each year. The accrued vested cash pension balance benefit is portable; participants can take it if they leave the Company.

The costs allocated to the Company for its employees' participation in the Retirement Plan were $8, $8 and $6 for the years ended December 31, 2017, 2016 and 2015, respectively, and are included in Operating expenses in the Consolidated Statements of Operations.

***Defined Contribution Plan***

Voya Services Company sponsors the Voya Savings Plan (the "Savings Plan"). Substantially all employees of Voya Services Company and its affiliates (excluding certain employees, including but not limited to Career Agents) are eligible to participate, including the Company's employees other than Company agents. Career Agents are certain, full-time insurance salespeople who have entered into a career agent agreement with the Company and certain other individuals who meet specified eligibility criteria. The Savings Plan is a tax qualified defined contribution plan. Savings Plan benefits are not guaranteed by the PBGC. The Savings Plan allows eligible participants to defer into the Savings Plan a specified percentage of eligible compensation on a pre-tax basis. Voya Services Company matches such pre-tax contributions, up to a maximum of 6% of eligible compensation. Matching contributions are subject to a 4-year graded vesting schedule. Contributions made to the Savings Plan are subject to certain limits imposed by applicable law. The costs allocated to the Company for the Savings Plan were $11, $10 and $10, for the years ended December 31, 2017, 2016 and 2015, respectively, and are included in Operating expenses in the Consolidated Statements of Operations.

***Non-Qualified Retirement Plans***

The Company, in conjunction with Voya Services Company, offers certain eligible employees (other than Career Agents) a Supplemental Executive Retirement Plan and an Excess Plan (collectively, the "SERPs"). Benefit accruals under Aetna Financial Services SERPs ceased, effective as of December 31, 2001 and participants began accruing benefits under Voya Services SERPs. Benefits under the SERPs are determined based on an eligible employee's years of service and average annual compensation for the highest five years during the last ten years of employment.

Effective January 1, 2012, the Supplemental Executive Retirement Plan was amended to coordinate with the amendment of the Retirement Plan from its current final average pay formula to a cash balance formula.

The Company, in conjunction with Voya Services Company, sponsors the Pension Plan for Certain Producers of Voya Retirement Insurance and Annuity Company (the "Agents Non-Qualified Plan"). This plan covers certain full-time insurance salespeople who have entered into a career agent agreement with the Company and certain other individuals who meet the eligibility criteria specified in the plan ("Career Agents"). The Agents Non-Qualified Plan was frozen effective January 1, 2002. In connection with the termination, all benefit accruals ceased and all accrued benefits were frozen.

The SERPs and Agents Non-Qualified Plan are non-qualified defined benefit pension plans, which means all the SERPs benefits are payable from the general assets of the Company and Agents Non-Qualified Plan benefits are payable from the general assets of the Company and Voya Services Company. These non-qualified defined benefit pension plans are not guaranteed by the PBGC.

*Obligations and Funded Status*

The following table summarizes the benefit obligations for the SERPs and Agents Non-Qualified Plan as of December 31, 2017 and 2016:

| | Year Ended December 31, | |
|---|---|---|
| | **2017** | **2016** |
| Change in benefit obligation: | | |
| Benefit obligation, January 1 | $ 88 | $ 88 |
| Interest cost | 4 | 4 |
| Benefits paid | (5) | (5) |
| Actuarial (gains) losses on obligation | 1 | 1 |
| Benefit obligation, December 31 | $ 88 | $ 88 |

Amounts recognized on the Consolidated Balance Sheets in Other liabilities and in AOCI were as follows as of December 31, 2017 and 2016:

| | December 31, | |
|---|---|---|
| | **2017** | **2016** |
| Accrued benefit cost | $ (88) | $ (88) |
| Accumulated other comprehensive income (loss): | | |
| Prior service cost (credit) | (1) | (2) |
| Net amount recognized | $ (89) | $ (90) |

*Assumptions*

The discount rate used in the measurement of the December 31, 2017 and 2016 benefit obligation for the SERPs and Agents Non-Qualified Plan, were as follows:

| | **2017** | **2016** |
|---|---|---|
| Discount rate | 3.85% | 4.55% |

In determining the discount rate assumption, the Company utilizes current market information provided by its plan actuaries, including a discounted cash flow analysis of the Company's pension obligation and general movements in the current market environment. The discount rate modeling process involves selecting a portfolio of high quality, noncallable bonds that will match the cash flows of the SERPs and Agents Non-Qualified Plan.

