



October 1, 2008

Dear Valued Policyholder:

The recent news about American International Group, Inc. (AIG) has undoubtedly created concern in your mind about how these events impact your life insurance policy with American General Life Insurance Company (American General Life). This letter and the enclosed document are being sent to help ease your worries about our company and the safety of your policy.

On September 16, 2008, the Federal Reserve Bank agreed to provide AIG with a two-year secured revolving credit facility for \$85 billion to help the company with its short-term liquidity needs. In connection with this transaction, the federal government will receive a 79.9 percent equity interest in AIG. The federal government's willingness to act highlights AIG's critical role in the global financial markets and is an enormous vote of confidence in the viability of our business.

In addition, we have received some powerful third-party opinions on the state of our business I'd like to share with you:

"I believe that the policies were always safe. There was always core solvency of the insurance companies and they are now even more enhanced because no one has to worry about any kind of withdrawals or run on the insurance companies."

*Eric Dinallo
Superintendent, New York State Insurance Department
CNBC, 9/17/08*

"We have a very strong message for consumers: If you have a policy with an AIG insurance company, they are solvent and have the capability to pay claims."

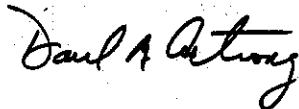
*Sandy Praeger
President, National Association of Insurance Commissioners
9/16/08 News Release*

American General Life has always maintained strong capital and reserve positions to meet policyholder obligations. The insurance policies written by American General Life are its direct obligations, not those of the parent or holding company, AIG. All insurance companies are closely regulated by state insurance departments and primarily by their state of domicile. American General Life is a Texas domiciled company. American General Life is well capitalized to meet its obligations, and further, maintains investment grade ratings from the major rating agencies that monitor and measure the insurance industry.

When you bought life insurance, you made a promise to family members. American General Life will honor the promise it made to you when you trusted us to insure your life. Your universal life policy is valuable in that it provides permanent life insurance coverage along with cash accumulation and loan features. The recent developments with AIG have not altered these policy features. If your health status has changed, your ability to qualify for comparable coverage at comparable rates may be diminished. If someone approaches you about surrendering your policy, please be sure you have all the facts before making a decision.

Please rest assured that the trust you have placed in American General Life is our deepest commitment. Policyowners like you are our most valuable asset and we will continue to serve you with pride, professionalism and integrity.

Yours very truly,



David R. Armstrong
President and CEO
AIG Benefit Solutions

American General Life Companies, LLC
AIG Employee Benefit Solutions®

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*This company does not solicit business in New York.

At a Glance

American General Life Insurance Company



On September 16, 2008, the Federal Reserve Board, with the support of the Treasury, agreed to permit the NY Federal Reserve Bank to lend American International Group, Inc. (AIG) up to \$85 billion. The loan takes the form of a secured revolving credit facility, which AIG can draw from when needed over the next 24 months. AIG is the parent company of American General Life Insurance Company (American General Life).

The financial issues of our publicly-traded parent company do not affect our insurance companies' abilities to pay policyholders' claims. The underwriting units of AIG continue to remain strong.

Additional Points of Interest

- It is important to note that the guarantees related to individual American General Life policies and annuity contracts are backed by the general account of American General Life. This general account supports only the obligations of American General Life and is not obligated to support any other AIG businesses.
- As a holding company, AIG is a separate, federally regulated legal entity that is distinct and apart from its subsidiary insurers. The subsidiary insurers are governed by state laws designed to protect the interest of policyholders. State insurance regulators are committed to protecting the interest of policyholders and will work closely with AIG management and other regulators to fulfill this commitment.¹
- AIG will be permitted to draw up to \$85 billion when needed over the next 24 months. The secured revolving credit facility allows AIG to satisfy its short-term liquidity pressures while ensuring that its business units remain well capitalized and highly competitive. This facility will be available to meet the liquidity needs of AIG's securities lending program, in which American General Life participates.

"We have a very strong message for consumers: If you have a policy with an AIG insurance company, they are solvent and have the capability to pay claims."

National Association of Insurance Commissioners (NAIC) President Sandy Praeger

Key Facts About American General Life

(as of 6/30/2008)

- Has origins going back to 1926
- Nearly 3 million policies in force
- General account assets of \$36.8 billion and surplus of \$5.5 billion — significantly in excess of minimum regulatory requirements²
- Fixed income assets had an average credit rating of A-
- 93% of the fixed income portfolio are investment-grade quality
- American General Life's exposure to subprime assets is \$3.2 billion, the majority of which are rated AAA and AA
- American General Life maintains investment-grade financial strength ratings

American General Life Financial Strength Ratings as of September 17, 2008

Agency	Rating	Descriptor	Definition
Standard & Poor's ³	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 ⁴	Aa3	Excellent	"Insurance companies rated Aa offer excellent financial security. Together with the Aaa group, they constitute what are generally known as high-grade companies."
Fitch Ratings ⁵	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 ⁶	A	Excellent	"Assigned to companies that have, in our opinion, an excellent ability to meet their ongoing insurance obligations."

For more detailed information, visit www.aigag.com/ratings

AIG American General, www.aigag.com, is the marketing name for the insurance companies and affiliates of American International Group, Inc. (AIG), which comprise AIG's Domestic Life Insurance Operations. Neither AIG nor AIG American General underwrites any insurance policy described within this brochure. ¹ National Association of Insurance Commissioners (NAIC) News Release "Insurance Consumers Protected by Solvency Standards," September 16, 2008 ² Second Quarter 2008 Filing for AIG ³ Credit watch developing ⁴ On review for possible further downgrade ⁵ Rating watch evolving ⁶ Under review with negative implications