



News Release

American National Insurance Company, Galveston, Texas

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For Immediate Release

AMERICAN NATIONAL ANNOUNCES THIRD QUARTER 2008 RESULTS

Galveston, Texas – October 27, 2008 - American National Insurance Company (Nasdaq: ANAT) announced a third quarter 2008 net loss of \$125,033,000 (\$ 4.69 per diluted share) compared to net income of \$79,245,000 (\$2.98 per diluted share) for the same period in 2007. Other-than-temporary impairments of security investments as well as catastrophe losses in the property and casualty business were the primary reasons for the loss in earnings.

After tax operating earnings for the third quarter were a gain of \$6,279,000 (\$ 0.24 per diluted share) compared with a gain of \$60,653,000 (\$2.28 per diluted share) for the same period in 2007. After tax operating earnings exclude after tax net realized investment gains and losses.

After tax net realized investment losses were \$131,312,000 (\$ 4.93 per diluted share) for the third quarter of 2008 compared with after tax net realized investment gains of \$18,592,000 (\$0.70 per diluted share) for the same period in 2007.

YEAR-TO-DATE RESULTS

The net loss for the nine months ended September 30, 2008 totaled \$88,943,000 (\$3.34 per diluted share) compared to net income of \$187,441,000 (\$7.04 per diluted share) for the nine months ended September 30, 2007. The after tax operating earnings for the first nine months totaled \$48,794,000 (\$1.82 per diluted share) compared to \$165,359,000 (\$6.21 per diluted share) for the same period in 2007. After tax operating earnings exclude after tax net realized investment gains and losses, which totaled a net realized loss of \$137,737,000 (\$5.17 per diluted share) for the first nine months of 2008 compared to a net realized gain of \$22,082,000 (\$0.83 per share) in the same period of 2007.

OPERATIONS

Current quarter revenues and pre-tax earnings were impacted by \$205 million of other-than-temporary impairments on security investments. The impairments were primarily on financial sector stocks and bonds of companies such as Fannie Mae, Freddie Mac, Lehman Brothers, Washington Mutual and AIG. The effect of the impairments on after-tax earnings was \$133 million for the quarter ended September 30, 2008.

Catastrophe losses in the company's property and casualty operations continued to be above average in the third quarter. American National's catastrophe losses, including losses from Hurricanes Ike and Gustav, impacted the third quarter by \$25 million net of reinsurance and net of tax. This is over three times the net catastrophe losses of \$7 million recorded in the third quarter of 2007. Earnings in the third quarter of 2008 were also impacted by \$24 million, net of tax, from litigation related to the company's life insurance business.

While earnings have been impacted by the volatile economic and weather conditions, sales of deferred annuities increased significantly through the first nine months of 2008. Total policyholder deposits, for both life and annuities, increased 65% to a total of \$1.5 billion through September 30, from \$944 million in the same period of 2007. Life insurance in force also increased as of September 30 to a total of \$70 billion, which is an increase of 1.9% from December 31, 2007. Total assets as of September 30, 2008 were \$18.8 billion compared to \$18.4 billion as of December 31, 2007.

American National Insurance Company
COMPARATIVE OPERATIONAL HIGHLIGHTS
 Compiled on a GAAP basis (**Unaudited**)

	Quarter Ended September 30,		Nine Months Ended September 30,	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Revenues	\$ 552,943,000	\$ 768,729,000	\$ 2,012,860,000	\$ 2,338,116,000
After-tax earnings:				
Operating earnings *	\$ 6,279,000	\$ 60,653,000	\$ 48,794,000	\$ 165,359,000
Net realized investment gains (losses)	\$ (131,312,000)	\$ 18,592,000	\$ (137,737,000)	\$ 22,082,000
Net income (loss)	\$ (125,033,000)	\$ 79,245,000	\$ (88,943,000)	\$ 187,441,000
Per share earnings:				
Operating earnings *	\$ 0.24	\$ 2.28	\$ 1.82	\$ 6.21
Net realized investment gains (losses)	\$ (4.93)	\$ 0.70	\$ (5.17)	\$ 0.83
Net income (loss) – Diluted	\$ (4.69)	\$ 2.98	\$ (3.34)	\$ 7.04
Net income (loss) – Basic	\$ (4.72)	\$ 2.99	\$ (3.36)	\$ 7.08
Weighted average number of shares				
Upon which computations are based:				
Diluted	26,631,908	26,633,488	26,631,908	26,633,488
Basic	26,479,832	26,479,832	26,479,832	26,479,832

	As of	
	<u>September 30, 2008</u>	<u>December 31, 2007</u>
Book value per diluted share	\$ 126.70	\$ 140.28

* Operating earnings exclude after-tax realized investment gains and losses. The sum of Operating earnings and Realized investment gains (losses) is equal to Net income.

American National Insurance Company is headquartered in Galveston, Texas. American National has over \$18.8 billion in assets and is rated A+ (Superior) by A.M. Best Company, and AA (Very Strong) by Standard & Poor's. The American National family of companies offers a broad line of products and services, which include life insurance, annuities, health insurance, credit insurance, pension plan services and property and casualty insurance for personal lines, agribusiness, and targeted commercial exposures. American National's major insurance subsidiaries include American National Life Insurance Company of Texas, Standard Life and Accident Insurance Company, Garden State Life Insurance Company, American National Property and Casualty Company, Farm Family Life Insurance Company, Farm Family Casualty Insurance Company and United Farm Family Insurance Company.

For more information, including company news and investor relations information, visit the company's web site at www.anico.com.

The statements contained in this release that are not historical statements, including statements regarding future performance, plans and projections, are forward-looking statements based on management's current expectations. These statements involve certain risks and uncertainties detailed in the Company's financial statements. Actual results may differ materially from these statements due to changes in business, regulatory, competitive, market, economic, and political factors that are beyond our control. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by law.

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