

# SECURITIES AND EXCHANGE COMMISSION

## FORM 485APOS

Post-effective amendments [Rule 485(a)]

Filing Date: **2001-08-03**  
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### FILER

#### AG SEPARATE ACCOUNT A

CIK: **932927** | State of Incorporation: **MA** | Fiscal Year End: **1231**  
Type: **485APOS** | Act: **33** | File No.: **033-86464** | Film No.: **1697035**

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CIK: **932927** | State of Incorporation: **MA** | Fiscal Year End: **1231**  
Type: **485APOS** | Act: **40** | File No.: **811-08862** | Film No.: **1697036**

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As filed with the Commission on August 3, 2001

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SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM N-4

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

Pre-Effective Amendment No.

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Post-Effective Amendment No. 13

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-----  
X  
-----

and/or

REGISTRATION STATEMENT UNDER THE INVESTMENT COMPANY ACT OF 1940

Amendment No. 24

-----

-----  
X  
-----A. G. SEPARATE ACCOUNT A  
(Exact Name of Registrant)AMERICAN GENERAL ANNUITY INSURANCE COMPANY  
(Name of Depositor)2929 Allen Parkway  
Houston, Texas 77019-2191  
(Address of Depositor's Principal Executive Offices) (Zip Code)(713) 526-5251  
(Depositor's Telephone Number, including Area Code)Pauletta P. Cohn, Esq.  
American General Annuity Insurance Company  
2929 Allen Parkway, Houston, Texas 77019  
(Name and Address of Agent for Service)

Approximate Date of Proposed Public Offering: Continuous

It is proposed that the filing will become effective (check appropriate box)

- immediately upon filing pursuant to paragraph (b) of Rule 485
- on \_\_\_\_\_ pursuant to paragraph (b) of Rule 485
- 60 days after filing pursuant to paragraph (a)(1) of Rule 485
- on August 6, 2001 pursuant to paragraph (a)(1) of Rule 485
- 75 days after filing pursuant to paragraph (a)(2) on (date) pursuant to paragraph (a)(3) of Rule 485

If appropriate, check the following box:

- this post-effective amendment designates a new effective date for a previously filed post-effective amendment.

Title of Securities Being Registered:

Units of interest in A. G. Separate Account A  
under variable annuity contracts

[AMERICAN GENERAL FINANCIAL GROUP LOGO]

ELITEPLUS(R) BONUS VARIABLE ANNUITY

PROSPECTUS  
, 2001

AMERICAN GENERAL ANNUITY  
INSURANCE COMPANY

A.G. SEPARATE ACCOUNT A

ElitePlus(R) Bonus variable annuity contracts are not insured by the FDIC, The Federal Reserve Board or any similar agency. They are not a deposit or other obligation of, nor are they guaranteed or endorsed by, any bank or depository institution. An investment in a variable annuity contract is subject to investment

risks, including possible loss of  
principal invested.

4

[AMERICAN GENERAL FINANCIAL GROUP LOGO]

ASSOCIATED LIFESTAGE VARIABLE ANNUITY

PROSPECTUS  
, 2001

AMERICAN GENERAL ANNUITY  
INSURANCE COMPANY

A.G. SEPARATE ACCOUNT A

Associated LifeStage variable annuity contracts are not insured by the FDIC, The Federal Reserve Board or any similar agency. They are not a deposit or other obligation of, nor are they guaranteed or endorsed by, any bank or depository institution. An investment in a variable annuity contract is subject to investment risks, including possible loss of principal invested.

5

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6

AMERICAN GENERAL ANNUITY INSURANCE COMPANY  
UNITS OF INTEREST UNDER FLEXIBLE PREMIUM INDIVIDUAL FIXED AND  
VARIABLE DEFERRED ANNUITY CONTRACTS  
A.G. SEPARATE ACCOUNT A

, 2001

PROSPECTUS

American General Annuity Insurance Company (the "Company") offers the flexible premium individual fixed and variable deferred annuity contracts (the "Contract" or "Contracts") to provide for the accumulation of Account Value on a fixed or variable basis and payment of annuity payments on a fixed and/or variable basis. The Contracts are designed for use by individuals in retirement plans on a Qualified or Non-Qualified basis.

The Contract permits you to invest in and receive retirement benefits in up to 4 Fixed Account Options and/or an array of up to 25 Variable Account Options described in this prospectus.

The Contract provides for a 1% Bonus to be applied to eligible Purchase Payments. Fees and charges for a variable annuity contract with a bonus, such as ElitePlus Bonus, are higher than fees and charges for a variable annuity contract without a bonus. The Company pays for the 1% Bonus through higher fees and charges deducted from the Contract. Any increase in Account Value that you receive in connection with the 1% Bonus may be more than offset by the higher fees and charges used by the Company to pay for the 1% Bonus.

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This prospectus provides you with information you should know before investing in the Contract. This prospectus is accompanied by the current prospectuses for the mutual fund options described in this prospectus. Please read and retain each of these prospectuses for future reference.

You should rely only on the information contained in this document or that we have referred you to. We have not authorized anyone to provide you with information that is different.

A Statement of Additional Information, dated \_\_\_\_\_, 2001, has been filed with the Securities and Exchange Commission ("SEC") and is available along with other related materials at the SEC's internet web site (<http://www.sec.gov>). This Statement of Additional Information contains additional information about the Contract and is part of this prospectus. For a free copy, complete and return the form contained in the back of this prospectus or call 1-800-424-4990.

THE CONTRACTS ARE NOT INSURED BY THE FDIC, THE FEDERAL RESERVE BOARD OR ANY SIMILAR AGENCY. THEY ARE NOT A DEPOSIT OR OTHER OBLIGATION OF, NOR ARE THEY GUARANTEED OR ENDORSED BY, ANY BANK OR DEPOSITORY INSTITUTION. AN INVESTMENT IN A VARIABLE ANNUITY CONTRACT IS SUBJECT TO INVESTMENT RISKS, INCLUDING POSSIBLE LOSS OF PRINCIPAL INVESTED.

THE SECURITIES AND EXCHANGE COMMISSION HAS NOT APPROVED OR DISAPPROVED THESE SECURITIES OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THE CONTRACTS ARE NOT AVAILABLE IN ALL STATES.

7

TABLE OF CONTENTS

<Table>  
<Caption>

	PAGE
	----
<S>	<C>
ABOUT THE PROSPECTUS.....	3

FEE TABLE.....	4
EXAMPLES.....	6
SUMMARY.....	8
Fixed and Variable Options.....	8
Death Benefit Options.....	10
Transfers.....	10
Fees and Charges.....	11
Payout Options.....	11
Communications to the Company.....	11
Federal Tax Information.....	11
Purchase Requirements.....	11
GENERAL INFORMATION.....	12
About the Contract.....	12
About the Company.....	12
About A.G. Separate Account A.....	13
About the Fixed Account.....	13
Units of Interest.....	13
Distribution of the Contracts.....	13
VARIABLE ACCOUNT OPTIONS.....	14
PURCHASE PERIOD.....	15
Purchase Payments.....	15
Right to Return.....	15
1% Bonus.....	15
Purchase Units.....	16
Calculation of Purchase Unit Value.....	16
Choosing Investment Options.....	16
Fixed Account Options.....	16
Non-MVA Fixed Account Options.....	17
MVA Option.....	17
Variable Account Options.....	17
Stopping Purchase Payments.....	17
TRANSFERS BETWEEN INVESTMENT OPTIONS.....	18
During the Purchase Period.....	18
During the Payout Period.....	18
Communicating Transfer or Reallocation Instructions.....	19
Sweep Account Program.....	19
Effective Date of Transfer.....	19
Reservation of Rights and Market Timing.....	19
Dollar Cost Averaging Program.....	20
Portfolio Rebalancing Program.....	20
FEES AND CHARGES.....	21
Account Maintenance Fee.....	21
Surrender Charge.....	21
Amount of Surrender Charge.....	21

10% Free Withdrawal.....	21
Exceptions to Surrender Charge.....	21
Market Value Adjustment.....	22
Premium Tax Charge.....	22
Separate Account Charges.....	22
Optional Separate Account Charges.....	23
Optional Death Benefit Charge.....	23
Fund Annual Expense Charges.....	23
Other Tax Charges.....	23
 PAYOUT PERIOD.....	 23
Fixed Payout.....	23
Variable Payout.....	23
Combination Fixed and Variable Payout.....	24
Payout Date.....	24
Payout Options.....	24
Payout Information.....	24

</Table>

<Table>

<Caption>

PAGE

----

<S>

<C>

SURRENDER OF ACCOUNT VALUE.....	25
When Surrenders are Allowed.....	25
Amount That May Be Surrendered.....	25
Surrender Restrictions.....	25
Partial Surrender.....	25
Systematic Withdrawal Program.....	25
Distributions Required By Federal Tax Law.....	26
 EXCHANGE PRIVILEGE.....	 26
Restrictions on Exchange Privilege.....	26
Charges and Taxes.....	26
 DEATH BENEFITS.....	 26
Beneficiary Information.....	26
Proof of Death.....	27
Special Information for Non-Tax Qualified Contracts.....	27
Joint Owner Spousal Election Information.....	27
During the Purchase Period.....	27
Standard Death Benefit.....	27
Enhanced Death Benefit.....	28
Annual Step-Up Death Benefit.....	28
Gain Preservation Death Benefit.....	28
During the Payout Period.....	29

HOW TO REVIEW INVESTMENT PERFORMANCE OF SEPARATE ACCOUNT DIVISIONS.....	29
Types of Investment Performance Information	
Advertised.....	29
Total Return Performance Information.....	29
Standard Average Annual Total Return.....	29
Nonstandard Average Annual Total Return.....	29
Cumulative Total Return.....	30
Annual Change in Purchase Unit Value.....	30
Cumulative Change in Purchase Unit Value.....	30
Total Return Based on Different Investment Amounts.....	30
An Assumed Account Value of \$10,000.....	30
Yield Performance Information.....	30
North American--AG Money Market Division.....	30
Divisions Other Than the North American--AG Money Market Fund Division.....	30
OTHER CONTRACT FEATURES.....	31
Change of Beneficiary.....	31
Cancellation -- The 10 Day "Free Look".....	31
We Reserve Certain Rights.....	31
Deferring Payments.....	31
VOTING RIGHTS.....	31
Who May Give Voting Instructions.....	32
Determination of Fund Shares Attributable to Your Account.....	32
During Purchase Period.....	32
During Payout Period or After a Death Benefit Has Been Paid.....	32
How Fund Shares Are Voted.....	32
FEDERAL TAX MATTERS.....	32
Types of Plans.....	32
Tax Consequences in General.....	33
Effect of Tax-Deferred Accumulations.....	33
The Power of Tax-Deferred Growth.....	34
CONTENTS OF STATEMENT OF ADDITIONAL INFORMATION	
APPENDIX I -- SELECTED PURCHASE UNIT DATA	
</Table>	



Unless otherwise specified in this prospectus, the words we, our, Company and AGAIC mean American General Annuity Insurance Company. The words you and your, unless otherwise specified in this prospectus, mean the contract owner, annuitant or beneficiary.