The weighted-average discount rate used in calculating the net pension cost was as follows:

| | 2017 | 2016 | 2015 |
|---|---|---|---|
| Discount rate | 4.55% | 4.81% | 4.36% |

Since the benefit plans of the Company are unfunded, an assumption for return on plan assets is not required.

*Net Periodic Benefit Costs*

Net periodic benefit costs for the SERPs and Agents Non-Qualified Plan were as follows for the years ended December 31, 2017, 2016 and 2015:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2017 | 2016 | 2015 |
| Interest cost | $ 4 | $ 4 | $ 4 |
| Amortization of prior service cost (credit) | (1) | (1) | (1) |
| Net (gain) loss recognition | 1 | 1 | (7) |
| Net periodic (benefit) cost | $ 4 | $ 4 | $ (4) |

*Cash Flows*

The following table summarizes the expected benefit payments related to the SERPs and Agents Non-Qualified Plan for the years indicated:

| | |
|---|---|
| 2018 | $ 6 |
| 2019 | 6 |
| 2020 | 6 |
| 2021 | 6 |
| 2022 | 6 |
| 2023-2027 | 27 |

In 2018, the Company is expected to contribute $6 to the SERPs and Agents Non-Qualified Plan.

***Share Based Compensation Plans***

Certain employees of the Company participate in the 2013 and 2014 Omnibus Employee Incentive Plans ("the Omnibus Plans") sponsored by Voya Financial, Inc., with respect to awards granted in 2013 through 2017. The Omnibus Plans each permit the granting of a wide range of equity-based awards, including restricted stock units ("RSUs"), performance share units ("PSUs"), and stock options.

The Company was allocated compensation expense from Voya Financial, Inc. of $24, $22 and $22 for the years ended December 31, 2017, 2016 and 2015, respectively.

The Company recognized tax benefits of $9, $8 and $8 for the years ended 2017, 2016 and 2015, respectively. Prior to January 1, 2017, excess tax benefits were recognized in Additional paid-in capital and accounted for in a single pool available to all share-based compensation awards. Excess tax benefits in Additional paid-in capital were not recognized until the benefits resulted in a reduction in taxes payable. The Company uses tax law ordering when determining when excess tax benefits have been realized.

On a prospective basis from January 1, 2017, all excess tax benefits and tax deficiencies related to share-based compensation are reported in net income, rather than Additional paid-in capital.

***Other Benefit Plans***

In addition, the Company, in conjunction with Voya Services Company, sponsors the following benefit plans:

- The Voya 401(k) Plan for VRIAC Agents, which allows participants to defer a specified percentage of eligible compensation on a pre-tax basis. Effective January 1, 2006, the Company match equals 60% of a participant's pre-tax deferral contribution, with a maximum of 6% of the participant's eligible pay. A request for a determination letter on the qualified status of the Voya 401(k) Plan for VRIAC Agents was filed with the IRS on January 1, 2014. A favorable determination letter was received dated August 28, 2014.
- The Producers' Incentive Savings Plan, which allows participants to defer up to a specified portion of their eligible compensation on a pre-tax basis. The Company matches such pre-tax contributions at specified amounts.
- The Producers' Deferred Compensation Plan, which allows participants to defer up to a specified portion of their eligible compensation on a pre-tax basis.
- Certain health care and life insurance benefits for retired employees and their eligible dependents. The postretirement health care plan is contributory, with retiree contribution levels adjusted annually and the Company subsidizes a portion of the monthly per-participant premium. Prior to April 1, 2017, coverage for Medicare eligible retirees was provided through a fully insured Medicare Advantage plan. Effective April 1, 2017, the fully insured Medicare Advantage Plan was replaced with access to individual coverage through a private exchange. The Company's premium subsidy ended and was replaced with a monthly HRA contribution. The Company continues to offer access to medical coverage until retirees become eligible for Medicare. The life insurance plan provides a flat amount of noncontributory coverage and optional contributory coverage.
- The Voya Financial, Inc. Deferred Compensation Savings Plan, which is a non-qualified deferred compensation plan that includes a 401(k) excess component.

