

BEFORE THE DEPUTY INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

In Re:	:	Pursuant to Sections 1401, 1402,
	:	and 1403 of the Insurance
Application of American General	:	Holding Companies Act, Article
Corporation Requesting Exemption	:	XIV of the Insurance Company
from the Requirements of 40 P.S.	:	Law of 1921, Act of May 17, 1921,
§991.1402 for the Restructuring	:	P.L. 682, <u>as amended</u> , 40 P.S.
of its Holding Company System,	:	§§991.1401, 991.1402, and
which includes American General	:	991.1403
Life Insurance Company of	:	
Pennsylvania	:	Order No. ID-RC-01-26

DECISION AND ORDER

AND NOW, on this 14th day of August, 2001, Stephen J. Johnson, Deputy Insurance Commissioner of the Commonwealth of Pennsylvania ("Deputy Commissioner"), hereby makes the following Decision and Order:

Pursuant to the Insurance Holding Companies Act and in consideration of the documents, presentations and reports received, as well as other inquiries and studies as permitted by law, the Deputy Commissioner hereby makes the following findings of fact:

FINDINGS OF FACT

1. American General Life Insurance Company of Pennsylvania ("American General Life") is a domestic stock life insurance company organized under the laws of the Commonwealth of Pennsylvania with its principal place of business in Neptune, New Jersey.

2. USLIFE Corporation ("UC") is an insurance holding company organized under the laws of the State of Delaware with its principal place of business in Houston, Texas. UC owns 100% of the voting securities of American General Life.
3. American General Corporation ("AG Corporation") is an insurance holding company organized under the laws of the State of Texas with its principal place of business in Houston, Texas. AG Corporation owns 100% of the voting securities of UC.
4. The stock of AG Corporation is publicly traded on the New York, Pacific, London and Swiss stock exchanges.
5. American General Life is an indirect wholly-owned subsidiary of AG Corporation.

Filing of the Application

6. On August 14, 2001, the Insurance Department of the Commonwealth of Pennsylvania ("Department") received an initial request (which together with all material received subsequently is collectively referenced as "Application") from AG Corporation for approval to effectuate a plan of reorganization of the holding company system that includes American General Life.
7. The Insurance Holding Companies Act, Article XIV of the Insurance Company Law of 1921, Act of May 17, 1921, P.L. 682, as amended, 40 P.S. §§991.1401 et seq. ("Insurance Holding Companies Act"), provides that all transactions resulting in the change of control of a domestic insurer must be filed with the Department for approval or disapproval.
8. The Application was filed pursuant to Section 1402 of the Insurance Holding Companies Act.
9. Section 1402(g) of the Insurance Holding Companies Act provides for the exemption from the requirements of Section 1402(b) if the transaction:
 - a) does not have the effect of changing or influencing the control of a domestic insurer, or
 - b) is otherwise not comprehended within the purposes of the section.

The Transaction

10. As described in the Application, AG Corporation proposes to dissolve UC resulting in American General Life becoming a wholly-owned subsidiary of AG Corporation.
11. As described in the Application, the dissolution of UC is part of an overall plan that would allow AG Corporation and its subsidiaries to accelerate the payment of certain debt, streamline AG Corporation's organizational structure, and save the combined entity a significant amount of federal tax.
12. The Deputy Commissioner finds that the transaction described in the Application does not have the effect of changing or influencing the control of a domestic insurer.
13. If any of the above Findings of Fact are determined to be Conclusions of Law, they shall be incorporated in the Conclusions of Law as if fully set forth therein.

CONCLUSIONS OF LAW

1. Under Section 1402 of the Insurance Holding Companies Act, the Department has jurisdiction to review and approve the acquisition of controlling securities of a domestic insurer if, after consummation thereof, the acquiring person would be in control of the domestic insurer.
2. The Deputy Commissioner has jurisdiction over the parties and subject matter of this proceeding.
3. The Application was properly filed pursuant to and in accordance with Section 1402(g) of the Insurance Holding Companies Act.
4. The instant transaction is not being contemplated to change or influence the ultimate control of American General Life, and, therefore, is exempt from the requirements of Section 1402(b) of the Insurance Holding Companies Act.

5. If any of the above Conclusions of Law are determined to be Findings of Fact, they shall be incorporated in the Findings of Fact as if fully set forth therein.

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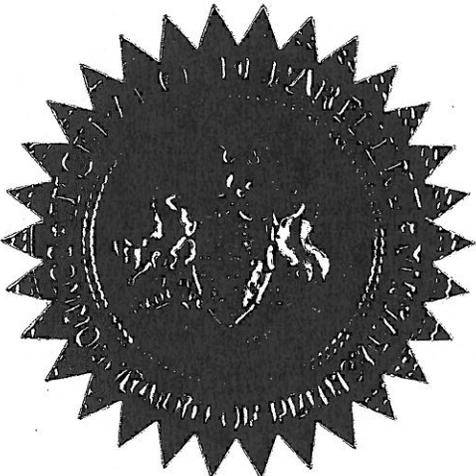
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ORDER

Upon consideration of the foregoing, the Deputy Insurance Commissioner of the Commonwealth of Pennsylvania, hereby makes the following Order:

An approving determination for the application of American General Corporation requesting exemption from the requirements of Section 1402 of the Insurance Holding Companies Act for the restructuring of the holding company system which includes American General Life Insurance Company of Pennsylvania, as set forth in the Application, is hereby granted.

This Order is effective immediately.




STEPHEN J. JOHNSON
Deputy Insurance Commissioner