

# AMERICAN NATIONAL INSURANCE COMPANY

## 2018 OVERVIEW



FULFILLING OUR  
500-YEAR CHARTER

# Planning a Future Built on Past Success



1905

## BUILDING A STRONG FOUNDATION

When it was founded by W.L. Moody, Jr. in 1905, American National Insurance Company was a fledgling business with just 10 employees and 500 square feet of office space in Galveston, Texas. In American National's very first annual report, Mr. Moody explained 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.”**



1930s

## GROWTH DURING DEPRESSION

While dark economic times descended upon the country during the Great Depression of the 1930s, American National not only survived but thrived. Through prudent management, the company's assets continued to increase and its surplus doubled. Even more impressive, while millions of Americans were laid off or out of work, **American National didn't dismiss any employees.**

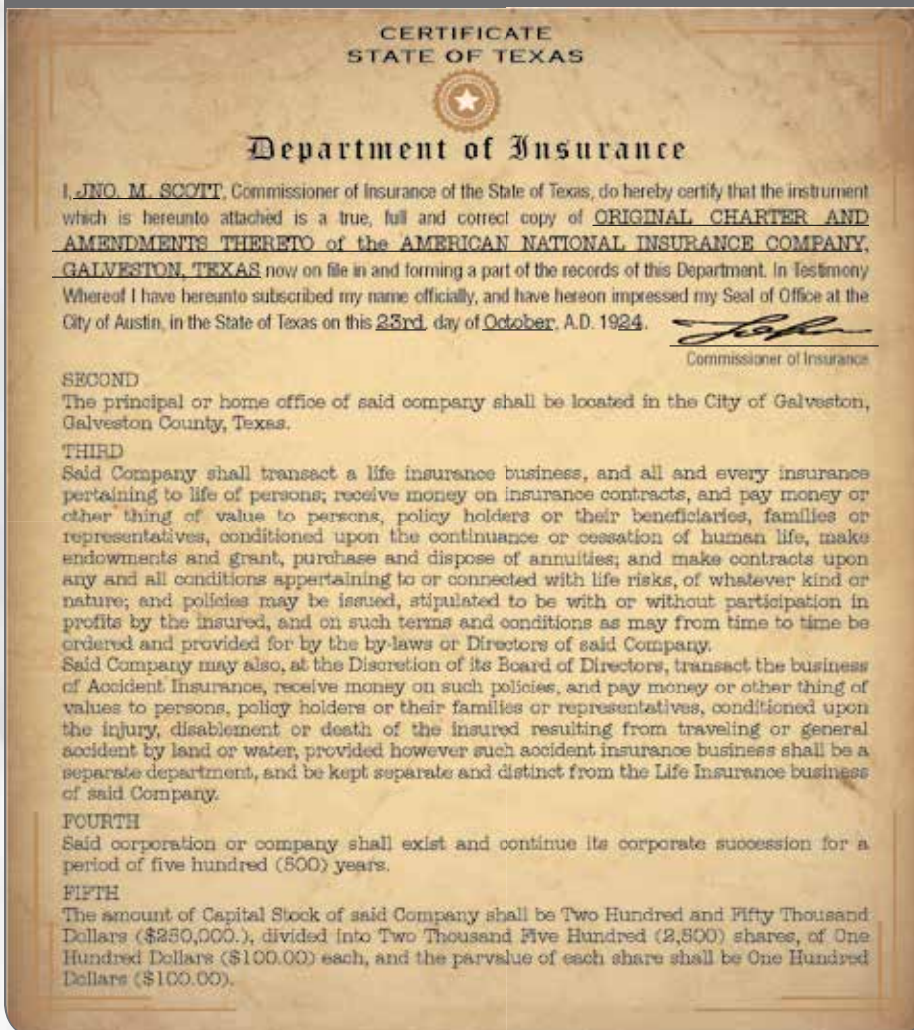


1940s

## LESSONS TO GUIDE THE FUTURE

As a Marine serving in the South Pacific during World War II, W.L. Moody, IV, grandson of American National founder W. L. Moody, Jr. asked his grandfather for advice on how best to conduct his business and personal affairs. His answer is known as **The Founder's Philosophy.**

### 500 Year Charter



W. L. Moody, Jr. began the company with only 10 employees.



First American National office in the original Moody Bank Building



1973

### THE ADDITION OF PROPERTY & CASUALTY

American National grew again with the formation of American National Property and Casualty in Springfield, Missouri. ANPAC now provides for a variety of property and casualty coverage needs, including automobile, homeowners, classic cars, umbrella, boat, recreational vehicles, motorcycle, other personal lines insurance and agri-business insurance.



