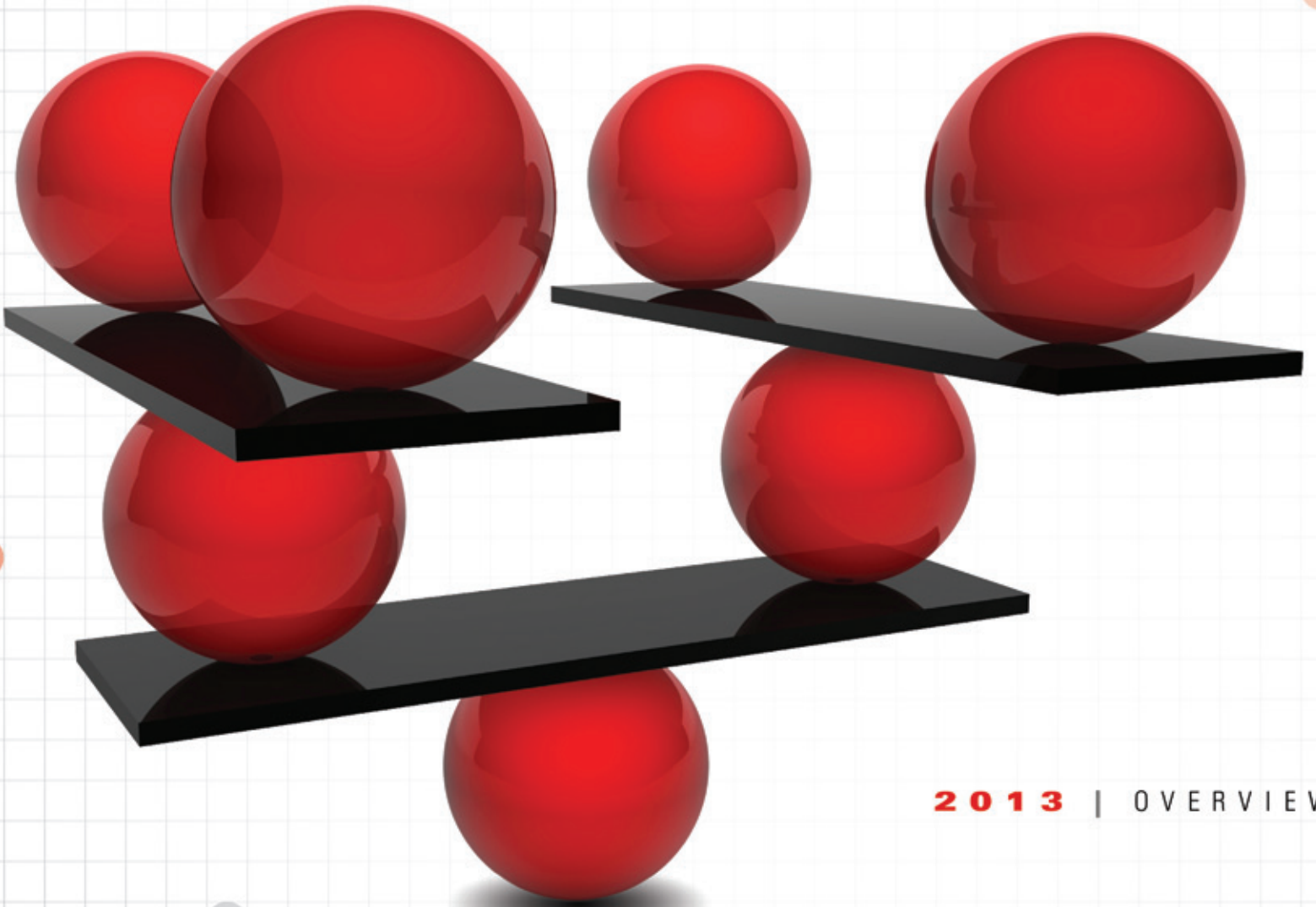


AMERICAN NATIONAL INSURANCE COMPANY

balance



**2013** | OVERVIEW



## **Vision**

To be a leading provider of financial products and services for current and future generations

## **Mission**

We will earn the trust of our customers and of our diverse distribution partners by always acting with integrity and fairness, and by working to exceed expectations.

We are committed to teamwork and continuous improvement in all that we do.

We will be prudent stewards of our assets, conservative navigators of risk, and steadfast in our resolve to preserve and enhance our reputation for enduring strength and success.



