

AIG American General Introduces New HorizonMYG AnnuitySM

In a continuing effort to bring to market a series of annuity products written on American General Life paper, AIG American General introduces the HorizonMYG AnnuitySM, a Single Premium Deferred Annuity with a market value adjustment. AIG Life Brokerage will market HorizonMYG in approved states beginning on October 1, 2004.

This new product provides a strong fixed multi-year guarantee account plus a great death benefit and exceptional liquidity. The introduction of HorizonMYG will enable us to discontinue selling the Ultra MYG product from AIG Annuity, following a transition period as outlined below.

AG HorizonMYG Highlights:

- 4 percent first-year interest rate bonus
- 6-year guaranteed interest rate from date of issue
- Death benefit equaling the annuity value
- 10 percent "free" withdrawals in all years (including year 1)
- 10-year surrender charge schedule

See the product spec sheet (AGLC101203) for a more detailed explanation of product features.

ADMINISTRATION

Building on the success of the HorizonIndex Annuity, HorizonMYG will be administered by the New Business Annuity Administration Department at American General Life in Houston, Texas. For the past several years, we have relied on AIG Annuity in Amarillo, TX to issue and administer our fixed deferred annuities, but this product represents our continued effort to migrate annuity products and service to the life company.

As a result, we will utilize the same address and toll free numbers for the HorizonMYG AnnuitySM as we do for HorizonIndex. Producers need only be appointed with American General Life to sell this product and all business will be processed and administered in Houston. We trust this will help simplify doing annuity business with us.

APPLICATION MAILING / PROCESSING

HorizonMYG will be issued at AIG American General in Houston, TX.

U.S. Mail:

AIG American General
Attn: Deferred Annuity Operations
P.O. Box 3018
Houston, TX 77253-3018

Express Mail:

AIG American General
Attn: Deferred Annuity Operations
2727-A Allen Parkway
Houston, TX 77019-7100

COMMISSIONS

Revised annuity commission summaries, incorporating HorizonMYG are being sent to IMO and BGA offices with this announcement.

STATE APPROVALS

As of October 5, 2004, HorizonMYG was approved in Alabama, Alaska, Arizona, Arkansas, California, Colorado, Delaware, Florida, Hawaii, Idaho, Illinois, Iowa, Kansas, Kentucky, Maine, Michigan, Mississippi, Missouri, New Mexico, North Carolina, North Dakota, South Carolina, South Dakota, Tennessee, West Virginia, Wisconsin & Wyoming.

Continued on next page

INTEREST RATES

Current: 6.90% year 1, 2.90% years 2-6

Guaranteed: 2%

American General Life does not issue business in the state of New York.

Check updated state approvals anytime at www.aiglifebrokerage.com.

TRANSITION PROCEDURES

As the HorizonMYG AnnuitySM is approved for sale by the states, we will be turning off access to the UltraMYG Annuity product.

- On October 1, all states that have approved the new product will be turned on in our WinFlex Illustration System.
- On November 1, those same states will be turned off for all illustrations for the AIG Annuity UltraMYG product and new applications will no longer be accepted for the UltraMYG as of that date.
- We will continue to turn on states as they approve the HorizonMYG and a month later turning off the UltraMYG until all states have approved the Horizon product, thereby eliminating the need for the UltraMYG.

The HorizonMYG Product Specification sheet (AGLC101203) and client brochure (#AGLC101215) are now available in supply. For additional information, check www.aiglifebrokerage.com or contact the marketing support unit.



