

# Safeguarding Policy Holders

Insurance is a highly regulated industry. All insurance companies doing business in the United States – including the member insurers of American General Life Companies (American General) – are regulated by state law, and required to maintain enough capital and surplus to satisfy their obligations to their policy holders. This includes ongoing financial reporting to state insurance departments, as well as undergoing periodic financial examinations by those departments.

The guarantees related to the life insurance policies and annuity contracts of each American General insurance company are backed by its general account, which is primarily invested in high-quality investment grade fixed income securities (bonds), in accordance with state insurance requirements and investment guidelines.

## Key Facts source: 2008 and 2009 statutory statements

### American General Life Insurance Company

- Founded in 1926
- 3.2 million policies in force
- Net-admitted assets of \$38.5 billion, liabilities of \$32.9 billion, and statutory capital and surplus of \$5.6 billion
- Average credit rating of fixed-income assets held in general account is A-
- 91.7% of the fixed-income portfolio is investment-grade quality

### The United States Life Insurance Company in the City of New York

- Founded in 1850
- 1.8 million policies in force
- Net-admitted assets of \$5.2 billion, liabilities of \$4.9 billion, and statutory capital and surplus of \$0.3 billion
- Average credit rating of fixed-income assets held in general account is A-
- 91.3% of the fixed-income portfolio is investment-grade quality

### AIG Life Insurance Company

- Founded in 1962
- 0.5 million policies in force
- Net-admitted assets of \$9.3 billion, liabilities of \$8.9 billion, and statutory capital and surplus of \$0.4 billion
- Average credit rating of fixed-income assets held in general account is A-
- 91.0% of the fixed-income portfolio is investment-grade quality

### American International Life Assurance Company of New York

- Founded in 1962
- 0.8 million policies in force
- Net-admitted assets of \$6.5 billion, liabilities of \$6.1 billion, and statutory capital and surplus of \$0.4 billion
- Average credit rating of fixed-income assets held in general account is A-
- 91.0% of the fixed-income portfolio is investment-grade quality

## About American General Life Companies

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., 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.

**American General**  
Life Companies

## 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.

**Financial Strength Ratings** for 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 (as of September 30, 2009)

Agency	Rating	Descriptor	Definition
Standard & Poor's <sup>1</sup>	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 <sup>2</sup>	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 <sup>3</sup>	A-	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	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

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

## Service. Commitment. People. Products.

These are the reasons the insurers of American General Life Companies are **the right choice for your financial future.**

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