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FOR IMMEDIATE RELEASE

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A.M. Best Affirms Ratings of American National Insurance Company and Its Subsidiaries

OLDWICK, N.J., June 24, 2011—A.M. Best Co. has affirmed the financial strength rating (FSR) of A (Excellent) and issuer credit rating (ICR) of “a+” of **American National Insurance Company (ANICO)** [NASDAQ:ANAT]. Additionally, A.M. Best has affirmed the FSR of A (Excellent) and ICR of “a” of **American National Life Insurance Company of Texas, Garden State Life Insurance Company** (League City, TX), **Standard Life and Accident Insurance Company, American National Life Insurance Company of New York** and **Farm Family Life Insurance Company** (both domiciled in Glenmont, NY), all subsidiaries of ANICO. The outlook for all ratings is stable. All the above companies are headquartered in Galveston, TX, unless otherwise specified.

The rating affirmations of ANICO are based on its good consolidated risk-adjusted capitalization, improved GAAP and statutory earnings including a turnaround in the health line of business, diverse product offerings, which cover life, annuities, health, and property/casualty insurance segments. The ratings also recognize the recovery in ANICO’s investment portfolio performance, which has resulted in higher net investment income for 2010, as well as realized and unrealized gains in its fixed income portfolio rather than significant losses due to the financial crisis of 2008-2009. ANICO benefits from revenue and income from diverse sources, which include its life/health and property/casualty affiliates, as well as from its non-insurance affiliates. A.M. Best also notes that the financial leverage at ANICO remains modest relative to its consolidated equity

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level.

Partially offsetting these positive rating factors are ANICO's high exposure to interest-sensitive liabilities, variability in GAAP and statutory earnings over the past five years, particularly in its property/casualty lines, growing exposure to mortgage loans and real estate holdings and the challenges of optimizing the company's returns on a sustained basis.

The ratings of the life insurance subsidiaries of ANICO acknowledge their improved operating trends, more than adequate risk-adjusted capitalization and continuing contribution to ANICO's consolidated results. Partially offsetting these positive rating factors are the life subsidiaries' somewhat fluctuating premiums and earnings trends, limited business profiles and the challenges to grow their business lines.

In addition, A.M. Best has affirmed the FSRs of A (Excellent) and ICR of "a" of **American National Property and Casualty Group** (ANPAC Group) and its members, **American National Property and Casualty Company** (ANPAC), **American National General Insurance Company**, **American National County Mutual Insurance Company** (Galveston, TX) and ANPAC's separately-rated subsidiaries, **American National Lloyds Insurance Company** (Galveston, TX) and **Pacific Property and Casualty Company** (San Jose, CA). The outlook for the ratings is stable. These companies are domiciled in Springfield, MO, unless otherwise specified.

Concurrently, A.M. Best has downgraded the ICR to "a" from "a+" and affirmed the FSR of A (Excellent) of **Farm Family Insurance Companies** (Farm Family) and its members, **Farm Family Casualty Insurance Company** and **United Farm Family Insurance Company**. The outlook for all ratings is stable. These companies are all domiciled in Glenmont, NY. The members of ANPAC Group and Farm Family are all subsidiaries of ANICO.

The revised ICR of Farm Family reflects its trend of declining underwriting and operating profitability over the past five years. However, the ratings recognize its strong capitalization and well-established market

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position in the Northeast.

Partially offsetting the positive rating factors of Farm Family are its recently declining underwriting and operating results, elevated but improved underwriting leverage and susceptibility to severe weather events and catastrophes.

As evident over the past three years, the company's profitability is expected to continue to be pressured by competitive market conditions and regional weather patterns, as well as by legislative, judicial and regulatory actions in the group's key operating states. The ratings also consider the support provided by ANICO to Farm Family and the synergies generated by its sister organization, ANPAC Group.

At the same time, A.M. Best has revised the outlook to stable from negative and affirmed the FSR of A- (Excellent) and ICR of "a-" of **ANPAC Louisiana Insurance Company** (ANPAC LA) (Mandeville, LA). ANPAC LA's revised outlook recognizes the continued financial support provided through its immediate parent, ANPAC, by ANICO.

The principal methodology used in determining these ratings is [Best's Credit Rating Methodology -- Global Life and Non-Life Insurance Edition](#), which provides a comprehensive explanation of A.M. Best's rating process and highlights the different rating criteria employed. Additional key criteria utilized include: "Risk Management and the Rating Process for Insurance Companies"; "Understanding BCAR for Property/Casualty Insurers"; "Understanding BCAR for Life and Health Insurers"; "A.M. Best's Ratings & the Treatment of Debt"; "Natural Catastrophe Stress Test Methodology"; "Catastrophe Analysis in A.M. Best Ratings"; "Catastrophe Risk Management Incorporated Within the Rating Analysis"; "Equity Credit for Hybrid Securities"; and "Rating Members of Insurance Groups." Methodologies can be found at www.ambest.com/ratings/methodology.

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