We will use a number of other specific terms in this prospectus. The specific terms that we define for you in this prospectus are:

<Table>

<Caption>

DEFINED TERMS -----	PAGE NO. -----
<S>	<C>
Account Value.....	18
A.G. Separate Account A....	31
Annuitant.....	26
Annuity Service Center.....	18
Assumed Investment Rate....	23
Beneficiary.....	26
Bonus.....	11, 15
Contract Anniversary.....	11, 21
Contract Owner.....	31
Divisions.....	29
Fixed Account Options.....	16
Mutual Fund or Fund.....	13
MVA Band.....	12, 18
MVA Term.....	11, 18
Payout Payments.....	23
Payout Period.....	18
Payout Unit.....	23
Purchase Payments.....	10
Purchase Period.....	18
Purchase Unit.....	16
Variable Account Options...	14
Variable Payout.....	23

</Table>

This prospectus is being given to you to help you make decisions for selecting various investment options and benefits to plan and save for your retirement. It is intended to provide you with information about the Company, the Contract, and saving for your retirement.

The purpose of Variable Account Options and Variable Payout is to provide you investment returns which are greater than the effects of inflation. We cannot, however, guarantee that this purpose will be achieved.

This prospectus describes a contract in which units of interest in A.G. Separate Account A are offered. The Contract will allow you to accumulate retirement dollars in Fixed Account Options and/or Variable Account Options. This

prospectus describes only the variable aspects of the Contract except where the Fixed Account Options are specifically mentioned.

For specific information about the Variable Account Options, you should refer to the mutual fund prospectuses you have been given with this document. You should keep these prospectuses to help answer any questions you may have in the future.

Following this introduction is a summary of the major features and options of the Contract. It is intended to provide you with a brief overview of those sections discussed in more detail in this prospectus.

FEE TABLE

The purpose of this Fee Table is to assist you in understanding the various costs and expenses that you will bear directly or indirectly under a Contract. The table reflects expenses of A.G. Separate Account A and the Funds. We may also deduct amounts for state premium taxes or similar assessments, where applicable.

- CONTRACT OWNER CHARGES(1)

<Table>	
<S>	
Maximum Surrender Charge	<C>
(As a percentage of the Purchase Payment withdrawn and based on the length of time from when each Purchase Payment was received).....	5.00%
</Table>	

<Table>	
<S>	
Transfer Fee(2).....	<C>
	\$25
	or 2% of the
	amount transferred
- ACCOUNT MAINTENANCE FEE(3).....	\$30
</Table>	

- SEPARATE ACCOUNT ANNUAL CHARGES:  
(As a percentage of Average Account Value)

<Table>	
<S>	
Mortality and Expense Risk Fee.....	<C>
	1.25%
Administration Fee.....	0.15%
Total Separate Account Fee.....	1.40%
</Table>	

- OPTIONAL SEPARATE ACCOUNT ANNUAL CHARGES:  
(As a percentage of Average Account Value)

<Table>

<S>	<C>
Death Benefit Option Charges(4):	
Enhanced Death Benefit Charge.....	0.05%
Annual Step-Up Death Benefit Charge.....	0.10%
Gain Preservation Death Benefit Charge.....	0.50%

Assuming you select the Gain Preservation Death Benefit, the MAXIMUM SEPARATE ACCOUNT ANNUAL CHARGES you would pay under the Contract are 1.90%.

</Table>

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- (1) Premium Taxes are not shown here, but may be charged by some states. See "Premium Tax Charge" in this prospectus.
- (2) Currently, no transfer fee is imposed on transfers. The Company reserves the right to impose such a fee in the future which will not exceed the lesser of \$25 or 2% of the amount transferred. See the "Transfers Between Investment Options" section in this prospectus.
- (3) During the Purchase Period, if the Account Value on a Contract Anniversary is at least \$40,000, then no Account Maintenance Fee will be deducted for that Contract Year. See the "Fees and Charges" section in this prospectus.
- (4) The Contract offers you the choice from among three optional death benefits, in addition to the Contract's Standard Death Benefit provision. You will pay an additional charge if you select the Enhanced Death Benefit, the Annual Step-Up Death Benefit or the Gain Preservation Death Benefit. There is no charge for the Standard Death Benefit. See the "Death Benefit" and the "Fees and Charges" sections in this prospectus.

4

10

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YEAR 2000 FUND ANNUAL EXPENSES  
(as a percentage of average net assets):

<Table>

<Caption>

TOTAL			
ANNUAL			
OTHER	PORTFOLIO	MANAGEMENT	
EXPENSES (1)	EXPENSES	FEE WAIVER)	12B-1
(AFTER	(AFTER		
EXPENSE WAIVER)	FUND		FEE WAIVER)
	EXPENSE WAIVER)		
-----	-----	-----	-----
<S>		<C>	<C>
<C>	<C>		
AIM V.I. Capital Appreciation Fund(2)		0.61%	--
0.21%	0.82%		
AIM V.I. Diversified Income Fund(2)		0.60	--
0.30	0.90		
Janus Aspen Growth Portfolio -- Service Shares (3)		0.65	0.25%
0.02	0.92		
Janus Aspen International Growth Portfolio -- Service Shares (3)		0.65	0.25
0.06	0.96		
MFS(R) VIT Capital Opportunities Series(2) (4)		0.75	--
0.16	0.91		
North American--AG Government Securities Fund(2) (5) (6)		0.50	--
0.09	0.59		
North American--AG Growth and Income Fund(2) (5) (6)		0.75	--
0.10	0.85		
North American--AG High Yield Bond Fund(2) (7)		0.70	--
0.29	0.99		
North American--AG International Equities Fund(2) (5) (6)		0.35	--
0.10	0.45		
North American--AG Money Market Fund(2) (5) (6)		0.50	--
0.10	0.60		
North American--AG Stock Index Fund(2) (5) (6)		0.26	--
0.09	0.35		
North American--AG Strategic Bond Fund(2) (7)		0.60	--
0.29	0.89		
North American--Neuberger Berman MidCap Value Fund(2) (7)		0.75	--
0.30	1.05		
North American--Putnam Opportunities Fund(2) (6) (8)		0.95	--
0.10	1.05		
North American--T. Rowe Price Science & Technology Fund(2) (6)		0.90	--
0.10	1.00		
OCCAT Managed Portfolio(9)		0.78	--
0.08	0.86		
Oppenheimer Capital Appreciation Fund/VA(2) (10)		0.64	--

0.03	0.67		
Oppenheimer High Income Fund/VA(2) (10)		0.74	--
0.05	0.79		
Oppenheimer Main Street Growth & Income Fund/VA(2) (10)		0.70	--
0.03	0.73		
Oppenheimer Small Cap Growth Fund/VA(2) (10)		0.75	--
0.60	1.35		
Putnam VT Global Growth Fund -- Class IB Shares(11) (12)		0.66	0.25
0.10	1.01		
Putnam VT Voyager Fund II -- Class IB Shares(13)		0.70	0.25
0.77	1.72		
Templeton Developing Markets Securities Fund -- Class			
2(2) (14)		1.25	0.25
0.31	1.81		
Templeton International Securities Fund -- Class			
2(2) (14)		0.67	0.25
0.20	1.12		
Van Kampen LIT Emerging Growth Portfolio -- Class I			
Shares(2)		0.65	--
0.10	0.75		

</Table>

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- (1) OTHER EXPENSES includes custody, accounting, reports to shareholders, audit, legal, administrative and other miscellaneous expenses. See each Fund's prospectus for a detailed explanation of these fees.
- (2) Most of the Funds' advisers or administrators have entered into arrangements under which they pay certain amounts to the Company for services such as proxy mailings and tabulation, mailing of fund related information and responding to Contract Owner inquiries about the Funds. The fees shown above for Total Annual Portfolio Expenses are unaffected by these arrangements. To the extent that we receive these fees, we do not lower the Contract fees that we charge you. We do not generate a profit from these fees, but only offset the cost of services. See the "Variable Account Options" section of this prospectus.
- (3) Expenses are based upon expenses for the fiscal year ended December 31, 2000, restated to reflect a reduction in the management fee for the Growth and International Growth Portfolios. All expenses are shown without the effect of any expense offset arrangements. The prospectus for Janus Aspen Series under "Fees and Expenses" discusses the 12b-1 fee.
- (4) The MFS(R) VIT Capital Opportunities Series has an expense offset arrangement which reduces the Series custodian fee based upon the amount of

cash maintained by the Series with its custodian and dividend disbursing agent. The Series may enter into other such arrangements and directed brokerage arrangements, which would also have the effect of reducing the Series' expenses. The "Other Expenses" in Fund Annual Expenses table above do not take into account these expense reductions, and are therefore higher than the actual expenses of the Series. Had these fee reductions been taken into account, "Total Annual Portfolio Expenses (After Expense Waiver)" in Fund Annual Expenses table above would be lower for the Series and would equal 0.90%. See the accompanying MFS(R) Variable Insurance Trust prospectus for more details.