**Balance is the perfect state of still water. Let that be our model. It remains quiet within and is not disturbed on the surface.**

—CONFUCIUS



**LIFE IS COMPLICATED.** More and more people are finding it difficult to balance the demands of life and struggle to keep themselves centered. At any point in time, one person can be expected to take on multiple roles with each one pulling in a different direction.

It is easy to blame many of these complications on modern developments such as more demanding jobs and advanced technology, but people have been striving for balance in their lives for centuries. Balance represents a state of equilibrium and stability where important elements in our lives are maintained in appropriate proportion. Individuals who are balanced feel calm, grounded, clear-headed and motivated. They have the ability to offset negative events in their lives with positive ones, allowing them to better cope with challenges.

Some focus on maintaining internal balance. Others concentrate on balancing work and personal lives. The greatest benefit is achieved when we attempt to maintain balance in all aspects of our lives and minimize those things that drain our time and energy.

Finances are one aspect of life that can throw individuals off balance. There are so many considerations – monthly expenses, costs for emergencies and future needs. Unfortunately, future needs are often ignored as individuals struggle to cover present-day bills. Still, these future needs and the risks associated with not preparing for them loom overhead. The risks increase as time passes without a plan. Fortunately, small steps taken today can greatly reduce the risk of not meeting future needs.

While it is difficult for many to face, mortality is a fact of life that we cannot change or predict. Still, with a little effort, we can prepare for its eventuality and then put it behind us as we live today without the worry of what our loved ones may be asked to endure tomorrow.

American National Insurance Company either directly or through its subsidiaries (collectively “American National”) offers many financial products and services to address certain financial risks. These products are designed to balance the needs of the enterprise with those of our policyholders and agents. Additionally, corporate growth strategies strike a balance between providing relevant

coverage to individuals and a reasonable return to American National and its shareholders. Following are descriptions of the general types of insurance products offered by American National.

### LIFE INSURANCE

Life insurance products pay benefits in the event of the insured’s death, with variations to address individual needs. Term insurance typically represents the most affordable insurance at the time of purchase. It provides coverage for a specified period of time. Credit Life Insurance is a special form of term insurance, whereby the insurance proceeds pay off debt in the event of the insured’s death.

Other life insurance coverages are permanent, that is the insurance stays in force for the life of the insured as long as premiums are paid. Permanent life insurance accumulates cash value that can be withdrawn or borrowed against. Whole life insurance provides permanent coverage in return for level premiums. In contrast, universal life insurance allows for flexibility with premiums, payment schedules and the amount of coverage. Most permanent products provide a minimum level of accumulation. Variable universal life is the exception as the consumer participates fully in the returns of the chosen separate accounts.

| Life Insurance  | Description   |
|---|---|
| <b>Term</b>   | Simplest form of life insurance that provides pure death benefit coverage for a limited term at a fixed rate.   |
| <b>Credit Life</b>                                      | Specialized term insurance established to pay all or a portion of borrower’s debt in the event of death during the term of the loan.  |
| <b>Whole Life</b><br>(Fixed or Interest Sensitive Life) | Permanent life insurance with level premiums. A savings component accumulates cash value that can be withdrawn or borrowed against.   |
| <b>Universal Life (UL)</b><br>(Interest Sensitive Life) | Permanent life insurance that allows for flexible premiums, payment schedules and coverage. Premium payments in excess of current cost of insurance rates and fees accumulate cash value based on a declared rate, subject to a minimum for the duration of the policy. |
| <b>Indexed UL</b><br>(Interest Sensitive Life)          | Universal life insurance with a potential for higher cash value, with the growth related to a market index return.  |
| <b>Variable UL</b><br>(Interest Sensitive Life)         | Universal life insurance with a potential for higher cash value. However, there is more risk to the customer as cash value can also decrease. Cash value increases and decreases are based on allocations to subaccounts that invest in underlying mutual funds.        |

American National’s life insurance products are issued and underwritten by one or more of the following companies: American National Insurance Company, American National Life Insurance Company of Texas, American National Life Insurance Company of New York, Standard Life and Accident Insurance Company and Farm Family Life Insurance Company.

### ANNUITIES

American National’s annuities and pension plan services can be powerful tools for establishing a secure retirement income stream. Deferred annuities allow individuals to save money tax-deferred for retirement. At a later time, the accumulated funds can be converted to income payments to supplement other retirement income.

Immediate annuities provide a guaranteed income stream. Multiple payout options are available including payments over a defined period of time, the remaining life of the client or the remaining life of the client with a minimum number of years of

payment guaranteed. Immediate annuity payments can also be set up to provide income payments while at least one of two covered persons is alive.

