

August 12, 2011

Dear Valued Distribution Partner:

Many of us are riveted to the recent news of volatility in the markets as well as Standard & Poor's downgrade of the U.S. government's credit rating. While these events are indeed unsettling, I am buoyed by the knowledge and conviction that American General is well positioned to continue our commitment to be your trusted partner, providing financial solutions that protect your clients from life's uncertainties.

On Thursday, August 4, our parent company, American International Group, Inc. (AIG) released its second-quarter 2011 earnings, reporting net income of \$1.8 billion and after-tax operating income of \$1.3 billion for the quarter, compared to a net loss of \$2.7 billion and after-tax operating income of \$793 million for the second quarter of 2010. In addition to producing significantly improved operating results, AIG also achieved a tremendous milestone during the quarter with an \$8.7 billion common stock offering – consisting of the issuance and sale of 100 million shares by AIG and the sale – at a profit – of 200 million shares by the US Treasury. Quoting AIG President and CEO Bob Benmosche from the 8/4/11 earnings release: “We are on the right path to demonstrate AIG’s long-term value as an investment-grade company independent of government support.” (Click [here](#) to view press release.)

At American General, our business is growing stronger every day as we continue to produce results for our clients and for the company. American General term and universal life sales increased 10% and 30% respectively in the first half of 2011 compared to the same period of 2010. In the second quarter, we enhanced our life product portfolio by refreshing our flagship term product, AG Select-a-Term, and launching AG Choice Index GUL.

We've demonstrated our financial strength and independence, and in the past quarter we also showed our commitment to research and innovation. Whether through our company communications or coverage on dozens of media outlets such as USA Today, CNBC, CNN and financial industry trade publications, you have undoubtedly heard about the “2011 Retirement Re-Set Study” conducted by American General as part of the SunAmerica Financial Group (SAFG), in conjunction with Harris Interactive and Dr. Ken Dychtwald's Age Wave.

The Retirement Re-Set Study is a follow up to the Re-Visioning Retirement Study SAFG and Age Wave conducted 10 years ago, which was the first comprehensive survey to look beyond basic financial and demographic issues to reveal the attitudes and expectations of retirees nationwide. With this study, we wanted to determine how the mindset, expectations and financial planning for retirement have changed, particularly since the financial crisis and recession.

According to the study, achieving financial peace of mind has replaced wealth accumulation as today's primary financial goal. Recent volatility in the capital markets further validates this finding as it is clear we continue to live in uncertain times. The study shows that many consumers have become disenchanted with a do-it-yourself approach to their financial planning, and this creates opportunity for distributors. Armed with American General's product portfolio, you have the ability to satisfy your clients' and prospective clients' need for financial solutions that protect what they value most.

We are using the findings of the Retirement Re-set Study to ensure we continue to provide you with the products and tools you need to help remind consumers of the fundamental role life insurance plays in financial, retirement and estate planning. In the coming weeks and months, we will be unveiling tools to help you share this information with your clients. In the meantime, you can learn more about this important new research by visiting www.retirementreset.com.

Along with the financial stability afforded by our strong capitalization and solid investment portfolio, it is our goal to continue to distinguish ourselves in this challenging marketplace with innovative products and a high level of service to you and your customers. As always, thank you for your support and partnership.

Sincerely,



Mary Jane Fortin
President and CEO
American General Life Companies