

American National Group Inc.

Key Rating Drivers

American Equity Acquisition: Brookfield Wealth Solutions (BWS) completed its acquisition of American Equity Investment Life Holding Company (AEL) and subsequently merged it with American National, the parent company of the existing American National insurance operations. The combined entity was renamed American National Group Inc. (American National; BBB+/Stable) Fitch Ratings considers the AEL operating subsidiaries important to the group and continues to rate them on a standalone basis. The holding company's ratings are notched based on a blended Insurer Financial Strength (IFS) approach.

Moderate Company Profile: Fitch ranks American National's company profile as moderate and in line with the broader life and property/casualty (P/C) industries. Fitch's view of American National's company profile is driven primarily by its moderate business profile.

Asset Portfolio Risk in Line with Peers: American National's investment and asset risk remain in line with annuity-focused peers, as the company has increased exposures to Schedule BA assets and below-investment-grade bonds, while retaining a material exposure to real estate and commercial mortgage loans. American National's portfolio continues to perform well but could experience volatility under stressed economic conditions. Fitch does not expect material changes to American National's portfolio in the near term.

Very Strong Capitalization: American National's capital position remained very strong, with the company scoring in the 'Very Strong' category of Fitch's Prism capital model based on year-end (YE) 2023 data. American National's P/C operations also remain very strongly capitalized, with a net premium written to surplus ratio of 1.2x and a risk-based capital (RBC) ratio of 354% at YE 2023. The company scored 'Strong' on Fitch's Prism capital model at YE 2023.

Moderate Financial Leverage: American National reported a financial leverage ratio of 17% at YE 2023, which subsequently increased to 26% through 9M24 following the close of BWS' acquisition of AEL. Going forward we expect financial leverage to remain near current levels, which is consistent with industry averages and Fitch's expectations for American National's rating. In October 2024, the company issued \$600 million of senior unsecured notes, the proceeds of which will be used to pay down a portion of the outstanding term loans.

Strong Financial Results: Fitch views American National's financial performance as strong, with generally stable results across the group's operating segments. The life and annuity lines have reported strong growth and earnings through 9M24, benefiting from improving investment yields. The company has expanded its institutional liabilities, including through its recently established Funding Agreement-Backed Note program.

Recent P/C Underwriting Losses: American National posted P/C underwriting losses in the past two years, with combined ratios of 107.0% in 2023 and 101.2% in 2022. These results reflect higher catastrophe losses as well as elevated claims costs in personal lines. The company has taken remediation actions in several states and implemented rate increases, with the expectation of returning the combined ratio to profitability. Through 9M24, results improved year-over-year (YoY), though they still fall below profitability targets due to severe weather-related losses. The company initiated its withdrawal from the homeowner's line of business and began non-renewing policies in July 2024.

American National also recently entered into several transactions with Core Specialty Insurance Holdings, Inc. (Core Specialty) to improve its strategic focus in commercial lines and reduce risk. This includes transferring its specialty markets group, which writes credit-related insurance products and its medical stop-loss business to Core Specialty.

Ratings

Long-Term IDR BBB+

Outlook

Long-Term IDR Stable

Debt Ratings

Senior Unsecured Long-Term Rating BBB

Preferred Long-Term Rating BB+

Financial Data

(\$ Mil.)	2022	2023
Net Income	396	392
Shareholders' Equity	3,422	5,791
Total Debt	1,500	1,500
Operating ROAE (%)	8.2	9.8
Fixed-Charge Coverage (x)	17	7

Note: GAAP.
Source: Fitch Ratings, American National Group, Inc. SEC filings

Applicable Criteria

[Insurance Rating Criteria \(March 2024\)](#)

Related Research

[North American Life Insurance Outlook 2025 \(December 2024\)](#)

[Alternative Asset Manager-Backed Insurers \(May 2024\)](#)

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Rating Sensitivities

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

Holding Company Ratings

- A downgrade of the IFS ratings of either American National's or AEL's operating subsidiaries;
- Financial leverage in excess of 25%;
- Fixed-charge coverage below 5x.

