

LIFESTAGESSM VARIABLE ANNUITY

ISSUED BY NEW YORK LIFE INSURANCE
AND ANNUITY CORPORATION
(A DELAWARE CORPORATION)

FUND FACTS
FOR THE QUARTER
ENDING 12/31/98

Time waits for no one



**LifeStagesSM
Annuities**

The Company You Keep[®]

Janus Aspen Series Worldwide Growth Portfolio

As of 12/31/98

GROWTH	GROWTH & INCOME	INCOME
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INVESTMENT OBJECTIVE

Seeks long-term growth of capital in a manner consistent with the preservation of capital by investing primarily in common stocks of foreign and domestic issuers.

CONSERVATIVE	MODERATE	AGGRESSIVE	VERY AGGRESSIVE
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INVESTOR PROFILE

- Investors seeking to add international stocks to a domestic portfolio.
- Investors seeking a portfolio that invests in both foreign and domestic companies, based on market conditions.

Before you invest...

Investments in foreign securities may be subject to greater risks than domestic investments. These risks include fluctuations of currencies, changes in U.S. or foreign tax or currency laws, and changes in monetary policies and economic and political conditions in foreign countries.

PORTFOLIO INFORMATION

Portfolio Manager:
Janus
Denver, Colorado

Janus was founded in 1969 by its current Chairman, Thomas Bailey. With assets under management currently over \$108 billion, Janus Capital acts as investment adviser to over 41 publicly traded mutual funds and also manages separate accounts for institutional investors. Individual security selection based on fundamental, proprietary research is the cornerstone of Janus' investment philosophy.

Portfolio Inception Date: 9/13/93
Investment Division Inception Date: 10/1/96
Total Net Assets: \$2,889.4 million

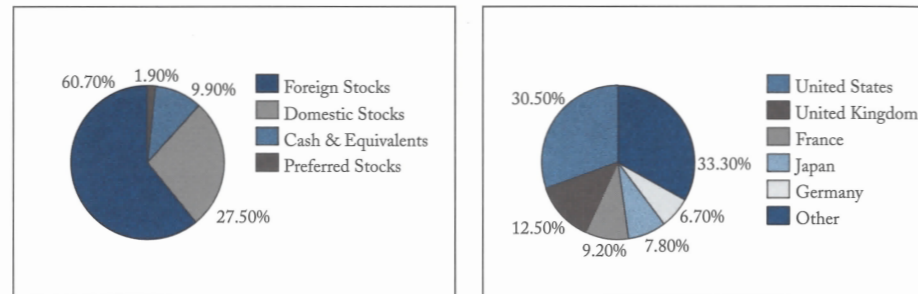
TOP TEN HOLDINGS

Cisco Systems, Inc.	4.90%
Tyco International, Ltd.	3.20%
Microsoft Corp.	2.70%
Mannesmann A.G.	2.70%
Time Warner, Inc.	2.30%
Nokia Oyj	2.20%
Tele-Communications, Inc.	2.10%
Rentokil Initial PLC	1.90%
NTT Mobile Communication Network, Inc.	1.90%
Telecom Italia S.P.A.	1.90%

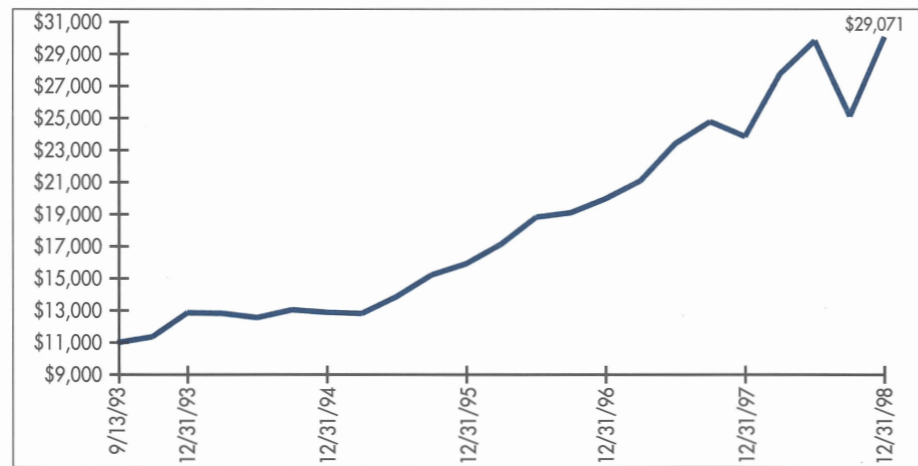
JANUS ASPEN SERIES WORLDWIDE GROWTH INVESTMENT DIVISION¹

	Average Annual Total Return (No Surrenders) ²	SEC Average Annual Total Return (If Surrendered) ³
1 year	27.16%	20.16%
5 years	19.64%	18.95%
10 years	N/A	N/A
Since Portfolio Inception	22.30%	21.74%
Since Investment Division Inception	22.74%	20.30%

