BACKGROUND: On Tuesday, September 16, the Federal Reserve Board authorized the Federal Reserve Bank of New York to lend up to $85 billion to AIG. The action addresses AIG’s liquidity issues and policyholder/client concerns.

1. The Board determined that “a disorderly failure of AIG could add to already significant levels of financial market fragility and lead to substantially higher borrowing costs, reduced household wealth, and materially weaker economic performance.”

2. Following a vote of AIG’s shareholders, which is expected to occur in the next 30-45 days, the U.S. Government will become a 79.9% shareholder of AIG.

3. The $85 billion line of credit extended to AIG by the U.S. Government will be secured by substantially all of AIG’s assets.

4. The loan to AIG has a 24-month term. AIG will be permitted to draw up to $85 billion in meeting its obligations as they come due. The company now has access to the line of credit.

5. The action taken by the U.S. Government allows AIG to satisfy its short-term liquidity pressures and to ensure that its business units remain well capitalized and highly competitive. The company can now continue to operate its businesses without interruption.

6. The loan to AIG is expected to be repaid from the proceeds of the sale of AIG’s assets.

7. It is important to note that AIG is not becoming a government entity and will continue as a publicly held company, with the U.S. Government as a majority shareholder.

8. AIG clients around the world can rest assured that AIG’s commitments will continue to be honored.

DOES THIS ANNOUNCEMENT IMPACT MY ACCOUNT WITH AIG RETIREMENT AND VALIC?

1. No. There will be no disruption to the service we provide or impact on our ability to meet the contractual obligations of the products and services we offer.

2. We are sharply focused on serving the retirement planning needs of our 1.8 million individual investors, who choose to invest in either fixed account or variable investment options within our retirement plan products.

3. We are proud to be among the industry’s most solid performers … a company that has earned the confidence and trust of millions of Americans.

4. VALIC underwrites, issues and guarantees our annuity products. VALIC is financially strong with $3.4 billion in adjusted capital and surplus as of 6/30/08. Adjusted capital and surplus means that VALIC is able to meet its obligations (such as the fixed account options and fixed annuity contracts). VALIC’s capital and surplus is completely separate from our ultimate parent, AIG.

5. FIXED ANNUITY: VALIC client assets in the guaranteed fixed investment options are protected by Texas state insurance regulations. The fixed options provide fixed rate earnings and a guarantee of principal. This guarantee is backed by the claims-paying ability of VALIC, which supports only the obligations of VALIC, not any obligations of AIG.
6. **VARIABLE ASSETS:** Client assets in the mutual funds or variable annuity account options are invested in mutual funds regulated by the SEC. A mutual fund’s assets are owned by its shareholders and managed by a professional portfolio manager; thus, such funds are not affected by business actions involving AIG or AIG Retirement.

   - Further, since VALIC is domiciled in the State of Texas, Texas state law requires insurance company separate accounts to be held apart from the rest of the company assets. Therefore, the variable annuity separate account assets in these mutual funds are held for the exclusive benefit of the clients and their beneficiaries. This insulation provides safety for each client, and ensures that the account is not subject to claims from any person or entity other than a contract owner, plan participant or beneficiary.

   - The mutual fund and variable account options change in value each business day. Retirement investments are long-term investments, and fluctuating values means that when redeemed, the investments can be worth more or less than its original cost. This also means that client investment returns depend on the performance of the individual investments the client selected and not on the performance of AIG, or any of the AIG Retirement companies.

7. VALIC’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—you want the company that stands behind the insurance guarantees in an annuity to be there when you need it—when you’re ready to take income or when your heirs need the funds that are due to them.

8. Our ratings are competitive with those of our competitors. Please note that the financial ratings apply to the guaranteed fixed account options and not to the variable account options (since clients choose the mutual funds for the variable account options).

<table>
<thead>
<tr>
<th>Agency</th>
<th>Rating</th>
<th>Descriptor</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>A.M. Best</td>
<td>A</td>
<td>Excellent</td>
<td>“Assigned to companies that have, in our opinion, an excellent ability to meet their ongoing insurance obligations.”</td>
</tr>
<tr>
<td>Fitch</td>
<td>AA-</td>
<td>Very Strong</td>
<td>“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.”</td>
</tr>
<tr>
<td>Moody's</td>
<td>Aa3</td>
<td>Excellent</td>
<td>“Insurance companies rated Aa offer excellent financial security. Together with the Aaa group, they constitute what are generally known as high-grade companies.”</td>
</tr>
<tr>
<td>S&amp;P</td>
<td>A+</td>
<td>Strong</td>
<td>“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.”</td>
</tr>
</tbody>
</table>

**Additional AIG Background**

1. Let me share some information on AIG that reflects positively on the company and its competitive position in the marketplace.

2. AIG is a leading global insurance and financial services organization with 74 million customers around the world.
3. At June 30, 2008, assets were $1.05 trillion and shareholders’ equity was $78.09 billion. In 2007, AIG had revenues of $110 billion.

4. In May 2008, AIG ranked 5th by assets and 13th by revenues, on the Fortune 500, an annual ranking of America’s largest corporations.

5. AIG continues to rank among the largest and strongest insurance and financial services companies in the world.

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

Annuity contracts are issued by The Variable Annuity Life Insurance Company. Annuities and mutual funds offered by AIG Retirement Advisors, Inc. are distributed by its affiliate, American General Distributors, Inc., 2929 Allen Parkway, Houston, TX 77019, member FINRA.

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 (VALIC); each of which is a subsidiary of American International Group, Inc.