American National's IFS Rating

- A deterioration in investment and asset risk such that the consolidated risky asset ratio rises above 115%, or losses in the portfolio which cause capital as measured under the life Prism model to fall below 'Very Strong';
- Increased catastrophe exposure;
- GAAP return on equity sustained below 6%.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

Holding Company Ratings

- A material positive change in the IFS ratings of American National's or AEL's operating subsidiaries;
- Financial leverage below 20%;
- Fixed-charge coverage maintained in excess of 8x.

American National's IFS Rating

- An improvement in Fitch's view of American National's company profile, including continued profitable growth and additional geographic diversification;
- Very strong investment and asset risk as measured by a risky asset ratio below 80%;
- GAAP return on equity sustained in excess of 10%.

Latest Developments

In January 2025, American National launched a \$4 billion funding agreement-backed note program through American National Global Funding, a trust. To date, the company has issued \$500M as part of this program.

In August 2024, American National reinsured \$3.5 billion of life insurance reserves with Reinsurance Group of America, Incorporated (RGA; A-/Stable) on a coinsurance basis. The reinsured business includes universal life with secondary guarantees, traditional universal life, indexed universal life, term insurance and whole life reserves, representing about 60% of American national's life reserves.

Key Rating Drivers - Scoring Summary

Driver Levels	Operational Profile		Financial Profile							Other Criteria Elements (see below)	Insurer Financial Strength
	Industry Profile & Operating Environment	Company Profile	Capitalization & Leverage	Debt Service Capabilities and Financial Flexibility	Financial Performance & Earnings	Investment and Asset Risk	Asset/Liability & Liquidity Management	Reserve Adequacy	Reinsurance, Risk Mitigation & Catastrophe Risk		
aaa											AAA
aa+											AA+
aa											AA
aa-											AA-
a+											A+
a											A
a-											A-
bbb+											BBB+
bbb											BBB
bbb-											BBB-
bb+											BB+
bb											BB
bb-											BB-
b+											B+
b											B
b-											B-
ccc+											CCC+
ccc											CCC
ccc-											CCC-
cc											CC
c											C
d or rd											D or RD

Other Factors & Criteria Elements				
Provisional Insurer Financial Strength Rating				A
Non-Insurance Attributes	Positive	Neutral	Negative	+0
Ownership / Group Support	Positive	Neutral	Negative	+0
Transfer & Convertibility / Country Ceiling	Yes	No	AAA	+0
Insurer Financial Strength Rating				Final: A
IFS Recovery Assumption	Good			-1
Issuer Default Rating (IDR)				Final: n.a.

Bar Chart Legend:	
Vertical Bars = Range of Driver	
Bar Colors = Relative Importance	
Higher Influence	Moderate Influence
Lower Influence	
Bar Arrows = Driver Outlook	
Positive	Negative
Evolving	Stable

Company Profile

Moderate Business Profile

Fitch views American National’s competitive positioning as moderate and in line with the broader North American life industry, driven by its substantive business franchise with some competitive advantages and a moderate operating scale across the life and P/C segments. American National’s market position is bolstered by its relative advantages in the agricultural and rural markets and benefits from the ability of agents to cross-sell life products.

American National’s P/C operating scale is ranked as moderate, with statutory net premiums written (NPW) of \$1.9 billion and policyholders’ surplus of \$1.6 billion for 2023. This level corresponds with Fitch’s ‘a-’ category IFS non-life insurance credit factor score. American National’s life operating scale is driven by total assets of \$33 billion and total adjusted capital in excess of \$3.0 billion, both of which align with the ‘a’ category.

Fitch views American National’s business risk profile as moderate, with the overall risk profile of the group on par with the life and P/C sectors and broadly in line with multiline peers. The company avoids the least stable business lines across the life, health and P/C business but still retains exposure to catastrophe and interest rate risk.

Fitch views the company’s diversification as favorable, reflecting its diversification across product lines, offset somewhat by geographic concentration in key product lines. American National’s P/C segment writes personal lines auto and is in the process of exiting its homeowners’ line of business. It offers commercial lines insurance primarily for agricultural-related operations and small to midsize businesses, as well as specialty markets insurance products for renters.

