



News Release

American National Insurance Company, Galveston, Texas

AMERICAN NATIONAL ANNOUNCES AM BEST RATING CHANGE

Galveston, Texas – June 9, 2009 - AM Best recently downgraded the Financial Strength Ratings of American National Insurance Company (Nasdaq: ANAT) and its subsidiaries American National Property & Casualty Company, American National General Insurance Company, American National County Mutual Insurance Company, Farm Family Casualty Insurance Company and United Farm Family Insurance Company from A+ (Superior) to A (Excellent) and assigned a stable outlook. These rating actions were primarily a result of the decrease in the companies' capital and surplus and reduced operating performance.

American National Life Insurance Company of Texas, Garden State Life Insurance Company, Standard Life & Accident Insurance Company, Farm Family Life Insurance Company, Pacific Property & Casualty Company and American National Lloyds Insurance Company were affirmed at their current A (Excellent) rating with a stable outlook. ANPAC Louisiana Insurance Company was affirmed at its current A- (Excellent) rating with a stable outlook.

The United States and the world at large have experienced a severe economic crisis. While American National largely invests in high quality assets to support its insurance and annuity liabilities, some of these were among the hardest hit over the past year. During 2008 and the first quarter of 2009, on a consolidated basis, American National took \$435 million in other-than-temporary impairments ("impairments") on invested assets. This impacted our reported capital and subsequently our recent review by AM Best.

We believe that there are serious limitations in the current market value accounting practices for invested assets. To support our liabilities, American National typically holds assets to their maturity, but is required to mark many of them to their current market value.

Additionally, current accounting practices do not allow us to reverse the full amount of any recovery on assets on which impairments have been recorded. From December 31, 2008 to May 31, 2009 the unrealized gains and losses recorded for our available-for-sale securities improved by \$345 million. The unrealized gains and losses on our held-to-maturity securities improved by \$230 million.

Over the past few years, our management team has made sound decisions that have resulted in a short-term reduction to our earnings in order to improve our competitive position, liquidity and strength over the long term. As an example, we have increased the company's cash position to ensure ample liquidity during the recent volatile economic environment. Also impacting earnings were significant expenditures in preparing for our registration with the SEC.

While we are disappointed with the recent rating actions taken by AM Best, we are proud that our rating of A (Excellent) with a stable outlook recognizes American National and its subsidiary companies as financially strong with an "excellent ability to meet their ongoing insurance obligations". This opinion is supported by American National's strong corporate profile.

- Forbes recently named American National among its 2009 "100 Most Trustworthy Companies".
- American National has thrived more than 104 years, the result of a unique, conservative corporate culture with a strong commitment to its policyholders, shareholders, agents and employees.
- American National remains well capitalized with GAAP assets equal to 119% of those needed to support the company's GAAP liabilities.
- As of March 31, 2009, GAAP Assets totaled \$18.82 billion.
- As of March 31, 2009, GAAP Stockholders' surplus was \$3.06 billion, or \$115.46 per basic share.
- American National is a diversified family of companies offering a broad array of insurance products, annuities, pension plan services and mutual funds.
- With no corporate debt, American National has no outside demands on its liquidity and continues to be able to invest in growing its business.

A.M. Best's active company rating scale is: A++ (Superior), A+ (Superior), A (Excellent), A- (Excellent), B++ (Good), B+ (Good), B (Fair), B- (Fair), C++ (Marginal), C+ (Marginal), C (Weak), C- (Weak) and D (Poor).

American National Insurance Company is headquartered in Galveston, Texas. The American National family of companies offers a broad line of products and services, which include life insurance, annuities, health insurance, credit insurance, pension plan services and property and casualty insurance for personal lines, agribusiness, and targeted commercial exposures. American National's major insurance subsidiaries include American National Life Insurance Company of Texas, Standard Life and Accident Insurance Company, Garden State Life Insurance Company, American National Property and Casualty Company, Farm Family Life Insurance Company, Farm Family Casualty Insurance Company and United Farm Family Insurance Company.

For more information, including company news and investor relations information, visit the company's web site at www.anico.com.

The statements contained in this release that are not historical statements, including statements regarding future performance, plans and projections, are forward-looking statements based on management's current expectations. These statements involve certain risks and uncertainties detailed in the Company's financial statements. Actual results may differ materially from these statements due to changes in business, regulatory, competitive, market, economic, and political factors that are beyond our control. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by law.

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