

Frequently Asked Questions for Producers and CSRs

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**American
General**
Life Companies

We know your clients have questions. We are providing you with this frequently asked questions document to help you provide answers and reassurance.

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AIG's second-quarter results

Q. AIG announced second-quarter results. What can you tell me about this?

A. On August 7, 2009, AIG reported its first quarterly profit since the third quarter of 2007, as certain of its businesses stabilized and the company's results reflected positive valuation changes. For the second quarter ended June 30, 2009, AIG reported net income attributable to AIG of \$1.8 billion.

American General Life Companies' results are consolidated in AIG's Domestic Life & Retirement Services financial statements. Domestic Life & Retirement Services second quarter 2009 operating income of \$457 million showed marked improvement over both the first quarter of 2009 and the second quarter of 2008, as realized capital losses subsided, equity markets improved over the prior quarter, and mortality experience in the life insurance business was favorable.

For more information on AIG's second-quarter 2009 results, please visit AIG's newsroom at www.aig.com.

Streamlining American General's operations

Q. I heard that American General Life Companies (American General) is reducing its workforce and streamlining operations. Why is American General taking these actions?

A. Over the past eight to twelve months, our industry — and American General in particular — has experienced unprecedented challenges. That's why we are taking decisive action now. We are streamlining operations and reducing our workforce to become a smaller, nimbler, more competitive organization that is better able to respond to your insurance and annuity needs.

Q. Will service be interrupted or impacted?

A. We will continue to operate normally throughout the transition, serving our clients with professionalism and integrity.

Q. Why didn't American General take these actions sooner?

A. In the latter half of 2008, we believed we were readying ourselves for divestiture from our parent company, American International Group, Inc., and were reluctant to take major steps to restructure the organization. However, when poor market conditions made it clear that we would not meet that goal in the near-term, we adjusted our strategy.

Q. What is American General's strategy going forward?

A. We are laying the foundation for a smaller, nimbler, more competitive organization that will fully leverage our core strengths. More detailed information about our future strategy and how we plan to execute it will be available over the next several weeks.

Policy safety

Q. Is my policy safe?

A. Yes. Our insurance companies have ample reserves and capital to meet our long-term obligations to policy holders.

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 AIG are part of a larger insurance holding company system — including American General 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 the general account and to assure that the contractual obligations to our 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 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 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. If I have a claim, will you be able to pay it?

A. Yes, our insurance companies are able to pay all valid claims. Our insurance companies have sufficient reserves and are well-capitalized.

Q. Someone has approached me about surrendering my 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.

Q. Should I pay the insurance premium bill I just received from your company?

A. Yes, in order for your coverage with us to continue, you will need to pay the insurance premiums. Failure to pay your premiums can result in the termination of your insurance policy.

AIG's restructuring

Q. AIG announced a restructuring of its organization on March 2, 2009. What can you tell me about this?

A. On March 2, 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.

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, visit www.aig.com.

Q. What can you tell me about the announcement that AIG will securitize part of the American General Life Companies' policies?

A. The structure and specific details of any securitization have not yet been determined, but any securitization would be seamless to policy owners. Our obligations to policy and annuity owners would not change and we would continue to administer policies and contracts and serve our customers. It is also important to note that any securitization program must be approved by the state insurance departments that regulate our insurance companies. The safety and security of the policy holders are a primary concern of the insurance departments.

Q. What is AIG's current stock price?

A. You can find AIG's current stock price on the main page of www.aig.com.

Asset sales

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

A. No. The insurance policies written by an American General member insurance company 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.

Q. Why has your logo changed from "AIG American General" to "American General Life Companies"?

A. Going forward, we are using the name we built our reputation on — American General Life Companies. This interim brand represents the reasons you chose American General in the first place, and the reasons we are still the right choice today.

As we look toward the future, we are working harder than ever to earn and keep your business. And we continue to offer the same commitment to quality service and innovative products that we have for the past 150 years.

Financial Strength Ratings for American General Member Insurers as of May 15, 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	A-	Strong	"Denotes a low expectation of ceased or interrupted payments. Indicates STRONG capacity to meet policyholder and contract obligations on a timely basis. This capacity may, nonetheless, be more vulnerable to changes in circumstances or in economic conditions than is the case for higher ratings."
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 Evolving rating outlook, ⁴ Negative outlook

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

Ratings

Q. What are your current ratings?

A. The table on this page provides ratings of the American General member insurance companies as of May 15, 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.

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