Personal and commercial lines are sold through over 1,200 multiple-line captive agents, with a significant presence in rural markets, while specialty markets products are distributed through over 30 managing general agents and underwriters. The company’s life and annuity products consist of whole and universal life, as well as fixed annuities and are sold across multiple distribution channels American National continues to refocus the business on what it views as core strengths and has recently exited its health business. Additionally, American National has continued to grow its pension risk transfer (PRT) business, with the company expanding its market share in 2024.

Neutral Corporate Governance

Corporate governance is assessed as neutral, and as such, Fitch does not make any adjustments to the business profile score when scoring the company profile. While Fitch notes that American National’s group structure is viewed as complex, particularly due to its ownership by Brookfield, an alternative-investment manager, American National does not appear to have any issues related to board effectiveness, board independence, management compensation or related-party transactions. It maintains board committees in line with industry best practices and peers. The company files financial statements consistent with local accounting regulations in a timely fashion and there are no known criminal or civil proceedings that would affect Fitch’s view of corporate governance.

Company Profile Scoring Summary

	Assessment	Subscore/ Impact
Business Profile Assessment	Moderate	a
Corporate Governance Assessment	Neutral	0 notches
Company Profile Factor Score	-	a

Source: Fitch Ratings.

Ownership

Neutral to Rating

Following the close of the acquisition, American National and AEL represent BWS’ primary U.S. operating platforms. Bermuda-based BWS (NYSE: BNRE) is publicly traded, having been spun off by Brookfield Asset Management Ltd. (NYSE: BAM) in June 2021 to operate a reinsurance business focused on providing capital-based and annuity solutions for insurance and reinsurance companies, as well as pension risk transfer products for pension plan sponsors. BAM continues to own the majority of BWS, which Fitch views as neutral to the ratings.

Capitalization and Leverage

Capitalization Remains Very Strong

Fitch views American National's capitalization as very strong, driven by the company's life and non-life Prism results and reported risk- and non-risk-adjusted capital metrics. Financial leverage was historically minimal but has since moved in line with peers following BWS' acquisition of AEL.

American National's P/C capitalization is very strong, with NPW to surplus of 1.2x and an RBC ratio of 354% at YE 2023. The score on Fitch's Prism capital model is 'Strong' at YE 2023 and 'Very Strong' at YE 2022. Factors that add to target capital include catastrophe risks and underwriting, followed by investment exposures. Excluding unrealized losses on bond holdings, which reduce available capital, the Prism score is 'Very Strong' at YE 2023.

American National's life and health capitalization is considered very strong, with the company's life operations scoring in the 'Very Strong' category of Fitch's Prism capital model based on YE 2023 data. Fitch's expects that the life operations will remain at or near the 'Very Strong' category going forward and that capital charges associated with investments may increase modestly as the company repositions portions of the portfolio.

As of YE 2023, the company's financial leverage ratio was 17%, but it increased to 26% as of September 30 2024. The increase in leverage was primarily attributable to BWS acquisition of AEL. American National has remained active in the capital markets, issuing \$600 million of 5.750% senior unsecured notes in October 2024 and \$300 million of preferred shares in January 2025. Proceeds from the issuance were used to repay a portion of the company's outstanding term loans, while the preferred issuance was used to redeem existing preferred shares. Going forward, leverage is expected to remain in line with similarly rated peers.

Financial Highlights

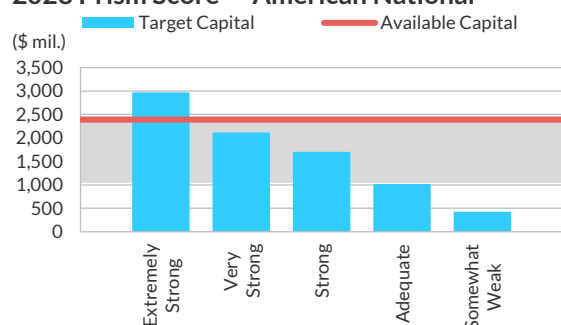
(\$ Mil.)	2022	2023
P/C Statutory Surplus	1,622	1,574
P/C NPW/Surplus (x)	1.1	1.2
Non-P/C Total Adjusted Capital	4,868	3,064
Non-P/C NAIC RBC Ratio (%)	440	492
Shareholders' Equity	3,422	5,791
Financial Leverage Ratio (%)	27	20

P/C – Property/casualty. NPW – Net premiums written. Note: Statutory accounting principles, except shareholders' equity and financial leverage ratio, which are GAAP.
Source: Fitch Ratings; American National Group, Inc. SEC filings.

