Frequently Asked Questions
For Participants
May 15, 2009

Q. Is my money safe?
A. Yes. The Variable Annuity Life Insurance Company (VALIC) is financially strong with reserves that meet regulatory requirements and adequate capital and surplus. VALIC is well positioned in its markets and continues to operate in the normal course to meet obligations to contract and certificate holders.

Q. Are insurance companies regulated?
A. Insurance is a highly regulated industry. Although various companies owned by American International Group, Inc. (AIG), are part of a larger insurance holding company system — including VALIC — each insurance company subsidiary is responsible for the obligations associated with its contracts. The guarantees in your contract are backed by VALIC.

VALIC is regulated by its state of domicile for compliance and financial solvency independent of its parent or affiliates. This includes ongoing financial reporting to the regulator and undergoing periodic financial examination.

Q. How does a variable annuity work?
A. Assets in the variable annuity investment options are invested in underlying mutual funds regulated by the SEC and managed by professional money managers. These assets are held in a separate account, which is segregated from the insurance company’s general account and cannot be tapped by creditors, or by the parent company.

In fact, state insurance law requires insurance companies separate accounts to be held apart from the rest of the company assets. Therefore, the separate account assets in these underlying mutual funds are held for the exclusive benefit of the clients and their beneficiaries. This ensures that the separate account is not subject to claims from any person or entity other than a contract owner, plan participant or beneficiary.

Assets in guaranteed fixed investment options within a variable annuity are protected by state insurance regulations. The fixed options provide fixed rate earnings and a guarantee of principal. The guarantee is backed by the “general account” of the issuing life company, which supports only the obligations of that company, not any obligations of AIG.

In accordance with the state requirements and investment guidelines, VALIC’s general account assets are primarily invested in cash and high quality investment grade fixed income securities (bonds).

Note: Variable annuities are long term investments designed for retirement. An investment in a variable annuity involves investment risk, including loss of principal. Variable annuity investment options fluctuate with market conditions. The contract, when redeemed, may be worth more or less than the total amount invested.

Q. What does the AIG restructuring mean for VALIC?
A. AIG is moving forward with its efforts to position its insurance companies as discrete businesses, for the benefit of all stakeholders, including contract and certificate holders. VALIC now has the time and flexibility to wait for market conditions to improve and to explore all options available to the business. What will not change is our commitment to contract and certificate holders.
Q. How would contract and certificate holders be affected by a change in ownership of the insurance company that issues their variable annuity contract?

A. A change in ownership of VALIC would have no impact on a contract and certificate holder’s contract provisions or contract value — variable annuity obligations to contract and certificate holders are governed by the contract and would not change. The contracts would continue to be backed by VALIC, which is a strong company that is regulated by the state insurance department for the benefit of contract and certificate holders.

Q. What can you tell me about the recent news stories saying AIG paid out additional bonuses that were previously undisclosed?

A. Congress asked AIG for additional information regarding all performance compensation paid to employees around the world. AIG has provided details on some 374 variable performance plans for work done by employees last year. These payments are not part of AIG’s corporate executive bonus pool, which AIG reported in March totaled approximately $120 million.

AIG will continue to closely scrutinize all ongoing compensation planning to ensure that future awards are absolutely critical to the business and in the best interests of taxpayers.

For information about AIG, please contact the AIG main office at 1-877-638-4244 or via email at AnswerCenter@aig.com.

Q. What are your current ratings?

A. The table on this page provides ratings of VALIC as of May 15, 2009. For more detailed information, please visit the individual rating agency Web sites.

Q. What do ratings mean?

A. 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 policyholders, creditors and shareholders. Financial strength ratings are an evaluation by the ratings agencies of an insurer’s ability to meet its obligations to its policyholders.

Q. Are my variable annuity guarantees protected by FDIC or SIPC insurance?

A. No. While insurance company guarantees are not insured by the Federal Deposit Insurance Corporation or the Securities Investor Protection Corporation, insurance companies do pay into State Guaranty Funds in the states in which they have contract owners. These guaranty funds exist to support claims in case of an insurance company’s insolvency.

Additional Information
To obtain a prospectus, visit www.valic.com or call 1-800-428-2542. Prospectuses contain more complete information including fund risks and objectives, fees, charges, and expenses, and other information about the investment company, which should be considered before investing. Please read the prospectus(es) carefully before investing or sending money.