

**AMERICAN NATIONAL  
INSURANCE COMPANY**

# CHARTING OUR **COURSE**

**2017 OVERVIEW**



AMERICAN NATIONAL

# Charting Our Course

In 1905, William L. Moody, Jr. set out on a journey by founding American National, a company he envisioned operating on the core ideals of “strong management, prudent investment and financial strength” – a company so fundamentally solid that it would still be thriving 500 years into the future.

In American National’s first annual report, issued in 1910, W.L. Moody laid out his business philosophy – one that still guides the company to this day; “Care and economy have been our watchwords in the management of the business ...We see no reason why each year should not record a greater success than the preceding one.”

In the earliest years, American National’s focus was on life insurance. Annuities were soon added to the

offerings. In the following decades, operations expanded to include property and casualty insurance, health insurance and credit-related insurance. Existing lines also expanded to include newer and more innovative types of products such as universal life and indexed life.

As the company has grown in size and scope, management has remained true to the core values of our founder by focusing on four corporate goals that emphasize **profitable growth**, **customer satisfaction**, **internal business processes**, and **employees and learning**. These four goals reflect our strategic focus, each supported by focused objectives. Key Performance Indicators will help effectively measure our progress on the journey forward.



# Beyond the Boundaries

From our very first days with just 10 employees in 500-square-feet of Galveston office space we have grown to a multi-billion-dollar financial services company with more than 4,000 employees, four corporate locations with headquarters in Galveston and a network of agents in all 50 states and Puerto Rico.

American National emphasizes the importance of people – our policyholders, agents, employees and shareholders. Our commitment to all four groups is what propels us into our 113th year of providing relevant

financial products and services that offer security and peace of mind.

By focusing on the fundamentals of sound investment and managed growth, American National has earned an “A” rating from both Standard & Poor’s® and A.M. Best Company. With consolidated GAAP Assets of more than \$26 billion and more than \$103 billion in Life Insurance In Force, we believe American National is more than ready to sail confidently into the future.



## A Voyage of Discovery

At the dawn of the 16th century, when the greater part of the world was still a vast and uncharted expanse, few dared to dream of venturing beyond the waters of their home ports. Although the idea of a round planet had been introduced, it remained an unproven theory – the vast majority of men still feared the mythical monsters that surely lay in wait at the edges of the known world.

But in 1519, a Portuguese explorer sailing under the Spanish flag decided to see, once and for all, what lay beyond. Ferdinand Magellan, commanding a fleet of five ships under royal decree, set sail from Seville, Spain toward the fabled Spice Islands. Continually heading east, the fleet made its way well past its intended destination until, nearly three years later, it arrived back where it started, having successfully circumnavigated the globe – the first time such a feat had ever been accomplished.

The journey was not without its perils. In fact, many of the crew and ships never made it back to Spain. But by venturing boldly into the unknown, Magellan and his crew cemented their place in history. They expanded the boundaries of the known world, forever broadening the landscape of possibility for all travelers.

## Life

In the journey of life, there are few guarantees. After all, the duration and ultimate destination of each person’s voyage is unknown. But that doesn’t mean we can’t make plans to help ensure smooth sailing, no matter where the waves take us.


American National offers a range of life insurance products that can bring peace of mind to you and your loved ones by ensuring your ability to care for your family even when your journey is over. We are gratified to regularly hear stories from people who continue to be financially cared for by their loved ones, long after they have passed. It is a lasting legacy and a testament to the enduring power of love. Life insurance is the gift of love when you can no longer give the gift of time.

Because every situation is unique, American National offers life insurance products to suit a variety of needs and situations. Whether you are interested in the shorter-term coverage and more affordable rates of term life or the permanent coverage of whole life and flexible premium options of universal life, you can rest easier knowing you have given your loved ones the gift of financial security.

To meet the changing needs of the marketplace, American National is focusing on expanding access to online information for policyholders, agents and potential customers. Enhancements to American National’s website and mobile applications will include enhanced self-service options for all lines of business.

Life Insurance	Description
Term Life	Simplest form of life insurance that provides pure death benefit coverage for a limited term at a fixed rate.
Credit Life	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.
Whole Life	Permanent life insurance with guaranteed premiums. A savings component accumulates cash value that can be withdrawn or borrowed against.
Universal Life (UL)	Permanent life insurance that allows for flexible premiums and coverage. Premium payments in excess of current cost of insurance rates and fees accumulate cash value based on a declared interest rate, subject to a minimum, for the duration of the policy.
Indexed UL	Universal life insurance with a potential for higher cash value, related to the performance of a market index.

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, and Standard Life and Accident Insurance Company. | American National Insurance Company is licensed in all states except New York. In New York, business is conducted through American National Life Insurance Company of New York. Not all products are available through each company or in all states. | Companies 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.



“ The wind and the waves are always on the side of the ablest navigator. ”

-Edmund Gibbons

## Annuities

While we cannot predict everything we will face on our voyage, we can take steps to make our future more financially secure with the help of annuities. Annuities can play a vital role in a long-term savings plan, allowing individuals to approach their retirement years knowing they will be able to maintain a comfortable standard of living.

American National offers a wide range of annuity options, including fixed, variable, indexed and immediate. Whereas immediate annuities provide a guaranteed income stream with multiple payout options to choose from, deferred annuities allow individuals to save money, tax-deferred, for retirement. At a later time, those accumulated funds can be converted to income payments to supplement other retirement income.

Annuities can offer flexible payout options such as paying during a pre-determined period of time or over the life of an individual or couple. For small business owners who spent years growing their business, American National offers pension plan options designed to support retirement benefits.