Fitch's Expectations

- P/C NPW to surplus is expected to remain near 1.0x.
- P/C and life Prism scores are expected to be 'Very Strong'.
- Financial leverage is expected to be maintained near peers.

2023 Prism Score – American National



AC – Available capital. TC – Target capital. Note: Shaded area represents the high and low of AC due primarily to unrealized gain/(loss) on fixed-income securities.
Source: Fitch Ratings.

2023 Prism Score – American National

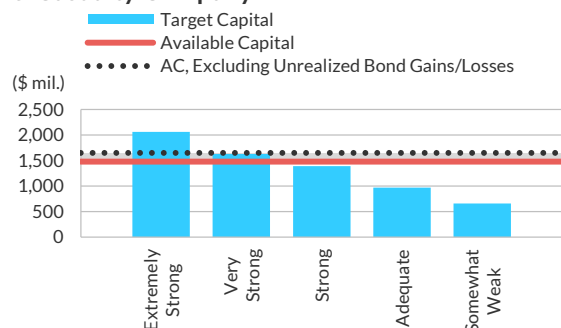
(%)	2023
Prism Score	VERY STRONG
AC/TC at Prism Score	113

Target Capital Contributors

Life Insurance	33
Annuity	74
Accident and Health	0
Portfolio Scaling Adjustment	(1)
Operational Risk	9
Diversification Benefit	(15)

AC – Available capital. TC – Target capital.
Source: Fitch Ratings.

2023 Prism Score - American National Property & Casualty Company



AC – Available Capital. TC – Target Capital. Notes: Red line is AC base. Shaded area represents the high and low of AC due primarily to unrealized bond gains/(losses) and affiliated investments.

Source: Fitch Ratings, S&P Global Market Intelligence.

2023 Prism Score - American National Property & Casualty Company

(\$ Mil.)	2021	2022	2023
Prism Score	EXTREMELY STRONG	VERY STRONG	STRONG
AC/TC at Prism Score (%)	106	101	107
AC/TC at higher Prism Score (%)	NA	76	91
Statutory surplus (\$ Mil.)	1,570	1,622	1,574
Affiliated investments (\$ Mil.)	-0	-0	-92
Unrealized bond gains/losses (\$ Mil.)	107	-233	-166
Other adjustments (\$ Mil.)	149	157	166
Available Capital (AC base) (\$ Mil.)	1,826	1,547	1,482
Target Capital contributors (%)			
Underwriting	32	34	35
Reserves	11	12	11
Investments	13	5	13
Catastrophe	28	10	28
Other	16	9	13

AC – Available Capital. TC – Target Capital.
Source: Fitch Ratings, S&P Global Market Intelligence.

Debt Service Capabilities and Financial Flexibility

Coverage and Financial Flexibility Strong

American National is a holding company and, as a result, it is dependent on dividends from its operating company subsidiaries for cash to service its debt and to pay shareholder dividends. American National Insurance Company (ANICO; A/Stable) and American Equity Investment Life Insurance Company (A-/Stable) are the company's largest subsidiaries and serve as the primary source of dividends. ANICO was permitted to pay total dividends of \$237 million during 2024 without prior approval from the Texas Department of Insurance.

American National's GAAP-based fixed-charge coverage declined in 2023 to 7x from 17x at YE 2022. Through 9M24, American National's fixed-charge coverage remained consistent at 7x and Fitch expects stability or improvement in 2025.

Fitch views the company's financial flexibility as adequate, reflecting its access to public markets and modest contingency funding. Since 2018, American National has been a member of the Federal Home Loan Bank (FHLB) of Dallas for spread lending and contingent liquidity purposes.

Financial Highlights

(\$ Mil.)	2022	2023
Interest Expense	34	96
Operating EBIT/Interest Expense (x)	17	7
Statutory Interest Coverage (x)	23	4

Notes: Statutory interest coverage consists of maximum statutory dividend divided by interest expense. U.S. GAAP, unless otherwise noted.