The benefit charges incurred by the Company related to these plans for the years ended December 31, 2017, 2016 and 2015, were immaterial.

## 12. Financing Agreements

*Windsor Property Loan*

On June 16, 2007, the State of Connecticut acting on behalf of the Department of Economic and Community Development ("DECD") loaned VRIAC $10 (the "DECD Loan") in connection with the development of the corporate office facility located at One Orange Way, Windsor, Connecticut that serves as the principal executive offices of the Company (the "Windsor Property"). In November 2012, VRIAC provided a letter of credit to the DECD in the amount of $11 as security for its repayment obligations with respect to the loan. The letter of credit was cancelled in August 2017. As of December 31, 2017 and 2016, the amount of the loan outstanding was $5, which was reflected in Long-term debt on the Consolidated Balance Sheets.

In August 2017, the loan agreement between VRIAC and DECD was amended to allow for the substitution of cash as collateral in place of the letter of credit along with a Pledge and Security Agreement between VRIAC and the DECD pursuant to which VRIAC grants the DECD a lien on and security interest in a cash deposit account in the name of VRIAC held at The Bank of New York Mellon ("BNY Mellon") and a Collateral Account Control Agreement by and among VRIAC, the DECD and BNY Mellon to accommodate the cash deposit account. Upon completion of the amendment documents, on August 1, 2017, $5 in cash was transferred into the cash deposit account. The pledged cash collateral amount is the current outstanding principal amount of $5, reflecting a recent immaterial amount of credit for loan forgiveness, plus an amount to cover a default penalty of 2.5% of the original $10 funding. VRIAC's monthly payments of principal and interest are processed out of the cash deposit account.

## 13. Commitments and Contingencies

***Leases***

All of the Company's expenses for leased and subleased office properties are paid for by an affiliate and allocated back to the Company, as all remaining operating leases were executed by Voya Services Company as of December 31, 2008, which resulted

in the Company no longer being party to any operating leases. For the years ended December 31, 2017, 2016 and 2015, rent expense for leases was $4.

***Commitments***

Through the normal course of investment operations, the Company commits to either purchase or sell securities, mortgage loans, or money market instruments, at a specified future date and at a specified price or yield. The inability of counterparties to honor these commitments may result in either a higher or lower replacement cost. Also, there is likely to be a change in the value of the securities underlying the commitments. As of December 31, 2017 the Company had off-balance sheet commitments to acquire mortgage loans of $179 and purchase limited partnerships and private placement investments of $527.

***Restricted Assets***

The Company is required to maintain assets on deposit with various regulatory authorities to support its insurance operations. The Company may also post collateral in connection with certain securities lending, repurchase agreements, funding agreement, letter of credit ("LOC") and derivative transactions as described further in this note. The components of the fair value of the restricted assets were as follows as of the dates indicated:

| | December 31, | |
|---|---|---|
| | **2017** | **2016** |
| Other fixed maturities-state deposits | $ 13 | $ 13 |
| Securities pledged[(1)] | 960 | 768 |
| Total restricted assets | $ 973 | $ 781 |

[(1)] Includes the fair value of loaned securities of $799 and $548 as of December 31, 2017 and 2016, respectively. In addition, as of December 31, 2017 and 2016, the Company delivered securities as collateral of $161 and $220, respectively. Loaned securities and securities delivered as collateral are included in Securities pledged on the Consolidated Balance Sheets.

