

# American General Life Companies One Year Later

**American  
General**  
Life Companies

It is the challenges in life that provide us with the opportunity to prove what we can really do and who we really are. Over the past year — despite weathering the perfect storm of a global financial crisis and difficult press coverage — the member insurers of American General Life Companies (American General) have improved their capital position, strengthened their core competencies in service, and continued to bring you innovative products.

**American General insurers have been keeping promises to American families and businesses for more than 150 years.**

There is no question that this past year was difficult. But solid, experienced companies weather cyclical patterns in the market. It's easy to be great when there is no adversity. But the companies you want to do business with are those that stand the test of time.

Now — more than ever before — the experience, expertise and claims-paying history we offer to our **6.2 million customers** provides peace of mind during this period of financial uncertainty.<sup>1</sup>

**Over the past five years alone, member insurers of American General have collectively paid out over \$29 billion in claims and benefits to customers and businesses.<sup>1</sup>**

Throughout the adversity of the last 12 months, we have stayed focused on what really matters — serving and caring for our customers.

**Selected Financial Information** *as of June 30, 2009*

<i>(in thousands)</i>	American General Life Insurance Company <sup>3</sup>	The United States Life Insurance Company in the City of New York <sup>3</sup>	AIG Life Insurance Company <sup>3</sup>	American International Life Assurance Company of New York <sup>3</sup>
<b>Total Admitted Assets</b>	\$38,495,586	\$5,247,157	\$9,336,513	\$6,478,405
<b>Total Liabilities including Separate Accounts</b>	\$32,906,426	\$4,951,864	\$8,889,610	\$6,113,441
<b>Separate Accounts</b>	\$2,141,351	\$2,077	\$2,120,693	\$77,438
<b>Total Adjusted Capital</b>	\$5,900,540	\$310,704	\$510,184	\$442,207
<b>Total Income</b>	\$2,329,950	\$449,396	\$366,869	\$271,134
<b>Premium and Annuity Considerations</b>	\$869,917	\$260,393	\$88,308	\$74,645
<b>Earnings Before Dividends and Taxes</b>	\$170,902	\$64,310	\$64,334	\$33,300
<b>Net Operating Earnings</b>	\$158,487	\$51,652	\$40,846	\$19,617

**Investments**

With respect to American General insurers' investment portfolios, as of June 30, 2009<sup>2</sup>:

- We have **substantial liquidity**, with cash and short-term investments of \$3.3 billion.
- Approximately **97% of our invested assets are in fixed income or cash.**
- Our fixed income investments are well-diversified **with 92% rated investment grade.**

**For more than 150 years, we've been there when you need us most.**

**We continue to offer one of the largest and most innovative product portfolios in the industry.**

From life and health insurance protection to wealth accumulation and wealth transfer, the products offered by American General insurers include a full line of fixed and variable life insurance, annuities, and accident and health products.<sup>4</sup>

**■ The #1 provider of term life insurance in the United States in 2008<sup>5</sup>**

- First to market with customizable term coverage with or without return of premium.
- First to market with index universal life products using global indices.
- Innovator of accident and health insurance products that offer living benefits payable to the policy owner.
- Innovator of fixed, index and income annuities for retirement needs.

For more information on our products, go to [www.americangeneral.com](http://www.americangeneral.com).

**Service**

Service to our customers is one of our core competencies. We design our service from the outside-in, with technology and service centers designed to exceed your expectations. In addition, our customer feedback program alerts us to service issues in real-time and allows us the opportunity to make continuous enhancements to your service experience.

**Bottom Line**

**We are solid, we are experienced, and we are here to stay.** You can be confident that no one will work harder to help you protect your family and your dreams.

**Financial Strength Ratings**

Financial strength ratings are an evaluation by independent ratings agencies of an insurer’s ability to meet its obligations to policy holders. The most prominent ratings agencies continue to recognize our companies in terms of financial strength.

American General Life Companies Financial Strength Ratings <i>as of September 18, 2009</i>				
Agency	Rating	Rankings within possible rating categories <sup>5</sup>	Descriptor	Definition
Standard & Poor’s <sup>1</sup>	A+	5th of 21	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 <sup>2</sup>	A1	5th of 21	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 <sup>3</sup>	A-	7th of 21	Strong	“Denote a low expectation of ceased or interrupted payments. They indicate STRONG capacity to meet policyholder and contract obligations. 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 <sup>4</sup>	A	3rd of 16	Excellent	“Assigned to companies that have, in our opinion, an EXCELLENT ability to meet their ongoing insurance obligations.”

<sup>1</sup> Negative outlook <sup>2</sup> Developing outlook <sup>3</sup> Evolving outlook <sup>4</sup> Negative outlook

<sup>5</sup> The Insurance Forum, Vol. 35, No. 9, Sept. 2008

For more detailed information on specific insurer ratings visit [www.americangeneral.com/ratings](http://www.americangeneral.com/ratings).

**Understanding financial strength ratings**

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.

**American General Life Companies**

<sup>1</sup> Composite numbers derived from the annual statements for the year ended 12/31/2008 for American General Life Insurance Company (AGL), The United States Life Insurance Company in the City of New York (USL), AIG Life Insurance Company (AIG Life), American International Life Assurance Company of New York (AI Life), as of June 30, 2009. <sup>2</sup> Composite numbers derived from Statutory Quarterly Statements for AGL, USL, AIG Life, AI Life, as of June 30, 2009. <sup>3</sup> Numbers derived from Statutory Quarterly Statements for AGL, USL, AIG Life, and AI Life, as of June 30, 2009. <sup>4</sup> Variable products issued by AGL, USL, AIG Life, and AI Life are distributed by American General Equity Services Corporation, member FINRA. <sup>5</sup> 4Q08 LIMRA Sales Survey

American General Life Companies, [www.americangeneral.com](http://www.americangeneral.com), is the marketing name for the insurance companies and affiliates comprising the domestic life operations of American International Group, Inc. Information presented in this brochure represents combined statistical information of the member insurers of American General Life Companies. American General Life Companies does not underwrite any insurance policy described within this brochure. **The licensed insurance company underwriting the product is responsible for its own financial condition and contractual obligations. AGL and AIG Life are not licensed to do business in the state of New York.**