Source: Fitch Ratings; American National Group, Inc. SEC filings.

Financial Performance and Earnings

Strong Operating Performance

Fitch views American National's financial performance as strong, with results across both the life and P/C operating segments benefiting from strong top-line sales and favorable macroeconomic conditions. Offsetting these positives are continued elevated weather-related losses, ongoing inflationary pressures in the company's personal auto lines of business and certain acquisition-related expenses.

American National posted P/C underwriting losses in the past two years, with combined ratios of 107.0% in 2023 and 101.2% in 2022. These results reflect higher catastrophe losses and elevated claims costs in personal lines. The 2023 combined ratio of 107.0% compares with 101.2% in 2022 and a five-year average (from 2019 to 2023) of 99.8%. The company has taken remediation actions in several states and implemented rate increases, with the expectation of returning the combined ratio to profitability. Additionally, American National announced its intention to exit its personal homeowners' line of business beginning in late 2024.

American National also recently entered into several transactions with Core Specialty to improve its strategic focus in commercial lines and reduce risk. This includes transferring its specialty markets group, which writes credit-related insurance products and its medical stop-loss business to Core Specialty.

American National's life and annuity operations continued to report strong operating earnings following increased sales of the company's core fixed-annuity products and growth the company's PRT business, offset somewhat by lower investment income. Favorably, mortality experience in the company's life business have moved in line with expectations and is running near pre-pandemic levels. American National continues to focus on what it considers its core product offerings and, as a result, exited its health business in 2024, although it was relatively modest in size.

Financial Highlights

(\$ Mil.)	2022	2023
Premiums and Other Policy Revenues	2,817	3,936
Pre-tax Operating Income	555	562
Net Income	396	392
Operating ROE (%)	8.2	9.8
Investment Yield (%)	4.6	4.4

Note: U.S. GAAP.

Source: Fitch Ratings; American National Group, Inc. SEC filings.

Fitch's Expectations

- American National's financial performance will remain strong and may improve modestly going forward.
- P/C underwriting results should improve as the company reduces its catastrophe risk.

Investment and Asset Risk

Portfolio Risk Consistent with Peers

Fitch views American National's investment and asset risk as broadly consistent with peers in the life and annuity market. Fitch considers American National's investment portfolio to be underweight in below-investment-grade bonds but notes that it retains a material exposure to real estate, commercial mortgage loans and schedule BA assets.

Relative to peers, American National's portfolio is less exposed to below-investment-grade bonds, but the company has increased its allocation to alternative assets carried on Schedule BA since 2021. Fitch views the company's real estate and commercial mortgage loans as a potential source of volatility in the current market but notes that the company has a long history of performance in real estate asset classes.

Fitch expects that the company's investment mix has stabilized, although Fitch expects American National is anticipated to continue leveraging BAM's asset origination capabilities. Fitch expects that any shifts in American National's portfolio will likely move towards asset classes that better match its liability duration, with a focus on private credit, infrastructure credit and private real estate.

Financial Highlights

(\$ Mil.)	2022	2023
Cash and Invested Assets	25,459	26,240
Below Investment Grade Bonds/TAC	36	27
Risky Asset Ratio (%) ^a	147	130
NAIC 2 Bonds/Total Bonds (%)	40	34

^a Risky assets ratio consists of below-investment-grade bonds, equities and other assets divided by shareholders' equity. Note: U.S. Statutory.

Source: Fitch Ratings, American National Group Inc. SEC filings.

Fitch's Expectations

- American National's exposure to assets that Fitch views as riskier is expected to remain consistent with annuity peers but above the life industry average.

Asset/Liability and Liquidity Management

Strong Asset/Liability Management (ALM)

Fitch views the company's ALM and liquidity management as strong and notes that asset and liability duration matching is expected to improve following the close of the acquisition. Fitch considers the company's exposure to changes in interest rates as moderate and it is well-positioned to manage a rise in rates.

The company performs well under the New York 7 cash flow testing scenarios, with American National reporting positive present value of ending book value surplus under all seven interest rate scenarios for its life and annuity products.