2005

### CELEBRATING THE FIRST CENTURY

As American National reached the 100-year-mark, it remained committed to the founding principles of strong management, prudent investment and financial strength. Employees celebrated the company's centennial anniversary with a banquet, awards and the publication of a commemorative book "Yours for Life."



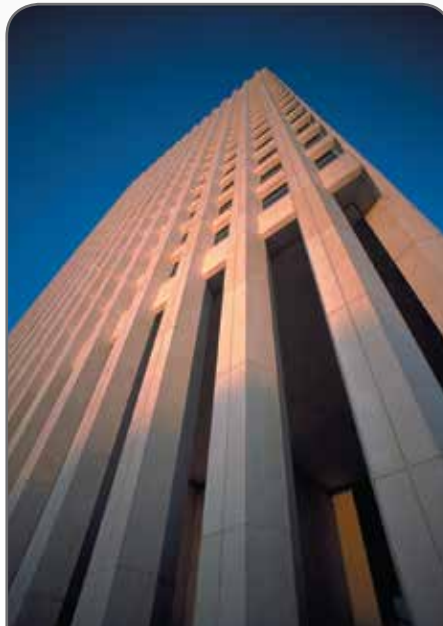
2018

### POISED FOR FUTURE SUCCESS

With consolidated GAAP assets of more than \$26 billion, "A" ratings from both Standard & Poor's and A.M. Best, and more than \$110 billion in life insurance in force, American National is well into its second century of service to its policyholders, shareholders, agents and employees.

### The Founder's Philosophy on Business

- First and foremost is to deserve and have the confidence of your friends and the public at large.
- Never hesitate to say "No" when it is proper to do so.
- Do not become financially involved and always meet your debts promptly.
- Do not gamble.
- Do not be hasty in making decisions, and think them over carefully. When you have determined what's right and proper, do not be easily shaken.



American National Tower at One Moody Plaza

### A Family's Legacy

Since its founding in 1905, American National has been positioned for long-term success. Now, at more than 113 years old, the company has outlived nearly all of its early competitors. This is a tremendous accomplishment given the average lifespan of most businesses on the S&P 500® today is about 15 years. But to American National founder W.L. Moody, Jr., a century in business was just the beginning.

In the early days of the company, Mr. Moody envisioned a longer timescale for success, leading him to secure a long-term charter for American National. As proof of his commitment to longevity, Mr. Moody presided over the company for its first 49 years.

In fact, since 1905, there has always been a member of the Moody family on the company's board of directors. Currently, Ross R. Moody—the great-grandson of the founder—is American National's Chairman of the Board. Over the years, the Moody family's wise stewardship and strength have helped guide the Company's decades of steady growth.

# PRODUCTS & SERVICES



## Life

Life isn't always an easy climb. There can be challenges as well as triumphs, loss as well as love. And while we all start out in the same place, we all take very different routes to our eventual destinations. By planning ahead, we can ensure that we each reach our own high points while also leaving a lasting legacy of care for our loved ones.

American National offers a wide range of life insurance options—including Universal Life, Indexed Universal Life, Whole Life, Term Life and Credit Life—designed to ease the financial burdens a family may face during an already difficult time.

Term life provides coverage for a specified period of time while whole, universal and indexed universal are considered “permanent.” In addition to staying in force for the life of the insured (as long as certain conditions are met), permanent life insurance may accumulate cash value that can be withdrawn or borrowed against. Credit life is a specialized form of term insurance which uses the proceeds to pay off debt in the event of the insured's death.

For the insured, life insurance is an investment in peace of mind – providing the ability to rest easy knowing that, should the unexpected occur, loved ones will be financially cared for. For the beneficiaries, life insurance is the security of knowing the family can stay in their home or that children will be able to attend college when the time comes. Life insurance can mean the difference between surviving and thriving.

