



Jay DuBose
Senior Vice President &
Chief Financial Officer

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Recent events in the financial market have raised concerns over the stability of many financial institutions, including several well-known insurance companies. While AAA Life Insurance Company has incurred some investment losses due to the declining values in the financial markets, we want to assure our policyholders that AAA Life is strongly capitalized and well positioned to weather the turbulent financial times with no impact on our ability to meet all of our policyholder obligations.

We recognize that annuity policyholders and life policyholders with cash value policies may be concerned with the stability of their policy values and interest rates. We'd like to emphasize that AAA Life maintains a conservative investment policy with 95% of invested assets in corporate bonds, at an average quality rating of "A." The policy also limits our investments in any individual entity to 2% of the total portfolio (e.g., AIG, Lehman, JPMorgan). AAA Life does not have any direct investments in "sub-prime" securities, but does have exposure in the financial sector of the bond market and will continue to be negatively impacted by declines in market value seen in many financial institutions.

The recent downturn in interest rates and continued uncertainty in the corporate bond market may have an impact on future new money crediting rates, but should not impact renewal rates on our existing products.

There remains much uncertainty in today's market and there is no way to predict what challenges we will face in the next few weeks. Due to our current capital position and the overall quality of our investment portfolio, the management of AAA Life is confident the company will weather the turbulent financial times and live up to our reputation for integrity and reliability.

Sincerely,

A handwritten signature in black ink, appearing to read "Jay DuBose", with a large, stylized flourish at the end.

Jay DuBose
Senior Vice President & Chief Financial Officer