Similar to life insurance, annuities can be fixed, indexed or variable. Fixed annuities accumulate interest based on a guaranteed interest rate over a set period, as established by the company. At the end of the period, a new fixed rate is set based on then current interest rates. The return on indexed annuities is tied to an outside index return.

The value of variable annuities is determined largely by the

performance of subaccounts, which are based on underlying mutual funds that invest in various stocks, bonds and money market instruments, or some combination thereof. Variable annuities can

provide a guaranteed lifetime income and offer various guaranteed death benefits. Additionally, annuity earnings are tax-deferred until the money is withdrawn.

| Annuity                          | Description   |
|----------------------------------|---|
| <b>Fixed Deferred Annuity</b>    | A long-term vehicle to accumulate retirement assets tax deferred. Accumulation is based on a set return for a period of time, subject to a minimum for the policy duration.   |
| <b>Indexed Deferred Annuity</b>  | A long-term vehicle to accumulate retirement assets tax deferred. Accumulation includes upside potential related to the performance of a market index.  |
| <b>Variable Deferred Annuity</b> | A long-term vehicle to accumulate retirement assets tax deferred, with gains or losses in value based on the performance of sub-accounts that invest in underlying mutual funds. Group Unallocated Variable Deferred Annuities are the basis for our pension plans. |
| <b>Immediate Fixed Annuity</b>   | An income annuity that pays a guaranteed income stream in exchange for a lump sum.  |

American National's annuities are issued and underwritten by one or more of the following companies: American National Insurance Company, American National Life Insurance Company of New York, Standard Life and Accident Insurance Company and Farm Family Life Insurance Company.

## HEALTH INSURANCE

Managing health insurance costs is critical. One major illness can quickly draw down assets. The Patient Protection and Affordable Care Act, health reform legislation passed in 2010, provides individuals more uniform access to health insurance. However, for many, the coverage is not enough to provide peace of mind, as they do not cover all medical events and costs.

American National offers a variety of supplemental insurance products designed to complement healthcare benefits provided by primary, basic health insurance coverages. As an example,

copayments, coinsurance, deductibles and services not covered by Original Medicare are the individual's responsibility. American National's Medicare Supplement products can help pay some of these costs. Clients can choose one of the available plans that best meets their needs and concerns.

American National also offers dental, cancer, critical illness and hospital indemnity, as well as accidental death and dismemberment to individuals and employer groups. Additionally, self-funded employers often turn to American National's stop-loss insurance to minimize their risk on an individual or group.

| Health Insurance   | Description   |
|--|---|
| <b>Supplemental Health Insurance:</b><br>Cancer<br>Dental<br>Critical Illness<br>Hospital Indemnity/Limited Medical<br>Accident / Accidental Death & Dismemberment | Cover specific types of expenses not covered by basic health care policies  |
| <b>Medigap</b><br>We offer the following standardized plans:<br>A, B, C, D, F, F(hd), G, &N  | Gap product that complements Original Medicare policies.  |
| <b>Stop Loss</b>   | Primarily for self-funded employers, to cover the cost of employee medical bills beyond a predetermined amount                          |
| <b>Credit Disability</b>   | Provides benefit payments to the lender in the event of total disability due to a covered illness or injury during the term of coverage |

Health insurance products are issued and underwritten by one or more of the following companies: American National Insurance Company, American National Life Insurance Company of Texas, Standard Life and Accident Insurance Company and Farm Family Life Insurance Company.

## PROPERTY AND CASUALTY INSURANCE

Our working years are often focused on accumulating assets, including homes, vehicles and businesses. These assets are regularly subject to perils. American National's property and casualty insurance products protect such valued possessions. Property insurance protects against the loss of physical property or its income producing abilities. Casualty insurance protects against the legal liability that can result from injury to other people or damage to their property.

American National offers personal property and casualty products that protect basic family assets. Specialty products to cover personal interests, such as classic cars, motorcycles, boats and recreational vehicles are also available.

American National is well known for insurance products that cover certain commercial exposures, particularly agriculture related insurance products that provide peace of mind for small farms and wineries as well as other niche markets.