- (5) Effective October 1, 2000 American General Series Portfolio Company changed its name to North American Funds Variable Product Series I. Accordingly, AGSPC Government Securities Fund, AGSPC Growth and Income Fund, AGSPC International Equities Fund, AGSPC Money Market Fund, and AGSPC Stock Index Fund changed their names to North American--AG Government Securities Fund, North American--AG Growth and Income Fund, North American--AG International Equities Fund, North American--AG Money Market Fund, and North American--AG Stock Index Fund, respectively.
- (6) The expenses for these funds have been restated to reflect contractual changes effective May 1, 2001.
- (7) As of August 31, 2000, in the absence of Management Fee Waiver, Other Expense Waiver and Total Annual Portfolio Expense Waiver, Management Fees, Other Expenses and Total Annual Portfolio Expenses, respectively, would have been: North American--AG High Yield Bond Fund, 0.70%, 0.92% and 1.62%; North American--Neuberger Berman MidCap Value Fund, 0.75%, 0.89% and 1.64%; and North American--AG Strategic Bond Fund, 0.60%, 0.91% and 1.51%.
- (8) Management fees and other expenses for the North American--Putnam Opportunities Fund are estimated for the current fiscal year.

5

11

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- (9) Total annual portfolio operating expenses for the Portfolio are limited by OpCap Advisors so that their respective annualized operating expenses (net of expense offsets) do not exceed 1.00% of the Portfolio's average daily net assets.
- (10) The Oppenheimer Capital Appreciation Fund/VA was formerly known as the Oppenheimer Growth Fund. The Oppenheimer Main Street Growth & Income Fund/VA was formerly known as the Oppenheimer Growth & Income Fund. The Oppenheimer High Income Fund/VA was formerly known as the Oppenheimer High Income Fund. The Oppenheimer Small Cap Growth Fund/VA was formerly known as the Oppenheimer Small Cap Growth Fund.

- (11) The prospectus for Putnam Variable Trust -- Class IB Shares under "Distribution Plan" discusses this 12b-1 fee.
- (12) The Fund's fees have been restated to reflect an increase in 12b-1 fees currently payable to Putnam Investment Management, LLC. The Trustees of Putnam Variable Trust currently limit 12b-1 fee payments on Class IB Shares to 0.25% of average net assets.
- (13) Expenses are based on estimates for Putnam VT Voyager Fund II's first full fiscal year.
- (14) The fund's class 2 distribution plan or "rule 12b-1 plan" is described in the fund's prospectus.

EXAMPLES

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The following four Examples show the amount of expenses (in dollars) that would be incurred under the Contract assuming (1) a \$1,000 investment, (2) a 5% annual return, and (3) the continuation of any fee waivers described in the "Fee Table--Fund Annual Expenses" section in this prospectus. All four Examples also include a pro rata deduction for the \$30 Annual Contract Maintenance Fee.

In Examples 1 and 2, we show you what you would pay based on Separate Account Annual Expenses of 1.90%, which is the maximum Separate Account Annual Expenses that could be assessed under a Contract. In Examples 3 and 4, we show you what you would pay based on Separate Account Annual Expenses of 1.40%, which is the minimum Separate Account Annual Expenses that you could pay under a Contract.

EXAMPLE #1 -- If you choose the Gain Preservation Death Benefit and you do not surrender the Contract at the end of the period shown or you receive Payout Payments under a Payout Option(1).

Total Expenses. You would pay the following expenses:

<Table>

<Caption>

5 YEARS (2)	10 YEARS (2)	1 YEAR	3 YEARS
-----	-----	-----	-----
<S>		<C>	<C>
<C>	<C>		
AIM V.I. Capital Appreciation Fund Division 8		\$28	\$ 85

\$146	\$308		
AIM V.I. Diversified Income Fund Division 9		29	88
149	316		
Janus Aspen Growth Portfolio -- Service Shares Division 16		29	88
150	318		
Janus Aspen International Growth Portfolio -- Service Shares Division 17		29	90
152	322		
MFS(R) VIT Capital Opportunities Series Division 18		29	88
150	317		
North American--AG Government Securities Fund Division 4		25	77
132	282		
North American--AG Growth and Income Fund Division 1		28	85
145	307		
North American--AG High Yield Bond Fund Division 19		30	90
154	325		
North American--AG International Equities Fund Division 2		20	62
107	232		
North American--AG Money Market Fund Division 6		25	78
133	283		
North American--AG Stock Index Fund Division 5		23	70
120	258		
North American--AG Strategic Bond Fund Division 20		29	87
149	315		
North American--Neuberger Berman MidCap Value Fund Division 21		30	92
157	330		
North American--Putnam Opportunities Fund Division 22		30	91
N/A	N/A		
North American--T. Rowe Price Science & Technology Fund Division 23		29	90
152	322		
OCCAT Managed Portfolio Division 3		28	87
148	312		
Oppenheimer Capital Appreciation Fund/VA Division 10		26	81
138	294		
Oppenheimer High Income Fund/VA Division 12		28	84
144	306		
Oppenheimer Main Street Growth & Income Fund/VA Division 11		27	83
141	300		
Oppenheimer Small Cap Growth Fund/VA Division 13		33	101
171	358		
Putnam VT Global Growth Fund -- Class IB Shares Division 24		30	91
155	327		
Putnam VT Voyager Fund II -- Class IB Shares Division 25		37	112
N/A	N/A		
Templeton Developing Markets Securities Fund -- Class 2 Division 14		38	114
193	399		
Templeton International Securities Fund -- Class 2 Division 15		31	94
160	337		



</Table>

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(1) Payout Payments under a Payout Option may not commence prior to the end of the fifth Contract Year.

(2) "N/A" indicates SEC rules require that we complete Examples for the North American -- Putnam Opportunities Fund and Putnam VT Voyager Fund II -- Class IB Shares for only the one and three year periods.

6

12

EXAMPLE #2 -- If you choose the Gain Preservation Death Benefit and you surrender the Contract at the end of the period shown.

Total Expenses. You would pay the following expenses:

<Table>

<Caption>

5 YEARS (1)	10 YEARS (1)	1 YEAR	3 YEARS
-----	-----	-----	-----
<S>		<C>	<C>
<C>	<C>		
AIM V.I. Capital Appreciation Fund Division 8		\$78	\$134
\$176	\$308		
AIM V.I. Diversified Income Fund Division 9		79	136
179	316		
Janus Aspen Growth Portfolio -- Service Shares Division 16		79	136
180	318		
Janus Aspen International Growth Portfolio -- Service Shares Division 17		79	138
182	322		
MFS(R) VIT Capital Opportunities Series Division 18		79	136
180	317		
North American--AG Government Securities Fund Division 4		75	126
162	282		
North American--AG Growth and Income Fund Division 1		78	133
175	307		
North American--AG High Yield Bond Fund Division 19		80	138
184	325		

North American--AG International Equities Fund Division 2	70	112
137            232		
North American--AG Money Market Fund Division 6	75	126
163            283		
North American--AG Stock Index Fund Division 5	73	119
150            258		
North American--AG Strategic Bond Fund Division 20	79	136
179            315		
North American--Neuberger Berman MidCap Value Fund Division		
21	80	140
187            330		
North American--Putnam Opportunities Fund Division 22	80	139
N/A            N/A		
North American--T. Rowe Price Science & Technology Fund		
Division 23	79	138
182            322		
OCCAT Managed Portfolio Division 3	78	135
178            312		
Oppenheimer Capital Appreciation Fund/VA Division 10	76	129
168            294		
Oppenheimer High Income Fund/VA Division 12	78	133
174            306		
Oppenheimer Main Street Growth & Income Fund/VA Division 11	77	131
171            300		
Oppenheimer Small Cap Growth Fund/VA Division 13	83	148
201            358		
Putnam VT Global Growth Fund -- Class IB Shares Division 24	80	139
185            327		
Putnam VT Voyager Fund II -- Class IB Shares Division 25	87	159
N/A            N/A		
Templeton Developing Markets Securities Fund -- Class 2		
Division 14	88	161
222            399		
Templeton International Securities Fund -- Class 2 Division		
15	81	142
190            337		
Van Kampen LIT Emerging Growth Portfolio -- Class I Shares		
Division 7	77	132
172            302		

</Table>

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(1) "N/A" indicates SEC rules require that we complete Examples for the North American -- Putnam Opportunities Fund and Putnam VT Voyager Fund II -- Class IB Shares for only the one and three year periods.