Fitch views the company's liquidity management as strong, reflecting American National's membership in FHLB Dallas and its previously outstanding bank line of credit. American National also maintains strong access to capital markets and additional sources of contingency funding.

Financial Highlights

	2022	2023
Risk Weighted Liquidity Ratio (%)	206	89
Cash Flow Coverage (x)	1.5	-3.1
Adjusted Liabilities and Separate Accounts (\$ Mil.)	23,498	29,830

Notes: Includes life, retirement and supplemental segments. Statutory accounting principles.

Source: Fitch Ratings, S&P Global Market Intelligence.

Fitch's Expectations

- ALM and liquidity management is expected to remain strong going forward, and may improve modestly over the intermediate term.

Reserve Adequacy

Conservative Reserving with Strong Position

Fitch believes that American National has strong reserve adequacy with a moderate influence on the IFS rating. The company experiences minimal reserve volatility due to the shorter-tail nature of its P/C product lines, which exposes it to less reserve risk compared to longer-tail P/C insurers. Fitch views American National's reserving practices as conservative, with relatively low net reserve leverage. Favorably, the company books its reserves above its external actuary's point estimate.

American National has consistently reported favorable development on prior-year statutory loss reserves, totaling \$274 million over the past five calendar years (from 2019 to 2023) or 3.5% of net premiums earned and averaging 3.9% of surplus. These reserve releases reflect lower-than-expected rates of claim severity emergence in the workers' compensation, automobile, business owner and commercial package policy lines of business, as well as lower liability claim settlement costs emerging in the agribusiness and private passenger auto sectors.

On a GAAP basis, reserve development was a favorable \$80.4 million in 2023, driven by lower-than-anticipated losses from the group's commercial lines of business.

Financial Highlights

(\$ Mil.)	2022	2023
Loss and LAE Reserves	1,198	1,315
PY Reserve Development	-42	-53
Net Reserve Leverage (x)	0.7	0.8
PY Reserve Development/BOY Reserves (%)	-3.8	-4.4
PY Reserve Development/BOY PHS (%)	-2.7	-3.3

LAE – Loss adjustment expense. PY – Prior year. BOY – Beginning of year. PHS – Policyholders' surplus. Note: Statutory accounting principles.

Source: Fitch Ratings, S&P Global Market Intelligence

Fitch's Expectations

- Prior-year reserve development should remain favorable.
- Net reserve leverage should remain below 1.0x.

Reinsurance, Risk Mitigation and Catastrophe Risk

Reasonable Reinsurance Protection Limits Large Losses

Fitch views American National's reinsurance, risk mitigation and catastrophe risk profile as very strong and of lower influence to the IFS rating, with reasonable use of reinsurance and manageable catastrophe risk. American National utilizes reinsurance to manage its net retention on individual risks, including to reduce risks associated with its credit-related specialty market products. The company's retention ratio averaged 86% for 2019 to 2023.

American National purchases catastrophe coverage to protect against large catastrophe events, including hurricanes, tornadoes, wind and hail, earthquakes, winter storms and wildfires, and to limit its overall exposure in the event of an active catastrophe year. For 2024, the company's catastrophe excess of loss reinsurance contract provided coverage for catastrophe losses above a retention of \$50 million, up to \$500 million per occurrence.

Fitch views American National's exposure to modeled losses from catastrophes as generally comparable to that of similar peer companies. On a net basis, the annual aggregate catastrophe exposure is manageable relative to P/C operating company surplus and consolidated shareholders' equity.

On a GAAP basis, the company's P/C reinsurance recoverables on unpaid claims totaled \$302 million, representing 5% of the total company GAAP shareholders' equity. The quality of American National's reinsurers is very strong, with the majority rated in the 'A' or 'AA' range. Lloyd's of London is the largest participant on both its non-catastrophe and catastrophe programs.

Financial Highlights

(%)	2022	2023
Retention Ratio – Total	84	86
Reinsurance Recoverables (\$ Mil.)	115	105
Reinsurance Recoverables/Surplus	7	7

Note: Statutory accounting principles.

Source: Fitch Ratings, S&P Global Market Intelligence

Fitch's Expectations

- The retention ratio should remain near mid-80%.
- The bulk of recoverables will be due from highly rated reinsurers.

