

The Emergence of the 401(k) Plan

The 401(k) plan is now the premier retirement savings vehicle in the U.S. This growth is directly attributable to a shift away from traditional pension plans, where employers alone are responsible for providing retirement benefits to their employees, to 401(k) and other defined contribution plans, where participants share in the responsibility for saving and investing for their retirement.

401(k) plans can be a powerful tool to promote saving for retirement. They are a valuable option for businesses considering a retirement plan, providing benefits to employees and to those employers sponsoring plans.

Employers establish 401(k) plans for a variety of reasons:

- A well designed 401(k) plan can help attract and retain talented employees
- It allows participants to decide how much to contribute to their accounts on a before tax basis
- Employers receive a tax deduction for their contributions to employees' accounts
- Contributions and earnings generally are not taxed until they are distributed at retirement
- 401(k) plans can be designed to provide contributions favoring the business owners and their key employees

Small Business 401(k) Plan Issues

Historically, small businesses have encountered a number of negatives to sponsoring a 401(k) plan, including:

- High administrative costs
- Plan designs that do not provide significant enough contribution levels for the business owners
- Plan designs that do not favor the key employees
- Lack of flexibility in investment options
- Lack of state of the art administrative services
- No one to turn to for guidance on these issues

Custom Plan Design

A customized plan design that provides meaningful benefits to the business owner(s) is essential to the ongoing success of a small business 401(k) plan. American National can provide a plan design that favors the key employees of the business by utilizing various design options, including:

- Traditional allocations
- Allocations integrated at the social security wage base
- Tiered and multi-tiered new-comparability (cross-tested) formulas
- American National's exclusive new Super-Flex™ allocation method



American National designs and supports all types of qualified plans. Key to making a 401(k) the plan of choice for a small business is providing a design that favors the owners and key employees of the sponsoring employer. Just one example of how a plan can be designed (or redesigned for businesses with an existing plan) is shown below.

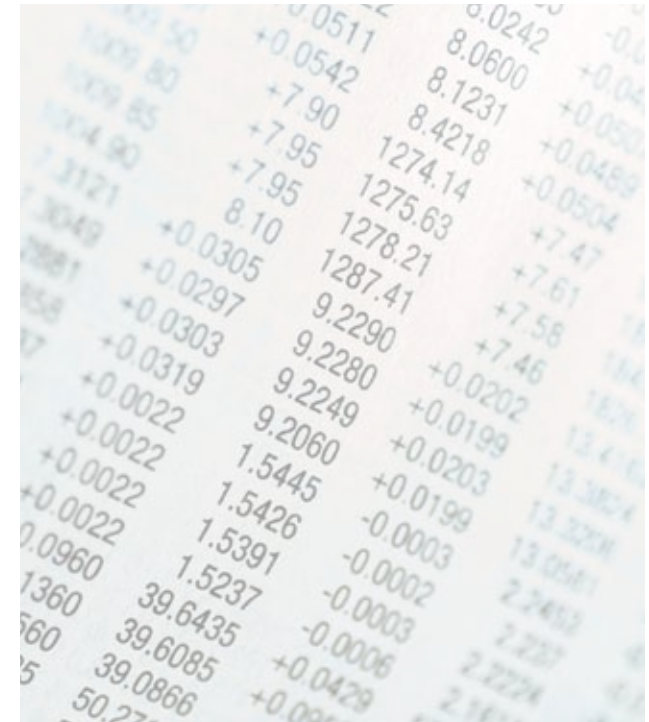
	Age	Salary	Traditional 401(k) w/ PS Contribution	% of Total	ANICO Custom 401(k) w/ PS Contribution	% of Total
OWNER	60	\$ 49,000	\$33,374	55	\$54,500	90
Employee	54	33,000	7,660	13	1,650	3
Employee	28	31,000	7,196	12	1,550	3
Employee	27	29,000	6,731	11	1,450	2
Employee	26	23,000	5,339	9	1,150	2
		\$165,000	\$60,300		\$60,300	
<i>Owner's Share</i>				<i>55%</i>		<i>90%</i>

Future Planning

If you do not have a retirement plan and would like to request a "free look" at how you and your business could benefit from one, or if you already have a plan but would like to see how an improved plan design could better meet your retirement planning goals and allow you to take command of your retirement planning future today, just complete a census form and have your representative ask American National to prepare a custom proposal designed specifically for your business.

American National offers a full-service package. We provide custom plan design, prototype documents for establishing the plan along with complete plan administration services at very low cost. Plan installation starts at just \$250 and annual administration services begin at just \$900 per year for plans utilizing American National annuity products.

401(k) annual services include daily valuation, 24/7/365 participant internet access to accounts, a plan sponsor web site for information at the plan level, 401(k) and 401(m) annual testing, quarterly participant statements posted to the plan sponsor's web site, and preparation of all annual reporting forms including the 5500 package.



American National's 401(k) Plan Solution

American National has developed a 401(k) plan package specifically designed to target the issues that most concern the small business owner.

Small business owners are adopting an American National 401(k) plan solution for a variety of reasons, including:

- Custom plan design on an individual case basis
- Plans that favor the owner(s) and the key employees of the business
- Complete documentation for establishing the plan
- Total ongoing service for the life of the plan, provided by our own pension administration department
- All government reports provided signature-ready
- Quarterly participant statements
- Extremely low administration fees
- Large variety of investment options
- State of the art daily valuation system offering 24/7/365 internet and voice-response systems to account access
- Internet access to all aspects of the plan for the employer
- Free and flexible investment transfers
- No surrender charges for death, disability, retirement, participant loan or termination distributions
- Low expense charges

In defined contribution plans, the amount of funds accumulated and the investment gains or losses solely determine the benefit at retirement.

Distributions made to a Participant before age 59½ may be subject to a 10% premature distribution penalty.

Neither American National nor its representatives provide legal or tax advice. Please consult your attorney or tax advisor for your specific situation. Qualified Plans have minimum distribution rules that govern the timing and amount of distributions. You should refer to your retirement plan, adoption agreement, or consult a tax advisor for more information about these distribution rules.

Variable products are offered and distributed through Securities Management and Research, Inc. (SM&R), Member FINRA, SIPC, a subsidiary of American National Insurance Company, 2450 South Shore Blvd., League City, Texas 77573 (281) 334-2469.

A History of Safety and Strength

Since 1905, American National Insurance Company has been a consistent source of financial strength and long-term planning which has earned the respect of millions of policyowners. American National's financial strength and operating integrity have positioned it as a leader in the insurance industry.

American National offers innovative and customer focused insurance products and ranks among the larger life insurance companies in the United States. We are committed to providing our customers with high quality products that best fit their diverse and changing financial needs.

Policy Forms: DAGA99, GUVAP03

The ANICO 401(k) Retirement Plan
The Best Choice for the Small Business
Take Command of Your Future Today!



Independent Marketing Group is a Division of
American National Insurance Company

401(k) Profit Sharing Plans

401(k)
Plans
From
American
National
Insurance
Company

New Dimensions In Pensions