



News Release

American National Insurance Company, Galveston, Texas

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For Immediate Release

AMERICAN NATIONAL INSURANCE COMPANY REPORTS 2001 YEAR-TO-DATE RESULTS

Galveston, Texas - October 23, 2001 - American National reported net income for the year 2001 through September 30, 2001 of \$73,587,000 (\$2.78 per share) versus \$142,171,000 (\$5.37 per share) for the same period of 2000. This included realized investment gains (net of tax) of \$17,635,000 (\$0.67 per share) for the first nine months of 2001 versus \$41,675,000 (\$1.57 per share) for the same period of 2000.

For the third quarter of 2001, the after-tax gain from operations, excluding after-tax gains from the sales of investments, was \$5,670,000 (\$0.21 per share) while the results for the same period in 2000 were \$31,501,000 (\$1.19 per share). The realized investment losses (net of tax) for the third quarter of 2001 were (\$10,206,000) (\$0.38 per share) versus investment gains of \$6,873,000 (\$0.26 per share) for the same period of 2000. The combination of lower operating results and realized investment losses produced a net loss for the third quarter of 2001 of \$4,536,000 (\$0.17 per share) versus a net gain for the same period in 2000 of \$38,374,000 (\$1.45 per share).

The September 11 terrorist attacks and a change in accounting estimates on the deferred tax asset for the Mexican company contributed to a one-time pre-tax charge to gain from operations of \$23,600,000 in the third quarter of 2001. For American National the losses from the terrorist attacks are currently estimated at \$18,400,000 net of reinsurance. American National has established a reserve for the entire amount during September. All reinsurance receivables are from companies highly rated by the major insurance company rating agencies. Farm Family has also recorded losses of \$1,800,000 attributable to this event, net of reinsurance.

The September 11 terrorist attacks and a write-down of some of the California utility bonds held by the company contributed to a one-time pre-tax charge to realized investment gains of \$15,364,000. In response to the impact of the terrorist attacks on the hospitality industry, a reserve of \$7,213,000 was established against mortgage loans outstanding to members of that industry. The write-down of the California utility bonds amounted to \$8,151,000.

The extraordinary items above were one-time non-recurring items and totaled \$38,964,000. Despite the effects of these extraordinary items, growth of the corporation is evidenced in several measures. Consolidated assets as of September 30, 2001 are \$11,030,791,000, or 19.0% greater than at year end 2000. Premium income for the first nine months of 2001 was 19.6% ahead of the same period in 2000. In addition, while the property and casualty operations are still operating at a loss, the corrective actions implemented are starting to show results with the combined loss ratio for the first nine months of 2001 running at 106.8% versus a figure of 108.5% for the same period in 2000.

American National Insurance Company is headquartered in Galveston, Texas. American National has over \$11 billion in assets and is rated A+ (Superior) by A.M. Best, and AA+ (Very Strong) by Standard & Poor's. The American National family of companies offers a broad line of products and services, which include individual and group life and health insurance, and annuities; personal lines property and casualty insurance; and credit insurance. Mutual funds and variable products are also available through registered representatives of a subsidiary broker-dealer. 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, American National de Mexico, Compania de Seguros de Vida, S.A. de C.V. and the newly acquired insurance subsidiaries of Farm Family Holdings consisting of 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.

American National Insurance Company

COMPARATIVE OPERATIONAL HIGHLIGHTS

Compiled on a GAAP basis

	Quarter Ended September 30,		Nine Months Ended September 30,	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
Revenues	\$ 544,455,000	\$ 473,620,000	\$ 1,579,519,000	\$ 1,407,339,000
After-tax earnings:				
Operating earnings*	\$ 5,670,000	\$ 31,501,000	\$ 55,952,000	\$ 100,496,000
Realized investment gains	\$ (10,206,000)	\$ 6,873,000	\$ 17,635,000	\$ 41,675,000
Net income	\$ (4,536,000)	\$ 38,374,000	\$ 73,587,000	\$ 142,171,000
Per share earnings:				
Operating earnings*	\$.21	\$ 1.19	\$ 2.11	\$ 3.80
Realized investment gains (losses)	\$ (.38)	\$.26	\$.67	\$ 1.57
Net income (loss)	\$ (.17)	\$ 1.45	\$ 2.78	\$ 5.37
Weighted average number of shares upon which computations are based:	26,479,610	26,479,165	26,479,610	26,479,165
*Operating earnings exclude after-tax realized investment gains				
Book value per share			\$ 110.68	\$ 116.56
Book value per share adjusted for FAS115			\$ 110.46	\$ 117.61

“Safe Harbor” Statement under the Private Securities Litigation Reform Act of 1995: The statements contained in this release which are not historical facts contain forward looking information with respect to plans, projections or future performance of the Company, the occurrence of which involve certain risks and uncertainties detailed in the Company's financial statements.