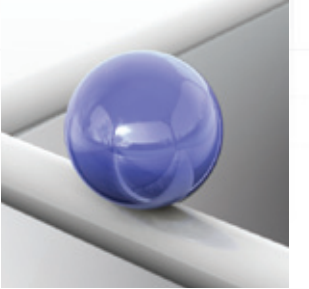
| Insurance Coverage  | Description   |
|---|---|
| <b>Auto Insurance</b><br>(Personal and Commercial Property)<br>• Personal Auto<br>• Collector Car<br>• Recreational Vehicles<br>• Commercial Auto<br>• Motorcycle | Covers bodily injury and property damage liability plus physical damage to the vehicle  |
| <b>Homeowners Insurance</b><br>(Personal Property & Casualty)<br>• Personal Dwelling<br>• Tenants<br>• Renters<br>• Condos  | Protects the value of homes, including the structure, personal property, contents, loss of use, and some forms of personal liability        |
| <b>Boatowners</b><br>(Personal Property & Casualty)   | Coverage for physical damage to boats as well as liability coverage for the boat owner  |
| <b>Business Owners (BOP)</b><br>(Commercial Property & Casualty)  | Provides coverage for small and medium-sized businesses. Provides both general liability and property insurance.                            |
| <b>Commercial Package Policy</b><br>(Commercial Property & Casualty)  | Includes Liability, Property, Inland Marine, and Crime coverages  |
| <b>Flood insurance</b><br>(Personal Property)   | Protects home or business against damage from flooding  |
| <b>General Liability</b><br>(Commercial Casualty)   | Protects insured from legal liabilities imposed by lawsuits and/or similar third party claims resulting from various business pursuits      |
| <b>Special Farm Package</b><br>(Commercial Property & Casualty)   | Provides customized coverage for farming operations to include personal dwelling, farming operation buildings, machinery, contents          |
| <b>Umbrella policy</b><br>(Personal & Commercial Property & Casualty)   | Additional protection in excess of specified other policy limits and potentially primary coverage for losses not covered by other policies. |
| <b>Workers Compensation</b><br>(Commercial Casualty)  | Replaces all or part of a worker's wages lost and accompanying medical expenses incurred because of a job-related injury.                   |
| <b>Credit Products</b><br>(Personal Property & Casualty)  | Provides coverage to pay off all or a portion of debt associated with personal property   |

Property and Casualty products are issued and underwritten by one or more of the following companies: American National Property and Casualty Company (ANPAC), ANPAC Louisiana Insurance Company, American National General Insurance Company, Pacific Property and Casualty Company, American National Lloyd's Insurance Company, American National County Mutual Insurance Company, Farm Family Casualty Insurance Company and United Farm Family Insurance Company.

The companies that are listed that write life and health insurance and annuities are not licensed in all states and do not offer all of the products that are described. Similarly, the companies that write property and casualty insurance are not licensed in all states and do not offer all of the products that are described. Products may not be available in all states and eligibility requirements will apply. Each company has financial responsibility only for the products and services it issues.

While contemplating insurance and annuity needs can be challenging, spending a little time to review and provide for basic needs can offset the impact of risks faced daily. This effort is often rewarded by a sense of peace that can lead to a more fulfilled life.

**It's time to strike a balance.  
Live today with the future in mind!**



## BOARD OF DIRECTORS

### ROBERT L. MOODY, SR.

*Chairman of the Board, Chief Executive Officer*  
American National Insurance Company | Galveston, Texas

### JAMES E. POZZI

*President, Chief Operating Officer*  
American National Insurance Company | Galveston, Texas

### ARTHUR O. DUMMER

*President*  
The Donner Company | Salt Lake City, Utah

### DR. SHELBY M. ELLIOTT

*President-Emeritus*  
Texas Chiropractic College | Pasadena, Texas

### FRANCES A. MOODY-DAHLBERG

*Executive Director*  
The Moody Foundation | Dallas, Texas

### RUSSELL S. MOODY

*Investments* | League City, Texas

### W. L. MOODY IV

*Investments and Ranching*  
Oil and Gas | Galveston, Texas

### JAMES D. YARBROUGH

*Owner and Consultant*  
James D. Yarbrough & Co. | Galveston, Texas

## ADVISORY DIRECTORS

### G. RICHARD FERDINANDTSEN

*Vice Chairman of the Board*  
American National Insurance Company | Galveston, Texas

### IRWIN M. HERZ, JR.

*Attorney*  
Greer, Herz & Adams, LLP | Galveston, Texas

### R. EUGENE LUCAS

*President*  
Gal-Tex Hotel Corporation | Galveston, Texas

### E. DOUGLAS McLEOD

*Chairman of the Board*  
Moody Gardens, Inc. | Galveston, Texas  
  
Retired Director of Development  
The Moody Foundation (1982–2013)

### ROBERT L. MOODY, JR.

*President*  
Moody Insurance Group | Galveston, Texas



### FRANK P. WILLIAMSON, *In-Memoriam*

Thank you for many years of service to American National. Your integrity and experience while serving on board committees including the Nominating; Compensation; and Audit Committees, helped strengthen the governance of the company.



