



P.O. Box 690, Jefferson City, Mo. 65102-0690

IN RE: Proposed Acquisition of AGC Life)
Insurance Company by American) Case No: 010530496C
International Group, Inc. and Washington)
Acquisition Corporation)

FINDINGS OF FACT, CONCLUSIONS OF LAW and ORDER

Findings of Fact and Conclusions of Law

Based on the testimony and other evidence presented, I, SCOTT B. LAKIN, Director of the Department of Insurance, State of Missouri, find that:

1. On or about May 29, 2001, American International Group, Inc., and Washington Acquisition Corporation (together "Applicant") filed a Form A Statement (the Form A) with the Missouri Department of Insurance (the "Department"), in connection with the proposed indirect acquisition of AGC Life Insurance Company ("Insurer"), a Missouri stock life insurance company. A public hearing was held on June 26, 2001, as ordered by the Department on June 4, 2001. Applicant, Insurer and the Department's Division of Financial Regulation appeared by counsel.

2. Pursuant to the Form A, Applicant proposes to acquire control of Insurer pursuant to a merger of Washington Acquisition Corporation ("Washington Acquisition") and American General Corporation (American General), with Washington Acquisition surviving. Washington Acquisition is a wholly owned subsidiary of American International Group, Inc. ("AIG"). Insurer is an indirectly held, wholly owned subsidiary of American General. As a result of the merger, Insurer will become an indirect wholly owned subsidiary of AIG. Starr International Company, Inc. (SICO) currently controls, and will control after consummation of the acquisition by AIG of American General, more than ten percent (10%) of the voting securities of AIG. AIG has filed a disclaimer of affiliation with respect to SICO and has agreed that any issue relating to whether SICO controls AIG: (1) may be determined through administrative proceedings relating to allowance or disallowance of such disclaimer, and (2) is unaffected by the disposition of the current administrative proceeding relating to the Form A.

3. A preponderance of evidence on the whole record fails to show that:

A. After the acquisition of Insurer by Applicant, Insurer will not be able to satisfy the requirements for the issuance of a license to write the lines of insurance for which it is presently licensed.

B. The effect of the acquisition of Insurer by Applicant will be to substantially lessen competition in insurance or tend to create a monopoly in this State.

C. The financial condition of Applicant is such as might jeopardize the financial stability of Insurer or prejudice the interests of its policyholders.

D. Applicant's plans, if any, to liquidate or sell Insurer or to consolidate or merge it with other companies or to make any other material change in Insurer's business, corporate structure, or management, would be unfair or unreasonable to policyholders of Insurer or contrary to the public interest.

E. The competence, experience, and integrity of Applicant's management are such that it would be contrary to the interest of policyholders of Insurer and to the public to permit the acquisition of Insurer by the Applicant.

F. The proposed acquisition of Insurer by the Applicant is likely to be hazardous or prejudicial to the insurance buying public.

Order

Based on the foregoing Findings and Conclusions and pursuant to the provisions of sections 382.040 to 382.060, RSMo, the proposed acquisition of control of AGC Life Insurance Company by American International Group, Inc., and Washington Acquisition Corporation is **APPROVED**.

So ordered, signed and official seal affixed this _____ day of _____, 2001.

SCOTT B. LAKIN, Director
Missouri Department of Insurance