

Highlights

On September 16, American International Group, Inc.'s (AIG's) Board of Directors approved a transaction with the Federal Reserve Bank of New York to provide a 24-month liquidity facility to AIG in the amount of \$85 billion. Access to this facility will allow the parent company, AIG, to address its immediate liquidity needs, which is clearly a positive development for policyholders, brokers, employees and shareholders.

In connection with this transaction, the Federal government will receive a 79.9 percent equity interest in AIG.

AIG Chairman and Chief Executive Officer, Robert Willumstad, has resigned his position with AIG. Edward M. Liddy, former Chairman of the Allstate Corporation, has been named AIG's new Chief Executive Officer.

Although the New York and Pennsylvania insurance departments were prepared to allow AIG to exchange certain liquid investment holdings of the insurance companies for high-valued, less liquid holdings of the parent company, this transaction was not necessary. The regulators' consideration of this option demonstrates their confidence in the financial strength of AIG's insurance subsidiaries.

The federal government's willingness to act highlights AIG's critical role in the global financial markets.

Here are some additional facts that you should know:

1. For AIG's key life insurance subsidiaries, including American General Life Insurance Company, The United States Life Insurance Company in the City of New York, AIG Life Insurance Company and American International Life Assurance Company of New York, it is important to remember that:
 - These companies are well capitalized with a combined adjusted statutory surplus of \$7.2 billion and invested assets of \$53 billion as of 6/30/08;
 - The adjusted statutory surplus has grown by \$300 million since 2005;
 - In 2007, the companies paid a total of \$6.4 billion of claims and surrender benefits.
2. The insurance policies written by the life insurance subsidiaries referenced above are direct obligations of those companies. These companies are heavily regulated by state insurance departments, well capitalized, meet or exceed state regulatory capital requirements, and these life insurance subsidiaries continue to operate in the normal course to meet their obligations to policyholders.
3. In a 9/17/08 news release, National Association of Insurance Commissioners' President Sandy Praeger said "The (AIG's) insurance subsidiaries are solvent and able to pay their obligations."

Asset Safeguards

American General Life Insurance Company underwrites, issues and guarantees our annuity products. American General Life Insurance Company is financially strong with \$5.8 billion in adjusted capital and surplus as of 6/30/08. This financial strength means that American General Life Insurance Company is able to meet its obligations (such as the fixed annuity contracts). As is mandated by state insurance regulations, American General Life Insurance Company's capital and surplus is completely separate from our ultimate parent, AIG and AIG can not take any capital, surplus or other asset from American General Life Insurance Company without the state insurance department approving that transaction.

American General Life Insurance Company client assets in guaranteed fixed annuities are protected by Texas state insurance regulations. Fixed annuities provide minimum surrender values and a guarantee that principal will not be lost due to market risk. This guarantee is backed by the claims-paying ability of American General Life Insurance Company, which supports only the obligations of American General Life Insurance Company, not any obligations of AIG.

Safety and Guarantee of Fixed Annuities

1. A fixed annuity issued by American General Life Insurance Company is protected and safe because American General Life Insurance Company is a strong insurance company. American General Life Insurance Company guarantees the principal paid into any of their fixed annuity products, less any applicable surrender charges, and also guarantees that interest will be paid periodically.
2. The annuity contract is governed and protected by state insurance regulations, as described below. The fixed annuities are part of American General Life's Insurance Company's general account.

In accordance with the state requirements and the investment guidelines, American General Life Insurance Company'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.

3. American General Life Insurance Company's financial strength ratings are shown in the table below. These ratings are assigned by ratings agencies following an in-depth review of company financials. Financial strength is important—Your clients want the company that stands behind the insurance guarantees in an annuity to be there when they need it—when they're ready to take income or when their heirs need the funds that are due to them. Our ratings are competitive with those of our competitors. Please note that the financial ratings apply to fixed annuity products.

American General Life: Financial Strength Ratings			as of 9/16/2008
Agency	Rating	Descriptor	Definition
A.M. Best	A	Excellent ¹	“Assigned to companies that have, in our opinion, an excellent ability to meet their ongoing insurance obligations.”
Fitch	AA-	Very Strong ²	“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.”
Moody’s	Aa3	Excellent ³	“Insurance companies rated Aa offer excellent financial security. Together with the Aaa group, they constitute what are generally known as high-grade companies.”
S&P	A	Strong ⁴	“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.”

¹ Under review with negative implications
² Rating watch "evolving"
³ On review for possible further downgrade
⁴ Credit Watch developing

Detailed ratings information can be found at www.aigag.com/ratings.

AIG American General, www.aigag.com, is the marketing name for the insurance companies comprising the domestic life operations of American International Group, Inc., including American General Life Insurance Company and The United States Life Insurance Company in the City of New York. Annuity contracts are issued by American General Life insurance Company.

AIG American General-branded companies offer a broad spectrum of fixed and variable life insurance, annuities and accident and health products to serve the financial and estate planning needs of its customers throughout the United States.