Life Insurance	Description
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.
Whole Life	Permanent life insurance with guaranteed premiums. A savings component accumulates cash value that can be withdrawn or borrowed against.
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.

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. Eligibility requirements will apply. Each company has financial responsibility only for the products and services it issues.



The best time to plant a tree was 20 years ago. The second best time is now.

-Unknown



## Annuities

The adage “failing to plan is planning to fail,” holds true whether cooking a new recipe, embarking on a journey or saving for retirement. Increasingly, it’s up to each of us to ensure that our future needs will be taken care of. By working today to establish a personal savings plan, we may ensure that our later years offer greater security and freedom from financial concerns.

Annuities can play an important part in a retirement savings plan, allowing individuals to maintain a comfortable standard of living in their later years. American National offers a range of annuity options to choose from, including fixed deferred, indexed deferred, immediate fixed and variable deferred annuities for Pension Plans.

While some investors prefer immediate annuities that provide a guaranteed income stream with multiple payout options, others like deferred annuities that allow individuals to save money, tax-deferred, for retirement. Those accumulated funds can then be converted to income payments to supplement other retirement income. Annuities 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.
Immediate Fixed Annuity	An annuity that pays a guaranteed income stream in exchange for a lump sum of money.
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.

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 & Casualty

Throughout our lives, there are many milestones that highlight our accomplishments and remind us of just how far we've come. Whether it's our first home, a longed-for vehicle, or even a business of our own, they're more than just valuable items, they're all markers for the important milestones in our life. That's why American National's property and casualty insurance offers so many ways to protect the things that matter.

Property insurance offers protection against the loss of physical property or its income-producing abilities, and casualty insurance guards against the legal liability that can result from injury to other people or damage to their property.

In addition to home and auto insurance, American National offers specialty property insurance for items such as classic cars, motorcycles, boats and recreational vehicles. 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. American National also offers products that protect creditors' interest in collateral (pledged as security for a loan) against property loss and damages.

Insurance Coverage	Description
<b>Personal Lines</b>	<ul style="list-style-type: none"><li>• Policies that provide coverages for liabilities, bodily injuries and physical damage to personal vehicles, such as automobiles, recreational vehicles, motorcycles and boats.</li><li>• Homeowners insurance policies cover the value of homes, which can include the structure, personal property, contents, loss of use and personal liability.</li><li>• Umbrella coverage for losses in excess of limits specified in other policies.</li></ul>
<b>Commercial Lines</b>	<ul style="list-style-type: none"><li>• Special Farm Package provides customizable coverage for farm and ranch operations.</li><li>• Business Owners Policy provides general liability and property coverage for small to medium-sized businesses.</li><li>• Commercial automobile policies provide coverage for liabilities, bodily injuries and physical damage to vehicles used for business.</li><li>• Umbrella coverage for losses in excess of specified other policy limits and potentially losses not covered by primary policies.</li><li>• We also offer other policies that cover losses in excess of limits specified in other policies, certain other liability and property losses, third-party claims, or a portion of a worker's lost wages and medical expenses due to a job-related injury.</li></ul>
<b>Specialty Markets</b>	<ul style="list-style-type: none"><li>• Credit products provide coverage to pay off all or a portion of debt related to personal property</li><li>• Renters insurance policies provide liability coverage and can also protect personal contents in the event of damage or loss.</li><li>• We also offer insurance policies that cover the "gap" between the amount owed on a car loan and the car's value in the event of loss.</li><li>• Collateral protection and mortgage security insurances cover the lender from loss related to a borrower not having adequate insurance for their financed vehicles, homes or other property.</li></ul>

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 Specialty Markets Group of American National and are issued through multiple companies.



# Health

Health challenges and setbacks can be an inevitable part of life, but they need not lead to financial setbacks as well. Depending on the severity of the illness, even patients with standard health insurance or Medicare can be overwhelmed by the cost of care. That's why American National offers a variety of insurance products to supplement the basic coverage of primary health insurance policies.