EXAMPLE #3 -- If you do not choose any optional death benefit and you do not surrender the Contract at the end of the period shown or you receive Payout Payments under a Payout Option.(1)

Total Expenses. You would pay the following expenses:

<Table>

<Caption>

5 YEARS (2)	10 YEARS (2)	1 YEAR	3 YEARS
-----	-----	-----	-----
<S>		<C>	<C>
<C>	<C>		
AIM V.I. Capital Appreciation Fund Division 8 \$121	\$259	\$23	\$ 70
AIM V.I. Diversified Income Fund Division 9 125	267	24	73
Janus Aspen Growth Portfolio -- Service Shares Division 16 126	269	24	73
Janus Aspen International Growth Portfolio -- Service Shares Division 17 128	273	24	75
MFS(R) VIT Capital Opportunities Series Division 18 125	268	24	73
North American--AG Government Securities Fund Division 4 109	235	21	63
North American--AG Growth and Income Fund Division 1 122	262	23	71
North American--AG High Yield Bond Fund Division 19 129	276	25	76
North American--AG International Equities Fund Division 2 84	183	16	48
North American--AG Money Market Fund Division 6 109	236	21	64
North American--AG Stock Index Fund Division 5 97	210	18	56
North American--AG Strategic Bond Fund Division 20 124	266	24	72
North American--Neuberger Berman MidCap Value Fund Division 21 132	282	25	77
North American--Putnam Opportunities Fund Division 22 N/A	N/A	25	77
North American--T. Rowe Price Science & Technology Fund Division 23 130	277	25	76
OCCAT Managed Portfolio Division 3 123	263	23	72
Oppenheimer Capital Appreciation Fund/VA Division 10 113	244	21	66
Oppenheimer High Income Fund/VA Division 12 119	256	23	69
Oppenheimer Main Street Growth & Income Fund/VA Division 11		22	68

116	250		
Oppenheimer Small Cap Growth Fund/VA Division	13	28	86
147	311		
Putnam VT Global Growth Fund -- Class IB Shares Division	24	25	76
130	278		
Putnam VT Voyager Fund II -- Class IB Shares Division	25	32	97
N/A	N/A		
Templeton Developing Markets Securities Fund -- Class 2			
Division 14		33	100
169	354		
Templeton International Securities Fund -- Class 2 Division			
15		26	79
136	289		
Van Kampen LIT Emerging Growth Portfolio -- Class I Shares			
Division 7		22	68
117	252		

</Table>

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- (1) Payout Payments under a Payout Option may not commence prior to the end of the fifth Contract Year.
- (2) "N/A" indicates SEC rules require that we complete Examples for the North American -- Putnam Opportunities Fund and Putnam VT Voyager Fund II -- Class IB Shares for only the one and three year periods.

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13

EXAMPLE #4 -- If you do not choose any optional death benefit and you surrender the Contract at the end of the period shown.

Total Expenses. You would pay the following expenses:

<Table>

<Caption>

5 YEARS (1)	10 YEARS (1)	1 YEAR	3 YEARS
-----	-----	-----	-----
<S>		<C>	<C>
<C>	<C>		
AIM V.I. Capital Appreciation Fund Division	8	\$73	\$119
\$151	\$259		
AIM V.I. Diversified Income Fund Division	9	74	122
155	267		
Janus Aspen Growth Portfolio -- Service Shares Division	16	74	122
156	269		

Janus Aspen International Growth Portfolio -- Service Shares			
Division 17		74	123
158	273		
MFS(R) VIT Capital Opportunities Series Division 18		74	122
155	268		
North American--AG Government Securities Fund Division 4		71	113
139	235		
North American--AG Growth and Income Fund Division 1		73	120
152	262		
North American--AG High Yield Bond Fund Division 19		75	124
159	276		
North American--AG International Equities Fund Division 2		66	98
114	183		
North American--AG Money Market Fund Division 6		71	113
139	236		
North American--AG Stock Index Fund Division 5		68	106
127	210		
North American--AG Strategic Bond Fund Division 20		74	121
154	266		
North American--Neuberger Berman MidCap Value Fund Division			
21		75	126
162	282		
North American--Putnam Opportunities Fund Division 22		75	126
N/A	N/A		
North American--T. Rowe Price Science & Technology Fund			
Division 23		75	125
160	277		
OCCAT Managed Portfolio Division 3		73	121
153	263		
Oppenheimer Capital Appreciation Fund/VA Division 10		71	115
143	244		
Oppenheimer High Income Fund/VA Division 12		73	119
149	256		
Oppenheimer Main Street Growth & Income Fund/VA Division 11		72	117
146	250		
Oppenheimer Small Cap Growth Fund/VA Division 13		78	134
177	311		
Putnam VT Global Growth Fund -- Class IB Shares Division 24		75	125
160	278		
Putnam VT Voyager Fund II -- Class IB Shares Division 25		82	145
N/A	N/A		
Templeton Developing Market Securities Fund -- Class 2			
Division 14		83	147
199	354		
Templeton International Securities Fund -- Class 2 Division			
15		76	128
166	289		
Van Kampen LIT Emerging Growth Portfolio -- Class I Shares			
Division 7		72	117
147	252		

</Table>

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(1) "N/A" indicates SEC rules require that we complete Examples for the North American -- Putnam Opportunities Fund and Putnam VT Voyager Fund II -- Class IB Shares for only the one and three year periods.

SUMMARY

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The Contract is a combination fixed and variable annuity that offers you a wide choice of investment options and flexibility. A summary of the Contract's major features is presented below. For a more detailed discussion of the Contract, please read the entire prospectus carefully.

FIXED AND VARIABLE OPTIONS

The Contract offers a choice from among 25 Variable Account Options. The Contract also offers four Fixed Account Options, two of which, the DCA One Year Guarantee Period Option and the DCA Six Month Guarantee Period Option, are available only for dollar cost averaging. See the "Dollar Cost Averaging Program" section of this prospectus.

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<Table>

<S>	<C>	<C>
	<C>	
	FIXED ACCOUNT OPTIONS	

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FIXED income OPTIONS	One Year Guarantee Period ("One Year Fixed Account")	Guaranteed current interest
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income	DCA One Year Guarantee Period ("DCA One Year Fixed Account")	Guaranteed current interest
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income	DCA Six Month Guarantee Period ("DCA Six Month Fixed Account")	Guaranteed current interest
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income	Market Value	Multi-year guaranteed interest
states)	Adjustment Guarantee	(May not be available in all
	Period ("MVA Option")*	

</Table>

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<Table>

<S>	<C>	<C>
	<C>	
	VARIABLE ACCOUNT	INVESTMENT OBJECTIVE**
	ADVISER	
	OPTIONS	

EQUITY	AIM V.I. Capital	Growth of capital.
FUNDS	A I M Advisors, Inc. Appreciation Fund(1)	

capital in a manner	Janus Aspen Growth Janus Capital	Seeks long-term growth of
preservation of capital.	Portfolio -- Service Shares (2)	consistent with the

capital.	Janus Aspen Janus Capital	Seeks long-term growth of
	International Growth Portfolio -- Service Shares (2)	

	MFS(R) VIT Capital Massachusetts Opportunities Financial Services Series (3)	Seeks capital appreciation.
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growth of capital income through and

North American--AG  
American General  
Growth and Income  
Advisers  
Fund(4)

Seeks to provide long-term and, secondarily, current investment in common stocks equity-related securities.

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growth of capital in a equity and equity issuers that, provide corresponding to Index.

North American--AG  
American General  
International Equities  
Advisers  
Fund(4)

Seeks to provide long-term through investments primarily diversified portfolio of related securities of foreign as a group, are expected to investment results closely the performance of the EAFE

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through that, as a group, investment results performance of Stock Index(R).

North American--AG  
American General  
Stock Index Fund(4)  
Advisers

Seeks long-term capital growth investment in common stocks are expected to provide closely corresponding to the the Standard & Poor's 500

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investment in capitalization value-oriented investment

North American--  
American General  
Neuberger Berman  
Advisers  
MidCap Value Fund(5)

Seeks capital growth through equity securities of medium companies using a approach.



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through North American--Putnam Seeks capital appreciation  
American General  
Opportunities Fund(4) investments in common stocks.  
Advisers

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appreciation through North American--T. Seeks long-term capital  
American General  
Rowe Price Science & investment primarily in the  
Advisers  
common stocks of Technology Fund(4) companies that are expected to  
benefit from the development, advancement  
and use of science and technology.

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common stocks, OCCAT Managed Growth through investments in  
OpCap Advisors  
Portfolio(6) bonds and cash equivalents.

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appreciation by Oppenheimer Capital Seeks to achieve capital  
OppenheimerFunds, Inc.  
Appreciation investing in securities of  
well-known Fund/VA(7) established companies.

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includes Oppenheimer Main Seeks high total return (which  
OppenheimerFunds, Inc.  
Street Growth & Income growth in the value of its  
Fund/VA(7) current income) from equity  
shares as well as securities. From time to time,  
and debt related focus on small to medium  
the Fund may common stocks, bonds and  
capitalization securities.  
convertible

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Oppenheimer Small Cap Seeks to provide capital

<p>appreciation in securities market billion.</p>	<p>OppenheimerFunds, Inc. Growth Fund/VA(7)</p>	<p>primarily through investments of small cap companies with a capitalization of up to \$1.8</p>
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<p>capital.</p>	<p>Putnam VT Global Putnam Investment Growth Fund -- Class Management, LLC IB Shares(8)</p>	<p>Seeks capital appreciation</p>
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<p>capital.</p>	<p>Putnam VT Voyager Fund Putnam Investment II -- Class IB Management, LLC Shares(8)</p>	<p>Seeks long-term growth of</p>
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<p>appreciation. The emerging market</p>	<p>Templeton Developing Templeton Asset Markets Securities Management Ltd. Fund -- Class 2(9)</p>	<p>Seeks long-term capital Fund invests primarily in equity securities.</p>
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<p>Fund invests companies located including emerging</p>	<p>Templeton Templeton Investment International Counsel, LLC Securities Fund -- Class 2(9)</p>	<p>Long-term capital growth. The primarily in stocks of outside the United States, markets.</p>
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<p>investing in common companies.</p>	<p>Van Kampen LIT Van Kampen Asset Emerging Growth Management Inc. Portfolio -- Class I Shares(10)</p>	<p>Capital appreciation by stocks of emerging growth</p>
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SUB-ADVISER  
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EQUITY                    --  
FUNDS  
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Neuberger Berman  
Management Inc.  
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Putnam Investment  
Management, LLC  
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T. Rowe Price  
Associates, Inc.  
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<S>	<C> <C>	<C>
INCOME FUNDS current income.	AIM V.I. Diversified A I M Advisors, Inc. Income Fund(1)	Achieve a high level of
protection of intermediate debt	North American--AG American General Government Securities Advisers Fund(4)	Seeks high current income and capital through investments in and long-term U.S. Government securities.
total return and conservation of a diversified high risk fixed-	North American--AG American General High Yield Bond Advisers Fund(5)	Seeks the highest possible income consistent with capital through investment in portfolio of high yielding, income securities.