***Federal Home Loan Bank Funding***

On January 18, 2018, the Company became a member of the Federal Home Loan Bank of Boston (“FHLB”). The Company is required to pledge collateral to back funding agreements issued to the FHLB. Subsequent to December 31, 2017, the Company issued $100 of funding agreements to the FHLB and pledged assets as required collateral.

***Litigation, Regulatory Matters and Loss Contingencies***

Litigation, regulatory and other loss contingencies arise in connection with the Company's activities as a diversified financial services firm. The Company is a defendant in a number of litigation matters arising from the conduct of its business, both in the ordinary course and otherwise. In some of these matters, claimants seek to recover very large or indeterminate amounts, including compensatory, punitive, treble and exemplary damages. Modern pleading practice in the U.S. permits considerable variation in the assertion of monetary damages and other relief. Claimants are not always required to specify the monetary damages they seek or they may be required only to state an amount sufficient to meet a court's jurisdictional requirements. Moreover, some jurisdictions allow claimants to allege monetary damages that far exceed any reasonably possible verdict. The variability in pleading requirements and past experience demonstrates that the monetary and other relief that may be requested in a lawsuit or claim often bears little relevance to the merits or potential value of a claim. Litigation against the Company includes a variety of claims including negligence, breach of contract, fraud, violation of regulation or statute, breach of fiduciary duty, negligent misrepresentation, failure to supervise, elder abuse and other torts.

As with other financial services companies, the Company periodically receives informal and formal requests for information from various state and federal governmental agencies and self-regulatory organizations in connection with inquiries and investigations of the products and practices of the Company or the financial services industry. It is the practice of the Company to cooperate fully in these matters. Regulatory investigations, exams, inquiries and audits could result in regulatory action against the Company. The potential outcome of such action is difficult to predict but could subject the Company to adverse consequences, including, but not limited to, settlement payments, additional payments to beneficiaries and additional escheatment of funds deemed

abandoned under state laws. They may also result in fines and penalties and changes to the Company's procedures for the identification and escheatment of abandoned property or the correction of processing errors and other financial liability.

The outcome of a litigation or regulatory matter is difficult to predict and the amount or range of potential losses associated with these or other loss contingencies requires significant management judgment. It is not possible to predict the ultimate outcome or to provide reasonably possible losses or ranges of losses for all pending regulatory matters, litigation and other loss contingencies. While it is possible that an adverse outcome in certain cases could have a material adverse effect upon the Company's financial position, based on information currently known, management believes that neither the outcome of pending litigation and regulatory matters, nor potential liabilities associated with other loss contingencies, are likely to have such an effect. However, given the large and indeterminate amounts sought in certain litigation and the inherent unpredictability of all such matters, it is possible that an adverse outcome in certain of the Company's litigation or regulatory matters, or liabilities arising from other loss contingencies, could, from time to time, have a material adverse effect upon the Company's results of operations or cash flows in a particular quarterly or annual period.

For some matters, the Company is able to estimate a possible range of loss. For such matters in which a loss is probable, an accrual has been made. For matters where the Company, however, believes a loss is reasonably possible, but not probable, no accrual is required. For matters for which an accrual has been made, but there remains a reasonably possible range of loss in excess of the amounts accrued or for matters where no accrual is required, the Company develops an estimate of the unaccrued amounts of the reasonably possible range of losses. As of December 31, 2017, the Company estimates the aggregate range of reasonably possible losses, in excess of any amounts accrued for these matters as of such date, is not material to the Company.

For other matters, the Company is currently not able to estimate the reasonably possible loss or range of loss. The Company is often unable to estimate the possible loss or range of loss until developments in such matters have provided sufficient information to support an assessment of the range of possible loss, such as quantification of a damage demand from plaintiffs, discovery from plaintiffs and other parties, investigation of factual allegations, rulings by a court on motions or appeals, analysis by experts and the progress of settlement discussions. On a quarterly and annual basis, the Company reviews relevant information with respect to litigation and regulatory contingencies and updates the Company's accruals, disclosures and reasonably possible losses or ranges of loss based on such reviews.

