

**PAN-AMERICAN LIFE
INSURANCE COMPANY**
Pan-American Life Center, 601 Poydras Street
New Orleans, LA 70130

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AMB#: 06893 NAIC#: 67539
Ultimate Parent#: 06893 FEIN#: 72-0281240

BEST'S RATING

Based on our opinion of the consolidated Financial Strength of the life/health members of Pan-American Life Group, which operate under a group structure, this group member is assigned a Best's Rating of A- (Excellent). The company is assigned the Financial Size Category of Class IX which is the Financial Size Category of the parent.

KEY FINANCIAL INDICATORS (\$000)						
Year	Assets	Total Capital Surplus Funds	Capital Condit'l Reserve Funds	Net Premiums Written	Net Invest Income	Net Income
2002	2,285,192	200,951	17,738	172,604	105,030	910
2003	1,579,337	211,104	18,940	207,316	102,838	9,484
2004	1,607,494	222,861	19,490	205,694	95,285	14,982
2005	1,640,445	269,942	14,538	141,691	86,596	-5,178
2006	1,673,577	289,020	23,705	156,357	88,126	-7,301
2007	1,582,708	306,483	24,632	165,153	89,567	25,697

Financial Stability

The financial condition of a life insurance organization is an important factor in public confidence. In this regard we believe the fundamental factors listed below are significant. The following is a COMPARATIVE ANALYSIS of these basic factors, comparing

PAN-AMERICAN LIFE INSURANCE COMPANY

with 25 of the largest United States life insurance companies. Since these 25 companies have an average of over 100 years of life insurance experience, and own a major portion of the invested assets and life insurance in force of all the companies, a favorable comparison of these factors can be indicative of financial stability. BASIC SIGNIFICANT FACTORS – AS OF December 31, 2008 DERIVED FROM THE ANNUAL STATEMENT (The Companies listed below are 25 of the largest by the amount of Admitted Assets held for the protection of their policyholders.)

SOLVENCY

A wide margin of Assets over Liabilities can be a significant factor. This indicates financial soundness and a Company ability to meet all obligations as they become due.

Assets for each \$100 of Liabilities as of Dec. 31, 2008

Aetna Life Insurance Company, CT	\$121.84
Allstate Life Insurance Company, IL	105.05
American Family Life Assurance Co., GA	106.85
American General Life Ins. Co., TX	115.52
AXA Equitable Life Assurance Society, NY	102.90
Connecticut General Life Ins. Co., CT	112.93
Great-West Life and Annuity Ins. Co., CO	102.79
Guardian Life Ins. Co. of America, NY	114.45
Hartford Life Insurance Company, CT	103.14
Jackson National Life Ins. Company, MI	105.80
John Hancock Life Ins. Co., MA	104.28
Lincoln National Life Ins. Co., IN	103.98
Massachusetts Mutual Life Ins. Co., MA	108.00
Metropolitan Life Insurance Co., NY	104.17
Minnesota Mutual Life Ins. Co., MN	107.84
Nationwide Life Insurance Co., OH	103.01
New York Life Insurance Company, NY	111.18
Northwestern Mutual Life Ins. Co., WI	108.71
Pacific Life Insurance Company, CA	103.89
Principal Life Insurance Company, IA	104.35
Protective Life Insurance Company, TN	107.32
Prudential Insurance Co. of America, NJ	102.78
Riversource Life Insurance Company, MN	103.87
State Farm Life Insurance Company, IL	112.79
Transamerica Life Insurance Company, IA	105.00

AVERAGE OF 25 OF THE LARGEST LIFE CO'S\$105.60
PAN-AMERICAN LIFE\$121.20

SURPLUS FUNDS (Including Capital, if any)

Per \$100 of Policy Reserves: A high surplus ratio may indicate a company's ability to take emergencies in stride. It shows the proportion of surplus funds to the policy reserve liabilities.

AVERAGE OF 25 OF THE LARGEST LIFE CO'S\$11.76
PAN-AMERICAN LIFE\$24.76

LIQUID ASSETS

Assets in Bonds, Stocks, Cash and Short-Term Investments for each \$100 of Liabilities: A high ration may indicate a more liquid investment position to cover unforeseen emergency cash requirements that may arise.

AVERAGE OF 25 OF THE LARGEST LIFE CO'S\$51.26
PAN-AMERICAN LIFE\$103.93

SURPLUS TO LIFE INSURANCE IN FORCE

Ratio of Surplus for each \$1000 of Life Insurance In Force: A high ratio of surplus to life insurance in force may indicate further proof of financial strength and stability.

AVERAGE OF 25 OF THE LARGEST LIFE CO'S\$7.41
PAN-AMERICAN LIFE\$19.18

FINANCIAL STATEMENT SUMMARY

AS OF DECEMBER 31, 2008

Admitted Assets \$1,527,542,203	Policy Reserves \$1,079,094,799
Total Liabilities \$1,260,353,590	Total Income \$ 297,319,190
Gross Surplus (Incl. Capital, if any) \$267,188,613	Insurance in Force \$ 13,931,542

CONCLUSION

Based on the financial results achieved in the year ended 2008, the analysis made of the above organization is **favorable** in comparison with the aggregate averages of 25 of the LARGEST LIFE INSURANCE COMPANIES.