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total return and conservation of a diversified securities.  
North American--AG American General Strategic Bond Fund(5) Advisers  
Seeks the highest possible income consistent with capital through investment in portfolio of income producing

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of current yield  
Oppenheimer High OppenheimerFunds, Inc. Income Fund/VA(7)  
Seeks to provide a high level income from investment in high fixed-income securities.

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MONEY MARKET FUND capital and investments in securities.  
North American--AG American General Money Market Fund(4) Advisers  
Seeks liquidity, protection of current income through short-term money market

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INCOME FUNDS --

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American General Investment Management, L.P. ("AGIM")

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AGIM

MONEY MARKET FUND

</Table>

- (1) A series of AIM Variable Insurance Funds.
- (2) A series of Janus Aspen Series -- Service Shares.
- (3) A series of MFS(R) Variable Insurance Trust.
- (4) A series of North American Funds Variable Product Series I.
- (5) A series of North American Funds Variable Product Series II.
- (6) A series of OCC Accumulation Trust ("OCCAT").
- (7) A series of Oppenheimer Variable Account Funds.
- (8) A series of Putnam Variable Trust.
- (9) A series of Franklin Templeton Variable Insurance Products Trust.
- (10) A series of Van Kampen Life Investment Trust.

\* See the "MVA Option" and "Market Value Adjustment" sections in this prospectus for more information on how the MVA Option works.

\*\* There can be no assurance that investment objectives will be achieved.

<Table>

<S> <C>

<p>A detailed description of the investment Account Value from the objective of each Fund can also be found in each Option to one or more Fund's current prospectus. once each day; and</p>	<p>- You may transfer your One Year Fixed Account Variable Account Options</p>
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to the "Purchase Period"

<p>DEATH BENEFIT OPTIONS Account Value from one Options into the One At the time that your Contract is issued you may once each day, choose the Enhanced Death Benefit, the Annual waiting period Step-Up Death Benefit, or the Gain Preservation Account Value from Death Benefit, in place of the Standard Death Option into one or Benefit offered in the Contract. If you do not Options. (For example, choose an optional death benefit when your Account Value from Contract is issued, the only choice available Option into the</p>	<p>- You may transfer your section of the prospectus. or more Variable Account Year Fixed Account Option subject to a six month following any transfer of the One Year Fixed Account more Variable Account if you make a transfer of the One Year Fixed Account</p>
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for you to make at a later date is the Gain Index Fund Division 5 Preservation Death Benefit. There will be a Year, you will not charge for choosing the Enhanced Death Benefit, Account Value in the Annual Step-Up Death Benefit or the Gain Stock Index Fund Preservation Death Benefit. There is no charge One Year Fixed for the Standard Death Benefit. See the "Death 1 of such Contract Benefit" section and the "Fees and Charges" section in this prospectus.

payments from your TRANSFERS Period), you may

the Variable Account You may transfer money in your account among the Variable Account Options to Contract's investment options free of charge. We Option.

reserve the right, however, to impose a fee which will not exceed the lesser of \$25 or 2% of you have invested in the amount transferred for each transfer which investment option will be deducted from the amount transferred. the application of a Transfers during the Purchase Period are the "MVA Option" permitted as follows: Adjustment" sections of this

information.

- You may transfer your Account Value among the Variable Account Options once each day;  
</Table>

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North American--AG Stock on January 1 of a Contract be allowed to transfer the the North American--AG Division 5 back into the Account Option until June Year.)

Once you begin receiving account (called the Payout still transfer funds among Options and from the the One Year Fixed Account You cannot transfer amounts the MVA Option to another during an MVA Term without Market Value Adjustment. See and "Market Value prospectus for more

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Transfers can be made by calling the Company's toll-free transfer service at 1-800-424-4990. For more information on account transfers, see the "Transfers Between Investment Options" section in this prospectus.



## FEES AND CHARGES

### ACCOUNT MAINTENANCE FEE

On each Contract Anniversary, the Company deducts an Account Maintenance Fee of \$30 from your Account Value. The fee is deducted proportionately from each investment option. During the Purchase Period, if the Account Value on a Contract Anniversary is at least \$40,000, the Company will waive the fee for that Contract Year.

### SURRENDER CHARGE

Under some circumstances a surrender charge is deducted from your account. These situations are discussed in detail in the section of this prospectus entitled "Fees and Charges -- Surrender Charge." When this happens the surrender charge is computed as a percent of the total Purchase Payments withdrawn based on the length of time from when each Purchase Payment was received up to a maximum of 5.0% of Purchase Payments.

Withdrawals from the MVA Option prior to the end of the applicable MVA Term will also be subject to a Market Value Adjustment unless an exception applies. This may increase or reduce the amount withdrawn. However, the Market Value Adjustment will not reduce the amount invested in the MVA Option below the guaranteed amount. See the "MVA Option" and "Market Value Adjustment" sections of this prospectus for more information.

Withdrawals are always subject to federal tax restrictions, which generally include a tax penalty on withdrawals made prior to age 59 1/2.

### PREMIUM TAX CHARGE

Premium taxes ranging from zero to 3 1/2% are currently imposed by certain states and municipalities on Purchase Payments made under the Contract. For a detailed discussion on timing and deduction of premium taxes see the section of this prospectus entitled "Fees and Charges -- Premium Tax Charge."

### SEPARATE ACCOUNT CHARGES

If you choose a Variable Account Option you will incur a mortality and expense risk fee and an administration fee. We take these charges from your Variable Account Options on a daily basis. These charges are at annualized rates of 1.25% and 0.15%, respectively.

### OPTIONAL SEPARATE ACCOUNT CHARGES

If you choose one of the optional death benefits you will incur additional charges which we take from your Variable Account Options on a daily basis. More information on the Optional Separate Account Charges can be found in the "Fee Table" (on page ) and the "Fees and Charges" (on page ) sections in this prospectus.

## FUND ANNUAL EXPENSE CHARGE

A daily charge based on a percentage of each Fund's average daily net asset value is payable by each Fund to its investment adviser. In addition to these management fees, each Fund incurs other operating expenses which may vary.

## PAYOUT OPTIONS

When you withdraw your money, you can select from several payout options: a lifetime annuity (which guarantees payment for as long as you live), periodic withdrawals and systematic withdrawals. More information on payout options can be found in the "Payout Period" section of this prospectus.

## COMMUNICATIONS TO THE COMPANY

You should include, in communications to the Company, your Contract number, your name, and, if different, the Annuitant's name. You may direct communications to the Annuity Service Center address shown on the inside back cover of this prospectus. We will consider communications to be received at our Annuity Service Center on the date we actually receive them, if they are in the form described in this paragraph. See "Transfers Between Investment Options -- Communicating Transfer or Reallocation Instructions" in this prospectus.

## FEDERAL TAX INFORMATION

Although deferred annuity contracts such as the Contract can be purchased with after-tax dollars, they are also used in connection with retirement programs which receive favorable tax treatment under federal law.

## PURCHASE REQUIREMENTS

The minimum initial Purchase Payment for Non-Qualified Contracts is \$5,000 and for Qualified Contracts is \$2,000. The minimum subsequent Purchase Payment is \$1,000 for Non-Qualified Contracts and \$250 for Qualified Contracts. The minimum amount per a preauthorized debit Purchase Payment under the Automatic Check Option is \$50. More information about the Automatic Check Option can be found in the "Purchase Period" section of this prospectus.

CONTRACT ANNIVERSARY -- the date

that the Contract is issued and each yearly anniversary of that date thereafter.

More information on FEES may be found in this

prospectus under the headings "FEES AND CHARGES" AND "FEE TABLE."

MVA TERM -- a period of time in which an amount of Account Value is allocated to a guarantee period in the MVA Option. See the "MVA Option" section in this prospectus.

For a more detailed

discussion of these income tax provisions, see the "FEDERAL TAX MATTERS" sections of this prospectus and of the Statement of Additional Information.

BONUS - an additional

amount paid by the Company, equal to 1% of the initial Purchase Payment and certain subsequent Purchase Payments.

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At the time that your initial Purchase Payment is made, the Company will credit an additional 1% of the amount as a Bonus. Any subsequent Purchase Payments of at least \$5,000 for Non-Qualified Contracts and \$2,000 for Qualified Contracts will also be credited with an additional 1% of the amount as a Bonus (subject to state regulatory approval). For more information on the 1% Bonus and on Purchase Payments, see the "Purchase Period" section in this prospectus.

From time to time the Company may change the minimum amount necessary to establish a new MVA Option guarantee period (an "MVA Band"). For more information on the MVA Band, see the "MVA Option" and "Market Value Adjustment" sections in this prospectus.

RIGHT TO RETURN

You may return your Contract by mailing it directly to the Annuity Service Center or returning it to the registered representative through whom you purchased the Contract within 10 days after you receive it, unless your state permits a longer period. We will then return to you:

- Your Purchase Payment, adjusted to reflect investment experience and any Fees and Charges which have been deducted; or
- In certain states, your entire Purchase Payment as required by state law.

See the "Purchase Period -- Right to Return" and "Purchase Period -- 1% Bonus" sections in this prospectus for information on how the 1% Bonus is impacted by the Right to Return.

## GENERAL INFORMATION

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### ABOUT THE CONTRACT

The Contract was developed to help you save money for your retirement. It offers you a combination of fixed and variable options that you can invest in to help you reach your retirement savings goals. Your contributions to the Contract can come from different sources, like payroll deductions or money transfers. Your retirement savings process with the Contract will involve two stages: the Purchase Period; and the Payout Period. The first is when you make contributions into the Contract called "Purchase Payments." The second, is when you receive your retirement payouts. For more information, see the "Purchase Period" and "Payout Period" sections in this prospectus.

You may choose, depending upon your retirement savings goals and your personal risk tolerances, to invest in the Fixed Account Options and/or the Variable Account Options described in this prospectus. When you decide to retire, or otherwise withdraw your money, you can select from a wide array of payout options including both fixed and variable payments. In addition, this prospectus will describe for you all fees and charges that may apply to your participation in the Contract.