Appendix A: Peer Analysis

Peer Comparison

Click [here](#) for a report that shows a comparative peer analysis of key rating driver scoring.

Appendix B: Industry Profile and Operating Environment

Industry Profile and Operating Environment (IPOE)

Click [here](#) for a link to a report that summarizes the main factors driving the above IPOE score.

Appendix C: Other Rating Considerations

Below is a summary of additional ratings considerations that are part of Fitch’s Insurance Rating Criteria.

Group Insurance Financial Strength (IFS) Rating Approach

ANICO is the primary operating company, and through American National Insurance Holdings, it owns and operates the remaining insurance subsidiaries, including American National Life Insurance Company of New York (A/Stable). The insurance operating subsidiaries owned by American National Insurance Holdings meet Fitch’s criteria to be considered core and, as such, are assigned a rating consistent with that of ANICO.

Notching

For notching purposes, Fitch assesses the regulatory environment of the U.S. as effective and classifies it as following a ring-fencing approach.

Notching Summary

IFS Ratings	
A baseline recovery assumption of Good applies to the IFS rating, and standard notching was used from the IFS “anchor” rating to the implied operating company IDR.	
Holding Company IDR	
Standard notching was applied between the implied insurance operating company and holding company IDRs for a ring-fenced regulatory environment. No adjustments were made for financial leverage, coverage or significant holding company liquidity.	
Holding Company Debt	
A baseline recovery assumption of Below Average was applied to the senior unsecured notes. Standard notching relative to the IDR was used.	
Hybrids	
For the trust preferred securities issued by American National, a baseline recovery assumption of Poor and a non-performance risk assessment of Minimal were used. Notching of three was applied relative to the IDR, which was based on two for recovery and one for non-performance risk.	
For the preferred shares issued by American National, a baseline recovery assumption of Poor and a non-performance risk assessment of Minimal were used. Notching of three was applied relative to the IDR, which was based on two for recovery and one for non-performance risk.	
IFS – Insurer Financial Strength. IDR – Issuer-Default Rating. Source: Fitch Ratings	

Debt Maturities

(\$ Mil., as of September 30, 2024)	
2025	0
2026	0
2027	0
2028	0
2029 and Beyond	2,958
Total	2,958
Source: Fitch Ratings, American National Group Inc.	

Short-Term Ratings

Not applicable.

Hybrid - Equity/Debt Treatment

Fitch includes 100% of American National's capital trust subordinated debentures in its calculation of financial leverage and assigns 100% equity credit to the company's two preferred share issuances.

Hybrids Treatment

Hybrid	Amount (\$ Mil.)	CAR Fitch (%)	CAR Reg. Override (%)	FLR Debt (%)
American National Group, Inc.				
American Equity Capital Trust II	77	N/A	N/A	100
Series A Preferred Shares	400	N/A	N/A	0
Series B Preferred Shares	300	N/A	N/A	0
Series D Preferred Shares	300	N/A	N/A	0

Notes: For CAR, percentage shows portion of hybrid value included as available capital, both before (Fitch %) and the regulatory override. For FLR, percentage shows portion of hybrid value included as debt in numerator of leverage ratio. CAR - Capitalization ratio. FLR - Financial leverage ratio. N/A - Not applicable.

Source: Fitch Ratings

Recovery Analysis and Recovery Ratings

Not applicable.

Transfer and Convertibility Risk (Country Ceiling)

None.

Criteria Variations

None.

Appendix D: Environmental, Social and Governance Considerations

Credit-Relevant ESG Derivation

American National Group Inc. has 6 ESG potential rating drivers

- American National Group Inc. has exposure to compliance risk; treating customers fairly; pricing transparency; privacy/data security; legal/regulatory fines; exposure to own cyber risk but this has very low impact on the rating.
- American National Group Inc. has exposure to social responsibility and its effect on brand strength; increased vulnerability due to credit concentrations but this has very low impact on the rating.
- Governance is minimally relevant to the rating and is not currently a driver.