AG HorizonMYGSM Annuity

Build a brighter tomorrow

Product Specifications																									
Contract Description	Single-premium deferred annuity with market value adjustment (MVA)																								
Issue Ages	0 – 85 nonqualified and qualified																								
Premium Type	Single																								
Minimum Deposit	\$5,000 nonqualified and qualified																								
Maximum Deposit	\$1,000,000 (\$500,000 above age 75) without home office approval																								
Current Interest	Initial declared rates in effect for first 6 contract years (1st-year rate includes an interest bonus). Thereafter, the declared interest rate in effect on the anniversary date will be guaranteed for 1 year.																								
Guaranteed Interest	A 2% guaranteed credited interest rate on annuity value. Minimum guaranteed withdrawal amount is equal to 90% of the premium, less any prior withdrawals, plus 2% interest per year (or higher if designated by the state).																								
Current Interest Rate Bonus	A 4% interest rate bonus during the 1st contract year ¹																								
Death Benefit	Equal to the annuity value, but not less than the withdrawal value. Beneficiary may elect to apply the death benefit amount under an income plan option or as a single sum.																								
Annuitizations	Allowed without withdrawal charges or MVA if after 5th contract year and is either life-contingent or for a minimum of 5 years																								
Free Withdrawals	Up to 10% of the annuity value as of previous contract anniversary (or of premium in contract year 1). Includes partial withdrawals, systematic withdrawals (including interest-only or designated amount) or a combination of the two. See contract for more details.																								
Minimum Withdrawals	Minimum remaining annuity value is \$5,000; minimum partial withdrawal is \$250 and minimum systematic withdrawal is \$50 per month																								
Withdrawal Charge Schedule	<p>Withdrawal charges are applied as a percentage of the annuity value (before application of the MVA) which exceeds the permitted free withdrawals. Withdrawal charges decline over 10 years from issue date as shown below.</p> <table border="1"> <tbody> <tr> <td>Contract Year:</td> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> <td>6</td> <td>7</td> <td>8</td> <td>9</td> <td>10</td> <td>11+</td> </tr> <tr> <td>Withdrawal Percentage:</td> <td>10%</td> <td>9</td> <td>8</td> <td>7</td> <td>6</td> <td>5</td> <td>4</td> <td>3</td> <td>2</td> <td>1</td> <td>0</td> </tr> </tbody> </table> <p>MVA applies to withdrawals in excess of free withdrawals. Does not apply to death benefits, to annuitizations (if certain conditions are met) or after the expiration of the withdrawal charge schedule.</p>	Contract Year:	1	2	3	4	5	6	7	8	9	10	11+	Withdrawal Percentage:	10%	9	8	7	6	5	4	3	2	1	0
Contract Year:	1	2	3	4	5	6	7	8	9	10	11+														
Withdrawal Percentage:	10%	9	8	7	6	5	4	3	2	1	0														
Riders	Extended Care																								

¹ As of August 2004

These product specifications are not intended to be all-inclusive of product information. State variations may apply. Please refer to the reference guide in APEX or the contract for complete details.

Annuities issued by:

American General Life Insurance Company

*A member company of American International Group, Inc.
2727-A Allen Parkway, Houston, Texas 77019*

Annuity Contract Number 04370

The underwriting risks, financial obligations and support functions associated with the annuities issued by American General Life Insurance Company (American General Life) are solely its responsibility. American General Life is responsible for its own financial condition and contractual obligations.

American General Life does not solicit business in the state of New York. Annuities not available in all states.

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AGLC101203

Important: Prior to soliciting business, be certain that you are appropriately licensed and appointed with the insurer and that the product has been approved for sale by the insurer in that state. If uncertain, contact your profit center for assistance.

**FOR AGENT USE ONLY —
NOT FOR DISSEMINATION TO THE PUBLIC**



AG HorizonMYG

With *AG HorizonMYG*, you'll earn a competitive interest rate that's guaranteed for six years from the date the contract is issued. After that initial period, American General Life will declare a new annual interest rate each year. The interest rate will never fall below a guaranteed minimum rate stated on your contract.

AG HorizonMYG also makes it easy to access your funds without the cost of withdrawal charges. Each contract year, you're allowed to withdraw up to 10 percent of the annuity value as of the previous contract anniversary, free of withdrawal charges or market value adjustment (MVA).³ This 10 percent "free" amount can be taken out as a single partial withdrawal, as part of a series of systematic withdrawals (such as interest only withdrawals) or a combination of the two.⁴ *AG HorizonMYG* also allows you to withdraw your required minimum distribution payments under the Internal Revenue Code without being subjected to withdrawal charges or MVA.¹

Best of all, *AG HorizonMYG* is backed by one of the most trusted insurers in the industry, confirmed by top-level ratings from the nation's most prominent rating agencies year after year.