### ABOUT THE COMPANY

We are a life insurance company organized on July 5, 1944 and located in the State of Texas. Our main business is issuing and offering fixed and variable retirement annuity contracts, like the Contract. Our principal offices are located at 2929 Allen Parkway, Houston, Texas 77019. Our Annuity Service Center is located at 205 E. 10th Avenue, Amarillo, Texas 79101. The address to send any Purchase Payments and sums payable to the Company under the Contract is: American General Annuity Insurance Company, P.O. Box 5429, Boston, MA 02206-5429, if sent by mail; and State Street Bank and Trust Company, Attention Lock Box A3W, 1776 Heritage Drive, North Quincy, MA 02171, if sent by overnight

delivery. The Company primarily distributes its annuity contracts through financial institutions, general agents, and specialty brokers.

On February 25, 1998, the Company became an indirect, wholly-owned subsidiary of American General Corporation. On this date the Company changed its name from Western National Life Insurance Company to American General Annuity Insurance Company. Members of the American General Corporation group of companies operate in each of the 50 states, the District of Columbia, and Canada and collectively provide financial services with activities heavily weighted toward insurance. American General Financial Group is the marketing name and service mark owned and used by American General Corporation and its subsidiaries.

On May 11, 2001, American General Corporation, the parent of the Company, announced that it had terminated its previously announced merger agreement with London-based Prudential plc, and concurrently agreed to be acquired by American International Group, Inc. American International Group, Inc. is one of the world's leading insurance and financial services organizations and the largest underwriter of commercial and industrial insurance in the United States. It is currently anticipated that the transaction, which is subject to approval by American General Corporation shareholders, regulatory approvals and other customary conditions, will close by the end of 2001.

MVA BAND -- the name given to a specific amount of Account Value allocated to the MVA Option for an MVA Term. See the "MVA Option" and "Market Value Adjustment" sections in this prospectus.

All inquiries regarding THE CONTRACT may be directed to the Annuity Service Center at the address shown.

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18

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The Company is a member of the Insurance Marketplace Standards Association ("IMSA"). IMSA is a voluntary membership organization created by the life insurance industry to promote ethical market conduct for individual life insurance and annuity products. The Company's membership in IMSA applies to the Company only and not its products or affiliates.

#### ABOUT A.G. SEPARATE ACCOUNT A

When you direct money to the Contract's Variable Account Options, you will be sending that money through A.G. Separate Account A. You do not invest directly

in the Mutual Funds made available in the Contract. A.G. Separate Account A invests in the Mutual Funds on behalf of your account. A.G. Separate Account A is made up of what we call "Divisions." Twenty-five Divisions are available and represent the Variable Account Options in the Contract. Each of these Divisions invests in a different Mutual Fund made available through the Contract. The earnings (or losses) of each Division are credited to (or charged against) the assets of that Division, and do not affect the performance of the other Divisions of A.G. Separate Account A.

On December 23, 1999, the Mutual Funds in which Divisions 1-7 of A.G. Separate Account A invested were replaced by seven similar substitute Mutual Funds, as follows: Credit Suisse Growth and Income Portfolio (Division 1) was replaced by North American--AG Growth and Income Fund; Credit Suisse International Equity Portfolio (Division 2) was replaced by North American--AG International Equities Fund; EliteValue Portfolio (Division 3) was replaced by OCCAT Managed Portfolio; American General U.S. Government Securities Portfolio (Division 4) was replaced by North American--AG Government Securities Fund; State Street Global Advisors Growth Equity Portfolio (Division 5) was replaced by North American--AG Stock Index Fund; State Street Global Advisors Money Market Portfolio (Division 6) was replaced by North American--AG Money Market Fund; and Van Kampen Emerging Growth Portfolio (Division 7) was replaced by Van Kampen LIT Emerging Growth Portfolio.

The Company established A.G. Separate Account A on November 9, 1994 under Texas insurance law. Prior to May 1, 1999, A.G. Separate Account A was known as AGA Separate Account A. Prior to May 1, 1998, AGA Separate Account A was known as WNL Separate Account A. A.G. Separate Account A is registered with the SEC as a unit investment trust under the Investment Company Act of 1940 ("1940 Act"). Units of interest in A.G. Separate Account A are registered as securities under the Securities Act of 1933 ("1933 Act").

A.G. Separate Account A is administered and accounted for as part of the Company's business operations. However, the income, capital gains or capital losses, whether or not realized, of each Division of A.G. Separate Account A are credited to or charged against the assets held in that Division without regard to the income, capital gains or capital losses of any other Division or arising out of any other business the Company may conduct. In accordance with the terms of the Contract, A.G. Separate Account A may not be charged with the liabilities of any other Company operation. The Texas Insurance Code requires that the assets of A.G. Separate Account A attributable to the Contract be held exclusively for the benefit of the Contract Owner, annuitants, and beneficiaries of the Contract. The commitments under the Contracts are the Company's, and American General Corporation has no legal obligation to back those commitments. When we discuss performance information in this prospectus, we mean the performance of an A.G. Separate Account A Division.

#### ABOUT THE FIXED ACCOUNT

When you direct money to the Contract's Fixed Account Options, it will become part of the Company's general assets (except in certain states where allocations to the MVA Option must be allocated to a separate account of the Company). Our

obligations for the Fixed Account are legal obligations of the Company. Our general assets support these obligations. These general assets also support our obligations under other annuity contracts we issue. See the "Purchase Period -- Choosing Investment Options" section in this prospectus.

With the MVA Option, a Market Value Adjustment may increase or reduce the Account Value in this Fixed Account Option. See the "MVA Option" and "Market Value Adjustment" sections in this prospectus for additional information.

#### UNITS OF INTEREST

Your investment in a Division of A.G. Separate Account A is represented by units of interest issued by A.G. Separate Account A. On a daily basis, the units of interests issued by A.G. Separate Account A are revalued to reflect that day's performance of the underlying Mutual Fund minus any applicable fees and charges to A.G. Separate Account A.

#### DISTRIBUTION OF THE CONTRACTS

The Contracts are sold by licensed insurance agents who are registered representatives of broker-dealers which are members of the National Association of Securities Dealers, Inc. (the "NASD"), unless such broker-dealers are exempt from the broker-dealer registration

MUTUAL FUND OR FUND --  
the investment portfolio(s)  
of a registered open-end  
management investment  
company, which serves as  
the underlying investment  
vehicle for each Division  
represented in A.G.  
Separate Account A.

For more information about  
THE COMPANY, see the Statement  
of Additional Information.

For more information about  
DISTRIBUTOR, see the Statement  
of Additional Information.

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requirements of the Securities Exchange Act of 1934, as amended (the "1934 Act"). The principal underwriter and distributor for A.G. Separate Account A is

American General Distributors, Inc. ("AGDI"), an affiliate of the Company. AGDI was formerly known as A.G. Distributors, Inc. In the States of Florida and Illinois, AGDI is known as American General Financial Distributors of Florida, Inc. and American General Financial Distributors of Illinois, Inc., respectively. AGDI was organized as a Delaware corporation on June 24, 1994, and is a registered broker-dealer under the 1934 Act, and a member of the NASD.

The broker-dealers who sell the Contracts will be compensated for such sales by commissions ranging up to 7% of each Purchase Payment. These commissions are paid by the Company and do not result in any charge to Contract Owners or to A.G. Separate Account A in addition to the charges described under the "Fees and Charges" section in this prospectus.

The Company offers the Contracts on a continuous basis.

The Company and AGDI may enter into marketing and/or sales agreements with certain broker-dealers where these broker-dealers and/or their affiliates, work with the Company and AGDI in the promotion and marketing of the Contracts. These arrangements do not result in any charge to Contract Owners or to A.G. Separate Account A in addition to the charges described under the "Fees and Charges" section in this prospectus.

#### VARIABLE ACCOUNT OPTIONS

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Each individual Division represents and invests, through A.G. Separate Account A, in specific Mutual Funds. These Mutual Funds serve as the investment vehicles for the Contract and include:

- AIM Variable Insurance Funds -- offers 2 funds for which A I M Advisors, Inc. serves as investment adviser.
- Franklin Templeton Variable Insurance Products Trust -- offers 2 funds for which Templeton Investment Counsel, LLC and Templeton Asset Management Ltd. (Franklin Resources, Inc.) respectively, serve as investment adviser.
- Janus Aspen Series -- Service Shares -- offers 2 funds for which Janus Capital serves as investment adviser.
- MFS(R) Variable Insurance Trust -- offers 1 fund for which Massachusetts Financial Services Company serves as investment adviser.
- OCC Accumulation Trust ("OCCAT") -- offers 1 fund for which OpCap Advisors serves as investment adviser.
- Oppenheimer Variable Account Funds -- offers 4 funds for which OppenheimerFunds, Inc. serves as investment adviser.
- North American Funds Variable Product Series I -- offers 7 funds for which American General Advisers serves as investment adviser. Putnam Investment Management, LLC serves as investment sub-adviser for 1 of these funds. T. Rowe Price Associates, Inc. serves as investment sub-adviser for 1 of these funds.
- North American Funds Variable Product Series II -- offers 3 funds for which American General Advisers serves as investment adviser. AGIM serves as investment sub-adviser for 2 of these funds and Neuberger Berman Management Inc. serves as investment sub-adviser for 1 of these funds.



- Putnam Variable Trust -- Class IB Shares -- offers 2 funds for which Putnam Investment Management, LLC serves as investment adviser.
- Van Kampen Life Investment Trust -- Class I Shares -- offers 1 fund for which Van Kampen Asset Management Inc. serves as investment adviser.

The Company has entered into various administrative services agreements with most of the advisers or administrators for the Funds that offer shares to the Divisions. The Company receives fees for the administrative services it performs. These fees do not result in any charge to Contract Owners or to A.G. Separate Account A in addition to the charges described under the "Fees and Charges" section in this prospectus.