PORTFOLIO COMPOSITION TOP COUNTRY HOLDINGS



GROWTH OF \$10,000 INVESTED IN THE JANUS ASPEN SERIES WORLDWIDE GROWTH INVESTMENT DIVISION¹



¹ Past performance is no guarantee of future results. The investment return and the accumulation value of a policy will fluctuate so that a contract, when surrendered, may be worth more or less than the original investment. For the period of the inception date of the Janus Aspen Series Worldwide Growth Portfolio until this Portfolio was added to the NYLLAC Variable Annuity Separate Account III on 10/1/96, performance assumes that LifeStagesSM Variable Annuity was available and that this Portfolio was offered under LifeStagesSM Variable Annuity, which it was not. Results include an annualized Separate Account Fee of 1.40% and show the percentage change for the period with capital gains and dividends reinvested. A policy fee, equal to the lesser of \$30 or 2% of the accumulation value of the policy, is not included in these charges, but will be deducted each year on the policy anniversary if the accumulation value is less than \$20,000. Janus Capital Corporation has agreed to reduce the "Advisory Fee" for the Janus Aspen Series Worldwide Growth Portfolio to the extent that such fee exceeds the effective rate of the Janus retail fund corresponding to such Portfolio. This agreement may be terminated upon 90 days' notice to the Janus Trustees. Had this expense not been reduced, the total returns would be lower.

² Assumes no deduction for contingent deferred sales charges.

³ The maximum contingent deferred sales charge for each premium payment is 7%, declining to 0% by the 7th year after a premium payment. These results deduct the applicable contingent deferred sales charge for the periods shown. Withdrawals may be taxable transactions, and prior to age 59 1/2, may be subject to a 10% IRS penalty.

Lord Abnett Developing Growth Portfolio¹

As of 12/31/98

GROWTH	GROWTH & INCOME	INCOME
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INVESTMENT OBJECTIVE

Seeks long-term growth of capital through a diversified and actively-managed portfolio consisting of developing growth companies, many of which are traded over the counter.

CONSERVATIVE	MODERATE	AGGRESSIVE	VERY AGGRESSIVE
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INVESTOR PROFILE

- Investors seeking growth who are comfortable with the higher risks involved in smaller company stocks.

PORTFOLIO INFORMATION

Portfolio Manager:
Lord, Abnett & Co.
New York, New York

Lord, Abnett & Co. was founded in 1929, and was one of the nation's first mutual fund managers. Currently, the firm has over \$27 billion in assets. Lord Abnett's clients include large corporate pension plans, state and local governments, insurance companies, mutual funds and high net-worth individuals. The firm has managed small-cap portfolios since 1973.

Portfolio Inception Date: 5/1/98
Investment Division Inception Date: 5/1/98
Total Net Assets: \$15.9 million

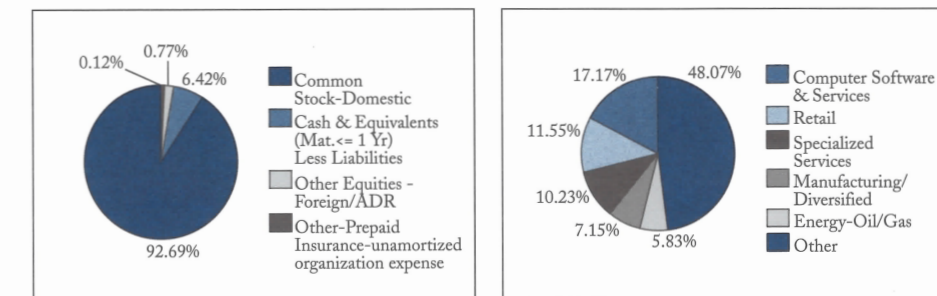
TOP TEN EQUITY HOLDINGS

Plantronics, Inc.	4.50%
Orbital Sciences Corp.	4.43%
Kroll-O'Gara Co.	3.06%
Tarrant Apparel Group	2.51%
IMR Global Corp.	1.84%
Express Scripts, Inc. Class A	1.61%
Ames Department Stores, Inc.	1.53%
Security First Technologies Corp.	1.50%
Championship Auto Racing Teams, Inc.	1.49%
Hooper Holmes, Inc.	1.39%

LORD ABETT DEVELOPING GROWTH INVESTMENT DIVISION

	Average Annual Total Return (No Surrenders)	SEC Average Annual Total Return (If Surrendered)
1 year		
5 years		
10 years		
Since Portfolio Inception	Due to the portfolio's recent inception, performance reporting will not commence until 6/30/99.	
Since Investment Division Inception		

PORTFOLIO COMPOSITION TOP INDUSTRY HOLDINGS



GROWTH OF \$10,000 INVESTED IN THE MAINSTAY VP LORD ABETT DEVELOPING GROWTH INVESTMENT DIVISION

Due to the portfolio's recent inception, performance reporting will not commence until 6/30/99.

¹ The Lord Abnett Developing Growth Portfolio is a Portfolio of the MainStay VP Series Fund, Inc.. Lord, Abnett & Co. serves as the sub-advisor to this portfolio.