Litigation includes Dezelan v. Voya Retirement Insurance and Annuity Company (USDC District of Connecticut, No. 3:16-cv-1251) (filed July 26, 2016), a putative class action in which plaintiff, a participant in a 403(b) Plan, seeks to represent a class of plans whose assets are invested in VRIAC "Group Annuity Contract Stable Value Funds." Plaintiff alleges that VRIAC has violated the Employee Retirement Income Security Act of 1974 by charging unreasonable fees and setting its own compensation in connection with stable value products. Plaintiff seeks declaratory and injunctive relief, disgorgement of profits, damages and attorney's fees. The Company denies the allegations, which it believes are without merit, and intends to defend the case vigorously. On July 19, 2017, the district court granted the Company's motion to dismiss, but permitted the plaintiff to file an amended complaint. The plaintiff has filed a first amended complaint, and the Company has moved to dismiss that complaint.

Litigation also includes Goetz v. Voya Financial and Voya Retirement Insurance and Annuity Company (USDC District of Delaware, No. 1:17-cv-1289) (filed September 8, 2017), a putative class action in which plaintiff, a participant in a 401(k) plan, seeks to represent other participants in the plan as well as a class of similarly situated plans that "contract with [Voya] for recordkeeping and other services." Plaintiff alleges that "Voya" breached its fiduciary duty to the plan and other plan participants by charging unreasonable and excessive recordkeeping fees, and that "Voya" distributed materially false and misleading 404a-5 administrative and fund fee disclosures to conceal its excessive fees. The Company denies the allegations, which it believes are without merit, and intends to defend the case vigorously.

## 14. Related Party Transactions

***Operating Agreements***

VRIAC has certain agreements whereby it generates revenues and incurs expenses with affiliated entities. The agreements are as follows:

- Investment Advisory agreement with Voya Investment Management LLC ("VIM"), an affiliate, in which VIM provides asset management, administrative and accounting services for VRIAC's general account. VRIAC incurs a fee, which is paid quarterly, based on the value of the assets under management. For the years ended December 31, 2017, 2016 and 2015, expenses were incurred in the amounts of $64, $58 and $52, respectively.

- Services agreement with Voya Services Company for administrative, management, financial and information technology services, dated January 1, 2001 and amended effective January 1, 2002. For the years ended December 31, 2017, 2016 and 2015, expenses were incurred in the amounts of $263, $265 and $235, respectively.

- Amended and Restated Services agreement between VRIAC and its U.S. insurance company affiliates and other affiliates for administrative, management, financial and information technology services, dated as of April 1, 2015. For the years ended December 31, 2017, 2016 and 2015, expenses related to the agreement were incurred in the amount of $43, $45 and $27, respectively.

- Service agreement with Voya Institutional Plan Services, LLC ("VIPS") effective November 30, 2008 pursuant to which VIPS provides record-keeper services to certain benefit plan clients of VRIAC. For the years ended December 31, 2017, 2016 and 2015, VRIAC's net earnings related to the agreement were in the amount of $7, $5 and $8, respectively.

- Intercompany agreement with VIM pursuant to which VIM agreed, effective January 1, 2010, to pay the Company, on a monthly basis, a portion of the revenues VIM earns as investment adviser to certain U.S. registered investment companies that are investment options under certain of the Company's variable insurance products. In connection with the termination of the DSL agreement, as described below, the intercompany agreement with VIM was amended, effective May 1,2017. For the years ended December 31, 2017, 2016 and 2015, revenue under the VIM intercompany agreement was $55, $33 and $35, respectively.

- Variable annuity, fixed insurance and mutual fund products issued by VRIAC are sold by Voya Financial Advisors, an affiliate of VRIAC. For the years ended December 31, 2017, 2016 and 2015 commission expenses incurred by VRIAC were $77, $73 and $74, respectively.