Each of these Funds is registered as a diversified open-end, management investment company and is regulated under the 1940 Act. For complete information about each of these Funds, including charges and expenses, you should refer to the prospectus for that Fund. Additional copies are available from the Company's Annuity Service Center at the address shown in the back of this prospectus.

AGDI'S address is  
2929 Allen Parkway,  
Houston, Texas 77019.

VARIABLE ACCOUNT  
OPTIONS -- investment  
options that correspond  
to Separate Account  
Divisions offered by  
the Contract.  
Investment returns on  
Variable Account  
Options may be positive  
or negative depending on  
the investment  
performance of the  
underlying Mutual Fund.

14

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#### PURCHASE PERIOD

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The Purchase Period begins when your first Purchase Payment is credited, and the Contract is issued (as discussed below) and continues until you begin your Payout Period. The Purchase Period can also end when the Contract is surrendered before the Payout Period.

## PURCHASE PAYMENTS

You may establish an account only through a registered representative. Initial Purchase Payments must be received by the Company either with, or after, a completed application. All Purchase Payments and sums payable to the Company under the Contract must be sent to the Company's lock box at State Street Bank & Trust Company at the following addresses: American General Annuity Insurance Company, P.O. Box 5429, Boston, MA 02206-5429, if the Purchase Payments are sent by mail; and State Street Bank and Trust Company, Attention Lock Box A3W, 1776 Heritage Drive, North Quincy, MA 02171, if the Purchase Payments are sent by overnight delivery.

Minimum initial and subsequent Purchase Payments are as follows:

<Table>

<Caption>

Contract Type	Initial Purchase Payment	Subsequent Purchase Payment
-----	-----	-----
<S>	<C>	<C>
Non-Qualified Contract	\$5,000	\$1,000
Qualified Contract	\$2,000	\$ 250

</Table>

Subject to the maximum and minimum Purchase Payment requirements, you may make subsequent Purchase Payments and may increase or decrease or change the frequency of such payments. The maximum total Purchase Payments we will accept without our prior approval is \$500,000 if the Contract is issued to you at age 74 or younger and \$250,000 if the Contract is issued to you at age 75 or older.

You may select on your Contract application the Automatic Check Option. The Automatic Check Option allows you to preauthorize debits against a bank account that you indicate on the Preauthorized Debit Form to be sent in with your Contract application. The minimum amount per a preauthorized debit Purchase Payment under the Automatic Check Option is \$50.

Purchase Payments are received by the Company at the address above. When an initial Purchase Payment is accompanied by a properly completed application, within 2 business days we will:

- Accept the Application -- credit the Purchase Payment and issue a Contract;
- Reject the Application -- return the Purchase Payment; or
- Request Additional Information -- to correct or complete the application. You must respond to our request within 5 business days after we receive your Purchase Payment and application at the address above. Then we will process the application, credit the Purchase Payment and issue a Contract within 2 business days after we receive the requested information.

In states where we are required by state law to refund an amount equal to

Purchase Payments, we invest your initial Purchase Payment and any additional Purchase Payments in the Money Market Division from the date your investment performance begins until the first business day 10 days later, unless your state permits a longer period. Then we will automatically allocate your investment among the investment options you have chosen. See "Right to Return" below.

#### RIGHT TO RETURN

If for any reason you are not satisfied with your Contract, you may return it to the Company and receive a refund of your Purchase Payments adjusted to reflect (1) investment experience and (2) any Fees and Charges which have been deducted. (In certain states, we will return Purchase Payments as required by state law.) To exercise your right to return your Contract, you must mail it directly to the Annuity Service Center or return it to the registered representative through whom you purchased the Contract within 10 days after you receive it, unless your state permits a longer period. The address for the Annuity Service Center is located in the back of this prospectus. Please see the "1% Bonus" section below for information on how the 1% Bonus is impacted by the Right to Return.

#### 1% BONUS

At the time that your initial Purchase Payment is made, the Company will credit an additional 1% of the amount to your Account Value as a Bonus. Any subsequent Purchase Payments of at least \$5,000 for Non-Qualified Contracts and \$2,000 for Qualified Contracts will also be credited with an additional 1% of the amount to your Account Value as a Bonus. (The 1% Bonus will not be credited for any subsequent Purchase Payments in the States of New Jersey and Oregon.) The 1% Bonus will be applied to the Account Value pro rata by each Variable Account Option(s) and/or the One Year Fixed Account Option in the same ratio as the Purchase Payment is allocated. The Company reserves the right to limit its total payment of such Bonus to \$5,000 per Contract.

Fees and charges for a variable annuity contract with a bonus, such as ElitePlus Bonus, are higher than fees and charges for a variable annuity contract without a bonus. The Company pays for the 1% Bonus through higher fees and charges deducted from the Contract. Any increase in Account Value that you receive in connection with the 1% Bonus may be more than offset by the higher fees and charges used by the Company to pay for the 1% Bonus.

BONUS - an additional

amount paid by the Company,  
equal to 1% of the initial  
Purchase Payment and  
certain subsequent

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IN ANY OF THE FOLLOWING CIRCUMSTANCES, YOU WILL NOT BE ALLOWED TO RETAIN ALL OR A PORTION OF THE 1% BONUS APPLIED TO YOUR CONTRACT:

- IF YOU RETURN YOUR CONTRACT WITHIN THE RIGHT TO RETURN PERIOD AND THERE HAS BEEN AN INCREASE IN ACCOUNT VALUE. If this occurs, the Company will subtract the 1% Bonus from the Account Value pro rata by the One Year Fixed Account Option and each Variable Account Option in which you currently have money invested. The Company will not subtract any Account Value earned because of the 1% Bonus.
  
- IF YOU RETURN YOUR CONTRACT WITHIN THE RIGHT TO RETURN PERIOD AND THERE HAS BEEN A DECREASE IN ACCOUNT VALUE. If this occurs, the Company will subtract a portion of the 1% Bonus from the Account Value pro rata by the One Year Fixed Account Option and each Variable Account Option in which you currently have money invested. You will not have the amount of money returned to you reduced due to the 1% Bonus.
  
- IF YOU WITHDRAW MONEY FROM YOUR ACCOUNT VALUE WITHIN SEVEN YEARS OF A PURCHASE PAYMENT WHICH QUALIFIED FOR THE 1% BONUS, AND THE AMOUNT OF MONEY WITHDRAWN IS MORE THAN THE AMOUNT PERMITTED UNDER THE SYSTEMATIC WITHDRAWAL OPTION OR THE 10% FREE WITHDRAWAL AMOUNT. If this occurs, the Company will subtract the 1% Bonus from the Account Value pro rata by each Variable Account Option and the One Year Fixed Account Option in which you currently have money invested. The Company will not subtract any Account Value earned by the 1% Bonus.

IMPORTANT NOTES: (1) Because your Contract deducts certain fees and expenses based on Account Value, you will be charged additional amounts due to the 1% Bonus. (2) Since charges will have been assessed against the higher amount (Purchase Payments plus the 1% Bonus), it is possible that upon a withdrawal after the right to return period has expired, particularly in a declining market, you will receive less money back than you would have if you had not received the 1% Bonus.

Please see the section on "Federal Tax Matters" in this prospectus for information on how the bonus is treated by federal tax laws.

## PURCHASE UNITS

A Purchase Unit is a unit of interest owned by you in your Variable Account Option. Purchase Units apply only to the Variable Account Options selected for your account. Purchase Unit values are calculated at the close of regular trading of the New York Stock Exchange (the "Exchange"), currently 4:00 p.m. New York time (see Calculation of Purchase Unit Value below for more information.) Once we have issued your Contract and have applied your initial Purchase Payment as described above, any subsequent Purchase Payments received by the Company at the address above, before the close of the Exchange will be credited the same business day. If not, they will be calculated and credited the next business day. Purchase Unit values will vary depending on the net investment results of each of the Variable Account Options. This means the value of your Variable Account Option will fluctuate.

## CALCULATION OF PURCHASE UNIT VALUE

The Purchase Unit value for a Division is calculated as shown below:

Step 1: Calculate the gross investment rate:

Gross Investment Rate  
= (EQUALS)

The Division's investment income and capital gains and losses (whether realized or unrealized) on that day from the assets attributable to the Division

/ (DIVIDED BY)

The value of the Division for the immediately preceding day on which the values are calculated.

We calculate the gross investment rate as of 4:00 p.m. New York time on each business day when the Exchange is open.

Step 2: Calculate net investment rate for any day as follows:

Net Investment Rate  
= (EQUALS)  
Gross Investment Rate (calculated in Step 1)  
- (MINUS)  
Separate Account charges and any income tax charges.

Step 3: Determine Purchase Unit Value for that day:

Purchase Unit Value for that day

= (EQUALS)

Purchase Unit Value for immediate preceding day

X (MULTIPLIED BY)

Net Investment Rate (as calculated in Step 2) plus 1.00.

#### CHOOSING INVESTMENT OPTIONS

There are 29 investment options offered under the Contract. This includes 4 Fixed Account Options and 25 Variable Account Options. The Funds that underlie the Variable Account Options are registered as investment companies under and are subject to regulation of the 1940 Act. The Fixed Account Options are not subject to regulation under the 1940 Act and are not required to be registered under the 1933 Act. As a result, the SEC has not reviewed data in this prospectus that relates to the Fixed Account Options. However, federal securities law does require such data to be accurate and complete.

#### FIXED ACCOUNT OPTIONS

Each of the Fixed Account Options are part of the Company's general assets. The MVA Option may be invested in either the general assets of the Company or in a separate account of the Company, depending on state requirements. You

PURCHASE UNIT -- a measuring unit used to calculate your Account Value during the Purchase Period. The value of a Purchase Unit will vary with the investment experience of the Separate Account Division you have selected.