## SENIOR MANAGEMENT

### CORPORATE OFFICERS

#### ROBERT L. MOODY, SR.

*Chairman of the Board, Chief Executive Officer*  
American National Insurance Company

#### JAMES E. POZZI

*President, Chief Operating Officer*  
American National Insurance Company

#### RONALD J. WELCH

*Senior Executive Vice President, Corporate Risk Officer, Chief Actuary*  
American National Insurance Company

#### JOHN J. DUNN, JR.

*Executive Vice President, Corporate Chief Financial Officer, Treasurer*  
American National Insurance Company

#### JOHNNY D. JOHNSON

*Executive Vice President, Corporate Business Process Officer, Chief Information Officer*  
American National Insurance Company

### SHARED SERVICES

#### DWAIN A. AKINS

*Senior Vice President, Corporate Relations, Chief Corporate Compliance Officer*  
American National Insurance Company

#### ALBERT L. AMATO, JR.

*Senior Vice President, Life Insurance Administration*  
American National Insurance Company

#### SCOTT F. BRAST

*Senior Vice President, Real Estate/Mortgage Loan Investments*  
American National Insurance Company

#### FRANK V. BROLL, JR.

*Senior Vice President, Actuary*  
American National Insurance Company

#### WILLIAM F. CARLTON

*Senior Vice President, Corporate Controller*  
American National Insurance Company

#### GORDON D. DIXON

*Senior Vice President, Stock/Bond Investments*  
American National Insurance Company

#### BRUCE M. LEPARD

*Senior Vice President, Corporate Human Resources Officer*  
American National Insurance Company

#### JOHN F. SIMON

*Senior Vice President, Actuary*  
American National Insurance Company

### MARKETING

#### DAVID A. BEHRENS

*Executive Vice President–Independent Marketing Group*  
American National Insurance Company

#### President, Chief Operating Officer

American National Life Insurance Company of New York

#### GREGORY V. OSTERGREN

*Executive Vice President, Director of Multiple Line*  
American National Insurance Company

#### Chairman, President, Chief Executive Officer

American National Property And Casualty Companies

#### STEVEN H. SCHOUWEILER

*Executive Vice President, Health Insurance Operations*  
American National Insurance Company

#### President, Chief Operating Officer

Standard Life and Accident Insurance Company

American National Life Insurance Company of Texas

#### HOYT J. STRICKLAND

*Executive Vice President, Career Sales & Service Division*  
American National Insurance Company

#### TIMOTHY A. WALSH

*President, Chief Executive Officer*  
Farm Family Companies

#### SCOTT C. CAMPBELL

*Senior Vice President, Multiple Line Chief Marketing Officer*  
American National Insurance Company

#### BERNARD S. GERWEL

*Senior Vice President, Chief Information and Innovation Officer, Multiple Line*  
American National Insurance Company

#### JAMES W. PANGBURN

*Senior Vice President, Credit Insurance*  
American National Insurance Company

#### RONALD C. PRICE

*Senior Vice President, Chief Marketing Officer, Career Life Agencies*  
American National Insurance Company

#### SHANNON L. SMITH

*Senior Vice President, Chief Multiple Line Agency Officer*  
American National Insurance Company



## VALUES

We place our values "**FIRST**" in all we do.

**F**INANCIAL STRENGTH – We are dedicated to financial stability and profitable growth to honor our promises to our insured, to create opportunities for our employees and business partners, and to provide a fair return to our shareholders.

**I**NTEGRITY – Do what's right! Always! We adhere to and place great importance on ethics, integrity and compliance. We are individually accountable for demonstrating the highest standards of each to earn our client's trust.

**R**ESPECT – The golden rule! We will treat all people with empathy, compassion and dignity. We view our business as one of relationships, not transactions. We are committed to making a meaningful difference in the lives of our clients and our team.

**S**ERVICE – We have the ability and responsibility to live a life of significance through service and commitment to our values. We are committed to understanding our customer's expectations and striving to exceed them with our outstanding service.

**T**EAMWORK – We're all in this together. Our success depends on the unique contributions of all employees and business partners. We do this by meeting commitments, being accountable and making continuous improvement. We are committed to the success of our team.





American National Insurance Company

One Moody Plaza

Galveston, TX 77550

[www.anico.com](http://www.anico.com)