

Frequently Asked Questions for Consumers

March 2, 2009 2:00 p.m. CST

**American
General**
Life Companies

Q. AIG announced fourth-quarter results and a restructuring of its organization. What can you tell me about this?

A. On March 2, American International Group, Inc. (AIG) announced fourth quarter and year-end 2008 results, as well as a broad set of actions that will reduce the debt AIG owes the government, strengthen AIG's capital base, and allow AIG time to benefit from future improvements in market and industry conditions. These actions include an overhaul of the government loan, which eases terms, as well as a restructuring of the organization. The plan provides access to additional financial backstops should market conditions persist, deteriorate or should the company seek to undertake certain types of divestiture or recapitalization activities. AIG's liquidity needs have been significantly stabilized since last November and they are not drawing upon these backstop facilities at this time.

These announcements by no means end AIG's financial difficulties, however, they afford the company more time to sell assets in order to repay the loan, and hopefully in a better economic environment. For more information, the full press releases are available at www.aig.com.

Q. What does the AIG restructuring mean to American General Life Companies?

A. American General Life Companies (American General) now has the time and flexibility to wait for market conditions to improve and to explore all options available to the business. What will not change is our commitment to our policy holders. Strict regulations ensure that our insurance companies set aside sufficient assets to back up each insurance policy, and these companies remain strong and well capitalized. Policy holders will be fully protected throughout the restructuring process.

Q. What can you tell me about the announcement that AIG will securitize part of the domestic life companies' policies?

A. AIG announced that it will reduce the debt it owes the government, in part, by securitizing a defined block of in-force life insurance policies underwritten by its domestic life companies. This means that AIG will issue senior certificates to the U.S. government, which will in turn sell these certificates when market conditions stabilize or continue to collect the cash flows from the underlying policies.

This securitization program will in no way affect the day-to-day operations of any of our insurance companies and does not prevent the future sale of American General's businesses. We will continue to write new business, administer policies and serve our customers and distribution partners. Our obligations to policy and annuity owners will not change, and our member insurers remain strong and well capitalized.

Q. Is my policy safe?

A. Yes. Our insurance companies remain strong and well-capitalized. We have ample reserves and capital to meet our long-term obligations to policy holders. We continue to operate normally, serving our clients with professionalism and integrity.

Q. Can you tell me more about how policies are protected?

A. Insurance is a highly regulated industry. All insurance companies doing business in the United States are regulated by state law, and required to maintain enough capital and surplus to satisfy their obligations to their policy holders. The type and quantity of investments in which insurance companies may invest surplus capital is also limited by state law.

Although various companies owned by American International Group, Inc. (AIG) are part of a larger insurance holding company system — including American General Life Companies insurers — each company is individually responsible for the liabilities associated with the business that it sells. In addition, each insurer is individually regulated by its state of domicile for compliance and financial solvency independent of its parent or affiliates. This includes ongoing financial reporting to the regulator and undergoing periodic financial examination.

In accordance with state insurance requirements and investment guidelines, an insurer's general account is primarily invested in high-quality investment grade fixed income securities (bonds). The investment objective of the general account is to optimize yield, adjusting for credit risk, liquidity and liability characteristics.

State insurance regulations are substantial and are designed to preserve and enhance the solvency of each insurer's general account and to assure that the contractual obligations to its policy holders are fulfilled. These regulations, along with the conservative investment requirements, help to safeguard policy holders.

It is important to note that the guarantees related to individual American General Life Companies insurers' life policies and annuity contracts are backed by the general account of the respective issuing companies. These general accounts support only the obligations of American General Life Companies insurers and are not obligated to support any other AIG businesses. If you would like to see what the state insurance regulators and the National Association of Insurance Commissioners have to say on this matter, please go to the Answer Center on www.americangeneral.com.

Q. What are your current ratings?

A. The table on this page provides ratings of the American General Life Companies as of March 2, 2009. For more detailed information, please visit the individual rating agency Web sites.

Q. What do ratings mean?

A. Independent ratings agencies, such as A.M. Best and Standard & Poor's, provide opinions on an organization's ability to meet its financial obligations to its policy holders, creditors and shareholders. Generally there are two components to ratings – a credit rating and a financial strength rating. Credit ratings, or long-term debt ratings, are an evaluation by the ratings agencies of the creditworthiness of an organization and its ability to pay its short- and long-term debt. Financial strength ratings are an evaluation by the ratings agencies of an insurer's ability to meet its obligations to its policy holders.

Q. Someone has approached me about surrendering my American General Life Companies insurance policy or annuity contract. What should I do?

A. Be sure to have all the facts before making a decision about your insurance policy or annuity contract. Here are a few reasons why keeping your current policy or contract is likely the best choice for you:

- If you cancel your policy or contract, you may subject yourself to surrender charges that could diminish its cash value.
- If your health has changed since you bought your current insurance policy, a new policy could cost you more ... or you may even be turned down for a new policy.
- If you are older now than when you purchased your current policy, your premiums will likely be higher.

Domestic Life Insurance Companies' Financial Strength Ratings as of March 2, 2009

Agency	Rating	Descriptor	Definition
Standard & Poor's ¹	A+	Strong	"An insurer rated 'A' has STRONG financial security characteristics, but is somewhat more likely to be affected by adverse business conditions than are insurers with higher ratings."
Moody's Investors Service ²	A1	Good	"Insurance companies rated 'A' offer good financial security. However, elements may be present, which suggest a susceptibility to impairment some time in the future."
Fitch Ratings ³	AA-	Very Strong	"Denote a very low expectation of ceased or interrupted payments. They indicate VERY STRONG capacity to meet policyholder and contract obligations on a timely basis. This capacity is not significantly vulnerable to foreseeable events."
A.M. Best Company ⁴	A	Excellent	"Assigned to companies that have, in our opinion, an EXCELLENT ability to meet their ongoing insurance obligations."

¹ Negative outlook, ² Developing outlook, ³ Rating watch evolving, ⁴ Negative outlook

For more detailed information on specific insurer ratings visit www.americangeneral.com/ratings.

Q. Would the sale of one or more of the insurers of American General Life Companies impact policy holders?

A. No. The insurance policies written by one of our insurers are the direct obligations of that underwriting company – not AIG or any prospective buyer. The sale of an insurer does not change its obligations to its policy holders. Our commitment to customer service remains the same, and we continue to strive to exceed your expectations in everything we do. Our customer service centers are available to assist you with questions or policy maintenance issues.

American General Life Companies, www.americangeneral.com, is the marketing name for the insurance companies and affiliates comprising the domestic life operations of American International Group, Inc. (AIG). Information regarding AIG or American General Life Companies presented in this brochure is for informational purposes only and represents combined statistical information of the member companies of AIG or American General Life Companies. Neither AIG nor American General Life Companies underwrites any insurance policy described within this brochure. **The licensed insurance company underwriting the product is solely responsible for its own financial condition and its contractual obligations.**

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