Management and service contracts and all cost sharing arrangements with other affiliated companies are allocated in accordance with the Company's expense and cost allocation methods. Revenues and expenses recorded as a result of transactions and agreements with affiliates may not be the same as those incurred if the Company was not a wholly owned subsidiary of its Parent.

DSL has certain agreements whereby it generates revenues and expenses with affiliated entities, as follows:

- Underwriting and distribution agreements with Voya Insurance and Annuity Company ("VIAC") and ReliaStar Life Insurance Company of New York ("RLNY"), affiliated companies as well as VRIAC, whereby DSL serves as the principal underwriter for variable insurance products and provides wholesale distribution services for mutual fund custodial products. In addition, DSL is authorized to enter into agreements with broker-dealers to distribute the variable insurance products and appoint representatives of the broker-dealers as agents. For the years ended December 31, 2017, 2016 and 2015, commissions were collected in the amount of $170, $175 and $230, respectively. Such commissions are, in turn, paid to broker-dealers.

- Intercompany agreements with each of VIAC, VIPS, ReliaStar Life Insurance Company and Security Life of Denver Insurance Company (individually, the "Contracting Party") pursuant to which DSL agreed, effective January 1, 2010, to pay the Contracting Party, on a monthly basis, a portion of the revenues DSL earns as investment adviser to certain U.S. registered investment companies that are either investment option under certain variable insurance products of the

Contracting Party or are purchased for certain customers of the Contracting Party. On or about May 1, 2017, Voya Investments, LLC ("VIL") was appointed investment advisor for these certain additional U.S. registered investment companies previously managed by DSL, which in turn caused DSL and the Contracting Party to terminate separate revenue sharing intercompany agreements dated as of December 22, 2010 between DSL and the Contracting Party by which DSL had paid a portion of the revenue DSL earned as investment adviser. DSL continues to pay the Contracting Party the revenue DSL earns for other related services. For the years ended December 31, 2017, 2016 and 2015, expenses were incurred under these intercompany agreements in the amounts of $83, $123 and $207, respectively.

- Service agreement with RLNY whereby DSL receives managerial and supervisory services and incurs a fee. For the years ended December 31, 2017, 2016 and 2015, expenses were incurred under this service agreement in the amounts of $2, $3 and $3, respectively.

- Administrative and advisory services agreements with VIL and VIM, affiliated companies, in which DSL receives certain services for a fee. The fee for these services is calculated as a percentage of average assets of Voya Investors Trust. For the years ended December 31, 2017, 2016 and 2015, expenses were incurred in the amounts of $23, $70 and $68, respectively. See above where it is discussed that DSL no longer provides these advisory services, effective on May 1, 2017.

***Reinsurance Agreements***

The Company has entered into the following agreements that are accounted for under the deposit method with two of its affiliates. As of December 31, 2017 and 2016, the Company had deposit assets of $63 and $80, respectively, and deposit liabilities of $135 and $172, respectively, related to these agreements. Deposit assets and liabilities are included in Other assets and Other liabilities, respectively, on the Consolidated Balance Sheets.

Effective January 1, 2014, VRIAC entered into a coinsurance agreement with Langhorne I, LLC (“Langhorne”), an affiliated captive reinsurance company, to manage reserve and capital requirements in connection with a portion of its Stabilizer and Managed Custody Guarantee business.

Effective January 1, 2018, the Company recaptured its coinsurance agreement with Langhorne to manage the reserve and capital requirements in connection with a portion of its Stabilizer and Managed Custody Guarantee, which resulted in the Company recording a $74 pre-tax gain on recapture of reinsured business that will be reported in Operating expenses in the first quarter 2018 Consolidated Statement of Operations.