Offerings include dental, cancer, critical illness and hospital indemnity, accidental death and dismemberment, and credit disability. In addition, American National provides various types of supplemental health coverage in the worksite including short-term disability and catastrophic (often called stoploss or excess risk) coverage for employers choosing to self-fund their medical plans.

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 bankruptcy.

Health Coverages	Description
Medicare Supplement Standardized plans	Supplemental product that complements Medicare.
Supplemental Health Insurance <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.
Employer Stop Loss	Reinsurance for self-insured employers to cover the cost of excess claims beyond a predetermined amount.
Credit Disability	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, and Standard Life and Accident Insurance Company.



It's not a dream.  
It's a plan.



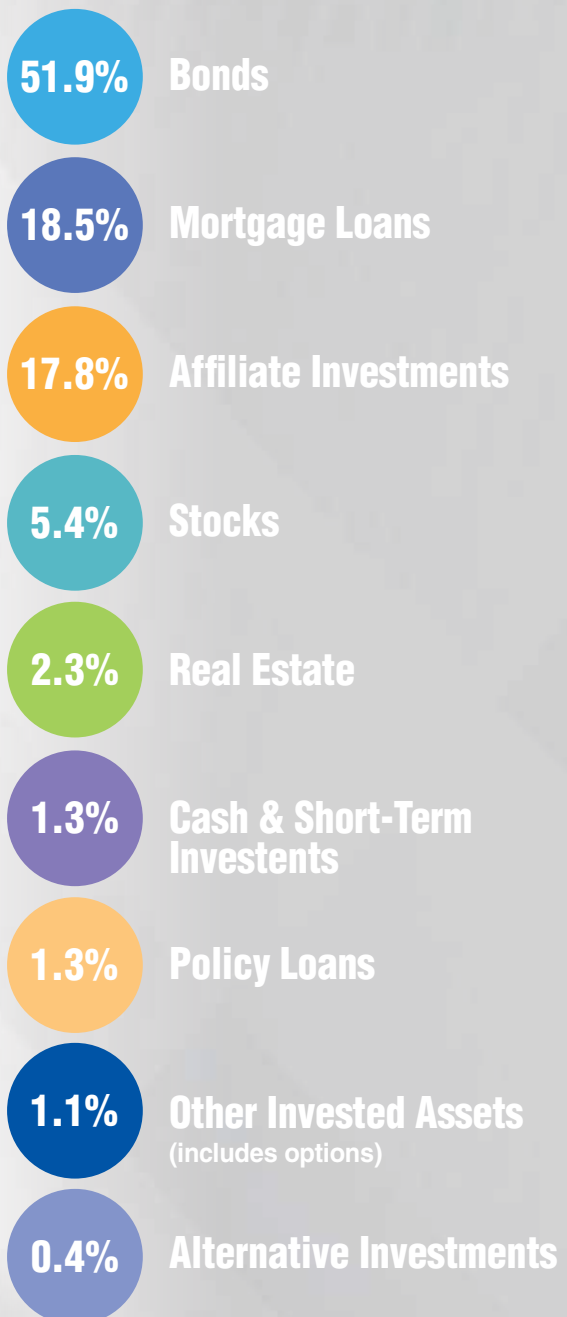
## Corporate & Other

Corporate & Other includes the non-insurance related activities of American National. Additionally, Corporate & Other acts as the owner of American National's entire portfolio of invested assets. The portfolio includes a diverse mix of assets; however, insurance products are generally supported by investment-grade bonds and commercial mortgage loans. We invest in equity options only as a hedge to our indexed life and annuity products. Earned investment income is allocated to insurance segments consistent with the assets supporting the policies.

Earnings for Corporate & Other are from income earned on assets not allocated to the other segments and from non-insurance related businesses. All realized investment gains and losses, including other than temporary impairments, are reflected in this segment. These investments and activities, which generally provide higher potential returns but with increased volatility, are possible because of American National's strong capital position.

We will continue to follow our long-established investment management philosophies, adjusting current allocations shown below, in response to products and capital market conditions.