ESG Relevance to Credit Rating			
key driver	0	issues	5
driver	0	issues	4
potential driver	6	issues	3
not a rating driver	2	issues	2
	6	issues	1

Environmental (E) Relevance Scores

General Issues	E Score	Sector-Specific Issues	Reference	E Relevance
GHG Emissions & Air Quality	1	n.a.	n.a.	5
Energy Management	1	n.a.	n.a.	4
Water & Wastewater Management	1	n.a.	n.a.	3
Waste & Hazardous Materials Management; Ecological Impacts	1	n.a.	n.a.	2
Exposure to Environmental Impacts	2	Impact of extreme weather events/natural catastrophes on operations or asset quality; credit concentrations	Financial Performance & Earnings; Investment and Asset Risk	1

How to Read This Page

ESG relevance scores range from 1 to 5 based on a 15-level color gradation. Red (5) is most relevant to the credit rating and green (1) is least relevant.

The **Environmental (E), Social (S) and Governance (G)** tables break out the ESG general issues and the sector-specific issues that are most relevant to each industry group. Relevance scores are assigned to each sector-specific issue, signaling the credit-relevance of the sector-specific issues to the issuer's overall credit rating. The Criteria Reference column highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis. The vertical color bars are visualizations of the frequency of occurrence of the highest constituent relevance scores. They do not represent an aggregate of the relevance scores or aggregate ESG credit relevance.

The **Credit-Relevant ESG Derivation** table's far right column is a visualization of the frequency of occurrence of the highest ESG relevance scores across the combined E, S and G categories. The three columns to the left of ESG Relevance to Credit Rating summarize rating relevance and impact to credit from ESG issues. The box on the far left identifies any ESG Relevance Sub-factor issues that are drivers or potential drivers of the issuer's credit rating (corresponding with scores of 3, 4 or 5) and provides a brief explanation for the relevance score. All scores of '4' and '5' are assumed to reflect a negative impact unless indicated with a '+' sign for positive impact.

Classification of ESG issues has been developed from Fitch's sector ratings criteria. The General Issues and Sector-Specific Issues draw on the classification standards published by the United Nations Principles for Responsible Investing (PRI), the Sustainability Accounting Standards Board (SASB), and the World Bank.

Social (S) Relevance Scores

General Issues	S Score	Sector-Specific Issues	Reference	S Relevance
Human Rights, Community Relations, Access & Affordability	1	n.a.	n.a.	5
Customer Welfare - Fair Messaging, Privacy & Data Security	3	Compliance risk; treating customers fairly; pricing transparency; privacy/data security; legal/regulatory fines; exposure to own cyber risk	Industry Profile & Operating Environment; Company Profile	4
Labor Relations & Practices	2	Impact of labor negotiations, including board/employee compensation and composition	Company Profile	3
Employee Wellbeing	1	n.a.	n.a.	2
Exposure to Social Impacts	3	Social responsibility and its effect on brand strength; increased vulnerability due to credit concentrations	Company Profile; Investment and Asset Risk; Financial Performance & Earnings; Reinsurance, Risk Mitigation & Catastrophe Risk	1

Governance (G) Relevance Scores

General Issues	G Score	Sector-Specific Issues	Reference	G Relevance
Management Strategy	3	Operational implementation of strategy	Company Profile	5
Governance Structure	3	Board independence and effectiveness; ownership concentration; protection of creditor/stakeholder rights; legal /compliance risks; business continuity; key person risk; related party transactions	Company Profile	4
Group Structure	3	Organizational structure; appropriateness relative to business model; opacity; intra-group dynamics; ownership	Company Profile; Ownership	3
Financial Transparency	3	Quality and timing of financial reporting and auditing processes	Company Profile	2
				1

CREDIT-RELEVANT ESG SCALE	
How relevant are E, S and G issues to the overall credit rating?	
5	Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. Equivalent to "higher" relative importance within Navigator.
4	Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to "moderate" relative importance within Navigator.
3	Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. Equivalent to "lower" relative importance within Navigator.
2	Irrelevant to the entity rating but relevant to the sector.
1	Irrelevant to the entity rating and irrelevant to the sector.

ESG Considerations

The highest level of ESG credit relevance, if present, is a score of '3'. This means ESG issues are credit neutral or have only a minimal credit impact on the entity(ies), either due to their nature or to the way in which they are being managed by the entity(ies). Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit www.fitchratings.com/esg.

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