

Key Points of Interest:

AIG To Refocus As Worldwide Property and Casualty Company

SAVING : INVESTING : PLANNING

October 3, 2008

Background:

Earlier this morning AIG issued a press release describing its future plans, including the decision to explore divestiture opportunities for its businesses outside of AIG's core property and casualty insurance business. The purpose of such divestitures is to repay amounts owed under the \$85 billion loan agreement between AIG and the Federal Reserve Bank of New York.

One of the business units to be divested is AIG Retirement Services, which includes the AIG Retirement companies. AIG Retirement is the marketing name for the group of companies comprising AIG Retirement Advisors, Inc. (AIGRA); AIG Retirement Services Company (ARSCO); and The Variable Annuity Life Insurance Company (VALIC).

Why are the AIG Retirement Companies Being Sold?

- > Our parent company, AIG, recently received a credit line from the Federal Reserve Bank of New York to assist with their short-term liquidity issues. AIG is selling certain assets and subsidiaries in order to repay the loan.
- > AIG's goal is to emerge from this process as a smaller but more nimble company that is solidly profitable and has good long-term growth prospects.

Is My Account Safe?

- > AIG's intention to sell its retirement services businesses will have no effect on your account with VALIC.
- > There will be no disruption to the service we provide or impact on our ability to meet the contractual obligations of the fixed and variable retirement plan products and services we offer.
- > VALIC remains strong and well-capitalized. We are the same company we were a week ago, a month ago, a year ago.
- > VALIC is individually responsible for its liabilities associated with the products we sell, not any obligation of AIG. Our company exceeds the capital requirements required by the State Insurance Department of Texas, where the company is domiciled.
- > VALIC's broker/dealer and investment advisor subsidiary, AIGRA, exceeds the net capital requirements required by FINRA. Depending on your investment, your account with AIGRA is held directly with a mutual fund or insurance company or through a clearing broker, National Financial Services, Inc., a subsidiary of Fidelity Investments

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- > We would like to make clear that the financial issues of our parent company do not impact our ability to pay claims or provide you with superior value and service.
- > If you have a fixed or variable annuity, your contract was issued by VALIC. This will not change with a VALIC sale.
- > If you are invested in the group mutual fund retirement product, your account is held by a qualified financial custodian and the employer service provider contract is with a VALIC subsidiary, ARSCO. ARSCO is a transfer agent, registered with the SEC. This will not change with a VALIC sale.
- > Here is a brief overview of our past:
 - a. Founded in 1955 as The Variable Annuity Life Insurance Company of America, Inc., we enrolled the first public school district into a 403(b) retirement savings program in 1964.
 - b. We were the first to offer fixed and variable annuities with public funds in the 403(b) marketplace.
 - c. American General Corporation acquired a majority interest in VALIC in 1967 and created the retirement services division in 1998.
 - d. Shortly after American International Group, Inc. acquired American General Corporation and VALIC in 2001, we pioneered the use of independent third-party investment advice and automated portfolio management services under the SunAmerica advisory opinion from the U.S. Department of Labor.
- > Today, more than half a century after our founding, we are the #1 provider of retirement plans to the K-12 market and a market leader in the higher education and healthcare markets.
- > We proudly serve more than 26,000 employer groups and 1.8 million customers. Our tradition of excellence will continue regardless of new ownership.
- > We're approaching an exciting new chapter in our history. We look forward to delivering on our promises and maintaining your trust.

Committed to you

Our customers' trust is our most valuable asset

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1-800-448-2542

VISIT

your local financial advisor

Securities and investment advisory services are offered by AIG Retirement Advisors, Inc., member FINRA, SIPC and an SEC-registered investment advisor.

AIG Retirement is the marketing name for the group of companies comprising AIG Retirement Advisors, Inc.; AIG Retirement Services Company; and The Variable Annuity Life Insurance Company; each of which is a subsidiary of American International Group, Inc.

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 **AIG Retirement**