### Annuity

### Description

#### Fixed Deferred Annuity

A long-term vehicle to accumulate tax-deferred retirement assets. Accumulation is based on a set return for a period of time, subject to a minimum for the contract duration.

#### Indexed Deferred Annuity

A long-term vehicle to accumulate tax-deferred retirement assets. Accumulation includes upside potential related to the performance of a market index.

#### Variable Deferred Annuity

A long-term vehicle to accumulate tax-deferred retirement assets, 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.

#### Immediate Fixed Annuity

An annuity that pays a guaranteed income stream in exchange for a lump sum of money.

American National Insurance Company is licensed in all states except New York. In New York, business is conducted through American National Life Insurance Company of New York. Not all products are available through each company or in all states. Variable products are distributed through ANICO Financial Services, Inc. (ANFS) located at One Moody Plaza, Galveston, Texas 77550 and sold through unaffiliated broker-dealers. ANFS is a wholly owned subsidiary of American National Insurance Company.

# Property and Casualty

Our passage through life is often punctuated by the accumulation of assets such as a new car, a home or even a business. Many of our most significant milestones are marked by the acquisition of significant property. Our customers can depend on American National's property and casualty insurance to protect their valued possessions from either physical loss or the loss of income.

In addition to protecting our policyholders' homes and their automobiles, our commercial lines focus on property and casualty coverage for small business owners, particularly those with agriculture-related businesses such as small farms, ranches, nurseries and wineries. We also offer products that protect creditors' interest in collateral (pledged as security for a loan) against property loss and damages.

American National also offers specialty property insurance coverage for items such as classic cars, motorcycles, boats and recreational vehicles.

“ We must free ourselves of the hope that the sea will ever rest. We must learn to sail in high winds. ”  
 -Aristotle Onassis

Insurance Coverage	Description
<b>Vehicle Insurance</b> <ul style="list-style-type: none"> <li>• Personal Auto</li> <li>• Collector Car</li> <li>• Recreational Vehicles</li> <li>• Commercial Auto</li> <li>• Motorcycle</li> <li>• Boat</li> </ul>	Covers property damage liability plus physical damage to the vehicle. May cover bodily injury.
<b>Homeowners Insurance</b> <ul style="list-style-type: none"> <li>• Personal Dwelling</li> <li>• Tenants</li> <li>• Renters</li> <li>• Condos</li> </ul>	Protects the value of homes, and can include the structure, personal property, contents, loss of use and some forms of personal liability.
<b>Business Owner's Policy (BOP)</b>	Provides coverage for small to medium-sized businesses. Provides both general liability and property insurance.
<b>Commercial Package Policy</b>	Includes liability, property, inland marine and crime coverages.
<b>General Liability</b>	Protects insured from legal liabilities imposed by lawsuits and/or similar third-party claims resulting from various business pursuits.
<b>Special Farm Package</b>	Provides customized coverage for farm and ranch operations to include personal dwelling, farming operation buildings, machinery and contents.
<b>Umbrella Policy</b>	Additional protection in excess of specified other policy limits and potentially primary coverage for losses not covered by other policies.
<b>Workers' Compensation</b>	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>	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 (FFCIC) and United Farm Family Insurance Company. | ANPAC and Farm Family Casualty Insurance Company offer the Standard Flood Insurance Policy through the "Write Your Own Program," a cooperative undertaking between FEMA and participating property and casualty insurance companies that allows the companies to write and service the Standard Flood Insurance Policy. National Flood Services is the full service vendor for the WYO Flood Program for both ANPAC and FFCIC. | Companies 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. In New York, business is conducted through Farm Family Casualty Insurance Company and United Farm Family Insurance Company. | Credit-related Property & Casualty Insurance products are offered by the Credit Insurance Division of American National and are issued through multiple companies.

# Health

Few things can derail your progress more quickly than a health problem. A serious illness or accident has the ability to devastate a person and their family, not only physically, but financially as well. The enormity of medical bills – even with standard health insurance or Medicare – can be staggering. That’s why American National offers a variety of insurance products to supplement the basic coverage of an individual’s primary health insurance policy.

Supplemental health insurance can provide added peace of mind and act as a buffer between serious illness and the unfortunate possibility of a depletion of savings, creation of long-term debt, and even potential bankruptcy. Our offerings include dental, cancer, critical illness and hospital indemnity, accidental death and dismemberment, and credit disability. In addition, the Health Division is a provider of various types of supplemental health coverage in the worksite including short-term disability and catastrophic (often called stop-loss or excess risk) coverage for employers choosing to self-fund their medical plans.

In an effort to keep up with the ever-changing health insurance marketplace, American National continually evaluates and updates the plans we offer and looks to establish new marketing channels for their sales and distribution, as needed.

Health Coverages	Description
<b>Medicare Supplement</b> Standardized plans	Supplemental product that complements Medicare.
<b>Supplemental Health Insurance</b> <ul style="list-style-type: none"> <li>• Cancer</li> <li>• Dental</li> <li>• Critical Illness</li> <li>• Short Term Disability</li> <li>• Hospital Indemnity/ Limited Medical</li> <li>• Accident/Accidental Death and Dismemberment</li> </ul>	Specific types of expenses not covered by basic health care policies.
<b>Employer Stop Loss</b>	Reinsurance for self-insured employers to cover cost of excess claims 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.

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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, and Standard Life and Accident Insurance Company.

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American National Insurance Company

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American National Insurance Company

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*Senior Vice President, Life New Business & Administration*  
American National Insurance Company

#### **DR. JOHN WHITE III**

*Senior Vice President, Medical Director (Life, Health and Group)*  
American National Insurance Company



## 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.



“ We see no reason why each year should not record a greater success than the preceding one. ”

-W.L. Moody Jr., 1905



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