Allocations as of December 31, 2018 on a combined statutory basis





# BOARD LEADERSHIP

## Board of Directors

### **ROSS R. MOODY, Chairman**

*President and Chief Executive Officer*  
National Western Life Group, Inc. | Austin, TX

### **JAMES E. POZZI**

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

### **WILLIAM C. ANSELL, CPA**

*Partner*  
Ham, Langston & Brezina, LLP | Houston, TX

### **FRANCES A. MOODY-DAHLBERG**

*Executive Director*  
The Moody Foundation | Dallas, Texas

### **ARTHUR O. DUMMER**

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

### **IRWIN M. HERZ, JR.**

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

### **E. DOUGLAS McLEOD**

*Chairman of the Board*  
Moody Gardens, Inc. | Galveston, Texas

### **JAMES P. PAYNE**

*Retired Senior Vice President – Secretary*  
National Western Life Insurance Company | Austin, TX

### **E. J. “JERE” PEDERSON**

*Managing Director*  
CitareTX Management, LLC | Houston, TX

### **JAMES D. YARBROUGH**

*Mayor*  
Galveston, Texas

## Advisory Directors

### **R. EUGENE LUCAS**

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

### **RUSSELL S. MOODY**

*Investments*  
League City, Texas



Leadership is an  
action, not a position.

-Donald H. McGannon

# SENIOR MANAGEMENT

## PRESIDENT

### JAMES E. POZZI

*President and Chief Executive Officer*  
American National Insurance Company

## EXECUTIVE VICE PRESIDENTS

### DAVID A. BEHRENS

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

### JOHNNY D. JOHNSON

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

### JAMES W. PANGBURN

*Executive Vice President, Specialty Markets Group*  
American National Insurance Company

### JOHN F. SIMON

*Executive Vice President, Chief Life and Annuity Actuary*  
American National Insurance Company

### SHANNON L. SMITH

*Executive Vice President, Chief Agencies Officer, Multiple Line*  
American National Insurance Company

### JAMES P. STELLING

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

### HOYT J. STRICKLAND

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

### TIMOTHY A. WALSH

*Executive Vice President, Chief Financial Officer, Treasurer,  
Multiple Line & P&C Operations*  
American National Insurance Company

## SENIOR VICE PRESIDENTS

### DWAIN A. AKINS

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

### MICHELE M. BARTKOWSKI

*Senior Vice President, Finance*  
American National Insurance Company

### SCOTT F. BRAST

*Senior Vice President, Chief Mortgage Loan and Real Estate Investment Officer*  
American National Insurance Company

### BRIAN N. BRIGHT

*Senior Vice President, Computing Services*  
American National Insurance Company

### SCOTT C. CAMPBELL

*Senior Vice President, Chief Client Officer*  
American National Insurance Company

### LEE C. FERRELL

*Senior Vice President, Independent Marketing Group Operations*  
American National Insurance Company

### BERNARD S. GERWEL

*Senior Vice President, Corporate Digital Officer*  
American National Insurance Company

### DEBORAH K. JANSON

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

### S. LIANE LATHAM

*Senior Vice President and Actuary*  
American National Insurance Company

### ANNE M. LEMIRE

*Senior Vice President, Chief Securities Investment Officer*  
American National Insurance Company

### BRUCE M. LePARD

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

### BRAD W. MANNING

*Senior Vice President, Life Claims & Customer Contact Center*  
American National Insurance Company

### M. SCOTT MARQUIS

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

### MEREDITH M. MITCHELL

*Senior Vice President, Application Development and Support*  
American National Insurance Company

### MICHAEL S. NIMMONS

*Senior Vice President, Internal Audit Services*  
American National Insurance Company

### E. BRUCE PAVELKA

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

### RONALD C. PRICE

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

### PATRICK A. SMITH

*Senior Vice President, MLA Field Operations*  
American National Insurance Company

### WAYNE A. SMITH

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

### CLARENCE E. TIPTON

*Senior Vice President, Chief Health Actuary*  
American National Insurance Company

### DR. JOHN WHITE III

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

# American National 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.

**American National Vision: To be a leading provider of financial products and services for current and future generations.**





**AMERICAN NATIONAL INSURANCE COMPANY**

One Moody Plaza | Galveston, Texas 77550 | [AmericanNational.com](http://AmericanNational.com)