Effective December 31, 2012, the Company entered into an automatic reinsurance agreement with its affiliate, SLDI, to manage the reserve and capital requirements in connection with a portion of its deferred annuities business. Under the terms of the agreement, the Company reinsures to SLDI, on an indemnity reinsurance basis, a quota share of its liabilities on certain contracts. The quota share percentage with respect to the contracts that are delivered or issued for delivery in the State of New York is 90% and the quota share percentage with respect to the contracts that are delivered or issued for delivery outside of the State of New York is 100%.

***Investment Advisory and Other Fees***

DSL has been retained by Voya Investors Trust, an affiliate, pursuant to a management agreement to provide advisory, management, administrative and other services to Voya Investors Trust. Under the management agreement, DSL provides or arranges for the provision of all services necessary for the ordinary operations of Voya Investors Trust. DSL earns a monthly fee based on a percentage of average daily net assets of Voya Investors Trust. DSL has entered into an administrative services subcontract with VIL, an affiliate, pursuant to which VIL, provides certain management, administrative and other services to Voya Investors Trust and is compensated a portion of the fees received by DSL under the management agreement. In addition to being the investment advisor of the Trust, DSL is the investment advisor of Voya Partners, Inc., an affiliate. DSL and Voya Partners, Inc. have an investment advisory agreement, whereby DSL has overall responsibility to provide portfolio management services for Voya Partners, Inc. Voya Partners, Inc. pays DSL a monthly fee which is based on a percentage of average daily net assets. For the years ended December 31, 2017, 2016 and 2015, revenue received by DSL under these agreements (exclusive of fees paid to affiliates) was $179, $350 and $380, respectively. As of December 31, 2017 and 2016, DSL had $8 and $30, respectively, receivable from

Voya Investors Trust under the management agreement. See "Operating Agreements" section above where it is discussed that DSL no longer provide these advisory services, effective on May 1, 2017.

Additionally, VFP acts as a distributor of insurance products issued by its affiliates, which may in turn invest in mutual funds products issued by certain of its affiliates. For the years ended December 31, 2017, 2016 and 2015, distribution revenues received by VFP related to affiliated mutual fund products were $27, $25 and $26, respectively.

***Financing Agreements***

*Reciprocal Loan Agreement*

The Company maintains a reciprocal loan agreement with Voya Financial, an affiliate, to facilitate the handling of unanticipated short-term cash requirements that arise in the ordinary course of business. Under this agreement, which became effective in June 2001 and expires on April 1, 2021, either party can borrow from the other up to 3.0% of the Company's statutory admitted assets as of the preceding December 31. During the years ended December 31, 2017, 2016, and 2015, interest on any borrowing by either the Company or Voya Financial was charged at a rate based on the prevailing market rate for similar third-party borrowings for securities.

Under this agreement, the Company incurred immaterial interest expense for the years ended December 31, 2017, 2016 and 2015. The Company earned interest income of $1 for the years ended December 31, 2017 and 2015 and an immaterial amount for the year ended 2016. Interest expense and income are included in Operating expenses and Net investment income, respectively, in the Consolidated Statements of Operations. As of December 31, 2017 the Company has an outstanding receivable of $80 and no outstanding payable. As of December 31, 2016, the Company did not have any outstanding receivable/payable with Voya Financial under the reciprocal loan agreement.

*Note with Affiliate*

On December 29, 2004, VIAC issued a surplus note in the principal amount of $175 (the "Note") scheduled to mature on December 29, 2034, to VRIAC. The Note bears interest at a rate of 6.26% per year. Interest is scheduled to be paid semi-annually in arrears on June 29 and December 29 of each year, commencing on June 29, 2005. Interest income was $11 for each of the years ended December 31, 2017, 2016 and 2015. As part of the restructuring associated with the MTA, effective December 28, 2017 Voya Financial and Voya Holdings entered into an agreement with VIAC in order to provide a joint and several guarantee of its payment obligations as the issuer of the Note. Accordingly, on January 9, 2018, Kroll Bond Rating Agency assigned a rating of BBB+, outlook Stable to the Note.