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AGLC101215

AG HorizonMYGSM

Build a brighter tomorrow



Single-premium deferred annuity with market value adjustment (MVA)

Annuities issued by:

American General Life Insurance Company

A member company of American International Group, Inc.

WE KNOW LIFE.SM





Potential for growth . . . plus solid protection

Trust Your Retirement to Us

In today's financial market, a retirement strategy wouldn't be complete unless part of it provided for growth while making sure that the underlying assets are not subject to market risk. *AG HorizonMYG* from American General Life Insurance Company (American General Life) is a great way to provide security for your hard-earned assets — and yet still allow the growth you need as part of your overall portfolio.

Fixed annuities offer a guaranteed interest rate for a set period of time; while the rate of return may be adjusted periodically, it will not fall below a guaranteed minimum. Your funds will accumulate on a tax-deferred basis until you're ready to begin receiving income.¹

Once you reach retirement age, a fixed annuity such as *AG HorizonMYG* can also provide you with a reliable income stream that can't be outlived. Only annuities can make a claim this strong — and stand behind it regardless of future market conditions.

Discover the Benefits

- **Multiyear Rate:** Earn a guaranteed interest rate for the first six contract years
- **Interest Bonus:** Receive a 4 percent interest rate bonus during the first contract year in addition to the declared rate²
- **Credited Interest Rate:** Guaranteed to never be less than 2.0 percent (may be different in some states)
- **Free Withdrawals:** Each year (including the first one), you may withdraw up to 10 percent of your annuity value

as of the previous contract anniversary³ through partial withdrawals⁴ or systematic withdrawals⁴ without any withdrawal charges or market value adjustment

- **Great Death Benefit:** Receive the full annuity value upon the death of the owner of the policy without any withdrawal charges or MVA being assessed
- **Annuitization Feature:** If you start an income plan any time after the fifth contract year and make the stream of payments last at least five years, the full annuity value without withdrawal charges or MVA will be used to determine the amount of your payments
- **Extended Care Rider:** If you find yourself facing a long-term stay in a nursing home or other qualified institution, you might be able to make a withdrawal without a withdrawal charge and/or MVA (some restrictions apply)

Withdrawal Charges and MVA

Withdrawal charges are applied as a percentage of the annuity value before the MVA for any amounts in excess of the "free" withdrawals allowed.

Contract Year	1	2	3	4	5	6	7	8	9	10	11+
Charge (% of annuity value)	10%	9%	8%	7%	6%	5%	4%	3%	2%	1%	0%

A market value adjustment (MVA) will apply to any withdrawal (in excess of the permitted "free" withdrawals) made during the first 10 years on your *AG HorizonMYG* contract. If interest rates have declined, your withdrawal

value could be higher; if interest rates have increased, your withdrawal value could be lower. See your annuity contract for a more detailed description.

About American General Life

The most prominent independent rating agencies continue to recognize American General Life Insurance Company in terms of insurer financial strength and claims-paying ability. Both A.M. Best and Standard & Poor's Corp. have assigned their highest ratings to American General Life.

Clients have long been entrusting their hopes and dreams to American General Life, part of the American International Group, Inc. (AIG) global financial network. The key to our success is simple — a steadfast commitment to our clients and the advisors who help safeguard their security. That commitment has been our highest priority for many years and continues to drive our business as we look to the future.

¹ Based on current federal income tax laws

² As of August 2004

³ For the first contract year, 10 percent of the premium may be withdrawn. The value of the annuity may not fall below \$5,000 after any withdrawals taken.

⁴ Partial withdrawals are subject to a \$250 minimum; systematic withdrawals are subject to a \$50 minimum.