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August 26, 2009

Dear Valued Policyholder,

We're sure that the recent news and turmoil of the financial markets has you questioning the insurance industry's financial strength. Recent market events will result in decreases in market value in some investments held by the industry. Notwithstanding, we continue to believe that our asset portfolio is strong and well-positioned, and that any resulting declines in value would be manageable within our current capital position. We are committed to maintaining capital and leverage ratios that are consistent with our current ratings.

Simply put, we want to assure you of the financial strength of Great American Financial Resources®. In an ever-changing world, it's nice to know you can count on us.

Great American Financial Resources' foundation is built upon an investment portfolio and a product portfolio that are financially strong. Our commitment is to give you a company that you can trust not only for today, but for long into the future.

We are pleased with our financial strength position and are confident in the company's long-term business and financial outlook. Among Great American Financial Resources' highlights:

- ★ **Consistent ratings.** Our subsidiaries have been rated "A" or higher by A.M. Best Co. for more than 30 consecutive years. An "A" rating is the third highest rating out of 16 categories.
- ★ **Solid portfolio.** We have an extremely liquid, high-quality investment portfolio. In fact, 94 percent of our fixed maturity portfolio is rated investment grade. (*National Association of Insurance Commissioners rating of 1 or 2 at June 30, 2008.*)
- ★ **Continued growth.** For more than 20 consecutive years, we've had statutory operating earnings profitability. And since 1975, our compounded annual asset growth rate has been in excess of 20 percent.
- ★ **Strong leadership.** For more than 30 years, we've been under the leadership of the same great American family.

Our pledge to you is to be a trusted partner delivering long-term value. At Great American Financial Resources, we believe that *our financial strength is your peace of mind*. Thank you for your continued commitment to our company.

Sincerely,

A handwritten signature in black ink that reads "Charles R. Scheper".

Charles R. Scheper
Chief Operating Officer

Our subsidiaries include: Great American Life Insurance Company®
Annuity Investors Life Insurance Company®
Loyal American Life Insurance Company®
United Teacher Associates Insurance Company
Manhattan National Life Insurance Company