For more information as to how PURCHASE UNIT VALUES are calculated, see the Statement of Additional Information.

#### FIXED ACCOUNT OPTIONS -- a

particular subaccount into which your Purchase Payments and Account Value may be allocated to fixed investment options. Currently, there are four Fixed Account Options: the One Year Fixed Account Option; the DCA One Year Fixed Account

Option; the DCA Six Month Fixed Account Option; and the MVA Option. The Fixed Account Options are guaranteed to earn at least a minimum rate of interest.

16

22

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may allocate all or a portion of your Purchase Payment to the Fixed Account Options listed in the "Summary" section appearing in this prospectus. Purchase Payments you allocate to these Fixed Account Options are guaranteed to earn at least a minimum rate of interest. Interest is paid on each of the Fixed Account Options at declared rates, which may be different for each option. With the exception of a Market Value Adjustment which generally will be applied to withdrawals or transfers from an MVA Option prior to the end of the MVA Term, as explained below, we bear the entire investment risk for the Fixed Account Option. All Purchase Payments and interest earned on such amounts in your Fixed Account Option will be paid regardless of the investment results experienced by the Company's general assets. Here is how you may calculate the value of your Fixed Account Option during the Purchase Period:

Value of Your Fixed Account Options  
= (EQUALS)  
All Purchase Payments made to the Fixed Account Options  
+ (PLUS)  
Amounts transferred from Variable Account Options to the Fixed Account Options  
+ (PLUS)  
All interest earned  
- (MINUS)  
Amounts transferred or withdrawn from Fixed Account Options  
(including applicable fees and charges)  
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\* Note--Your Account Value in the Fixed Account may be subject to a Market Value Adjustment under the MVA Option.

#### Non-MVA Fixed Account Options

The Contract offers three Fixed Account Options that are not associated with the MVA Option. These three Non-MVA Fixed Account Options are the One Year Fixed Account, the DCA One Year Fixed Account and the DCA Six Month Fixed Account.

The DCA One Year Fixed Account Option and the DCA Six Month Fixed Account Option are used exclusively in connection with the Dollar Cost Averaging Program. See the "Dollar Cost Averaging Program" section of this prospectus.

## MVA Option

The MVA Option is a Fixed Account Option where all or a portion of your Account Value is placed in one or more separate MVA Bands for specific MVA Terms. Each additional allocation to the MVA Option is allocated to a separate MVA Band for a separate MVA Term. For example, let's say that on September 1, 2001, you allocate a portion of Account Value ("September 1 Account Value") to the MVA Option, for a specified period of time offered by the Company, and at a declared interest rate guaranteed by the Company. Then on September 2, 2001, you allocate additional Account Value ("September 2 Account Value") to the MVA Option, for a specified period of time offered by the Company, and at a declared interest rate guaranteed by the Company. The September 1 Account Value and the September 2 Account Value are considered 2 separate and distinct MVA Bands. Each MVA Band must remain in the MVA Option for the specific amount of time we offered, which is called the MVA Term. (For example, the Company may offer a five year MVA Term.) If Account Value is withdrawn from an MVA Band before the MVA Term ends, then a Market Value Adjustment will apply. The minimum amount to establish a new MVA Band may be changed from time to time. The MVA Option may not be available in all states. See the "Market Value Adjustment" section in this prospectus.

## VARIABLE ACCOUNT OPTIONS

You may allocate all or a portion of your Purchase Payments to the Variable Account Options listed in this prospectus. A complete discussion of each of the Variable Account Options may be found in the "Summary" and "Variable Account Options" sections in this prospectus. Based upon a Variable Account Option's Purchase Unit Value your account will be credited with the applicable number of Purchase Units. The Purchase Unit Value of each Variable Account Option will change daily depending upon the investment performance of the underlying fund (which may be positive or negative) and the deduction of A.G. Separate Account A charges. See the "Fees and Charges" section in this prospectus. Because Purchase Unit Values change daily, the number of Purchase Units your account will be credited with for subsequent Purchase Payments will vary. Each Variable Account Option bears its own investment risk. Therefore, the value of your account may be worth more or less at retirement or withdrawal.

Here is how to calculate the value of each Variable Account Option in your account during the Purchase Period:

Value of Your Variable Account Option  
= (EQUALS)  
Total Number of Purchase Units  
X (MULTIPLIED BY)  
Current Purchase Unit Value

## STOPPING PURCHASE PAYMENTS

Purchase Payments may be stopped at any time. Purchase Payments may be resumed at any time before your Contract has been surrendered. The value of the Purchase Units will continue to vary. Your Account Value will continue to be subject to charges.



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If your Account Value falls below \$2,000, and you do not make any Purchase Payments for 180 days we reserve the right to forward to your attention, written notice that we will close your Account and pay the Account Value 90 days from the date of notice if additional Purchase Payments are not made in amounts sufficient to increase your Account Value to \$2,000 or more.

#### TRANSFERS BETWEEN INVESTMENT OPTIONS

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You may transfer all or part of your Account Value between the various Fixed Account and Variable Account Options in the Contract subject to the limitations on transfers discussed below. Transfer instructions may be made either in writing or by telephone as discussed below. Transfers may be made during the Purchase Period or during the Payout Period.

#### DURING THE PURCHASE PERIOD

During the Purchase Period, transfers may be made among the Contract's Variable Account Options and between the Variable Account Options and the One Year Fixed Account Option free of charge. We reserve the right to impose a fee of the lesser of \$25 or 2% of the amount transferred for each transfer (which will be deducted from the amount transferred).

Transfers during the Purchase Period are permitted as follows:

- You may transfer your Account Value among the Variable Account Options once each day;
- You may transfer your Account Value from the One Year Fixed Account Option to one or more Variable Account Options once each day; and/or
- You may transfer your Account Value from one or more Variable Account Options into the One Year Fixed Account Option once each day, subject to a six month waiting period following any transfer of Account Value from the One Year Fixed Account Option into one or more Variable Account Options. (For example, if you make a transfer of Account Value from the One Year Fixed Account Option into the North American--AG Stock Index Fund Division 5 on January 1 of a Contract Year, you will not be allowed to transfer the Account Value in the North American--AG Stock Index Fund Division 5 back into the One Year Fixed Account Option until June 1 of such Contract Year.)

The minimum amount to be transferred in any one transfer is \$250 or the entire amount in the Variable Account Option or One Year Fixed Account Option from which the transfer is made. If a transfer request would reduce your Account Value in a Variable Account Option or the One Year Fixed Account Option below \$500, we will transfer your entire Account Value in that Variable Account Option or the One Year Fixed Account Option.

Transfers from the One Year Fixed Account Option to a Variable Account Option are limited to 20%, per Contract Year, of the Account Value of the One Year Fixed Account Option. This 20% per Contract Year limit is determined as of the immediately preceding Contract Anniversary.

We currently do not permit transfers from the Variable Account Options to the DCA Fixed Account Options. Transfers from the DCA Fixed Account Options may only be made under the Dollar Cost Averaging Program. See the "Dollar Cost Averaging Program" section of this prospectus.

Withdrawals or transfers from the MVA Option are subject to a Market Value Adjustment if they occur prior to the end of the MVA Term. Each MVA Band will require a minimum transfer. From time to time the Company may change the minimum transfer amount. To learn more about the MVA Option, see the "MVA Option" and "Market Value Adjustment" sections in this prospectus.

#### DURING THE PAYOUT PERIOD

During the Payout Period, transfers may be made between the Variable Account Options and from the Variable Account Options to the One Year Fixed Account Option. We will not permit transfers from any Fixed Account Option during the Payout Period. We reserve the right to impose a fee of the lesser of \$25 or 2% of the amount transferred for each transfer (which will be deducted from the amount transferred). The minimum amount to be transferred during the Payout Period is \$250.

ACCOUNT VALUE -- the total sum of your Fixed Account and/or Variable Account Options that have not yet been applied to your Payout Payments.

ANNUITY SERVICE CENTER -- our Annuity Service Center is located at 205 E. 10th Avenue, Amarillo, Texas 79101

PURCHASE PERIOD -- the time between your first Purchase Payment and your Payout Period (or surrender).

MVA BAND -- the name given to a specific amount of Account Value allocated to the MVA Option for an MVA Term. See the "MVA Option" and "Market Value Adjustment" sections in this prospectus.

MVA TERM -- a period of time in which an amount of Account Value is allocated to a guarantee period in the MVA Option. See the "MVA Option" section in this prospectus.

PAYOUT PERIOD -- the time that starts when you begin to withdraw your money in a steady stream of payments.

18

24

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Transfers during the Payout Period are permitted subject to the following limitations:

<Table>  
<Caption>

ACCOUNT OPTION	% OF ACCOUNT VALUE	FREQUENCY	OTHER RESTRICTIONS (2)
-----	-----	-----	-----
<S> Variable:	<C> Up to 100%	<C> Unlimited among Variable Account Options(1). Once per year if the transfer is made to the One Year Fixed Account Option.	<C> The minimum amount to be transferred is \$250 or the entire amount in the Variable Account Option if less. The minimum amount which must remain in the Variable Account Option after a transfer is \$500 or \$0 if the entire amount of the Variable Account Option is transferred.
Fixed:	Not permitted	--	--

</Table>

- 
- (1) AGAIC may change the number of transfers permitted to no more than six (6) transfers per year during the Payout Period.
  - (2) AGAIC may impose a transfer fee of \$25 or 2% of the amount transferred for each transfer above six (6) transfers per year.

## COMMUNICATING TRANSFER OR REALLOCATION INSTRUCTIONS

A written instruction to transfer or reallocate all or part of your Account Value between the various investment options in the Contract should be sent to our Annuity Service Center.

Instructions for transfers or reallocations may be made by calling 1-800-424-4990. Telephone transfers will be allowed unless we have been notified not to accept such telephone instructions. In this event, we must receive written instructions, in order to permit future telephone transfers to be made. Before a transfer will be made by telephone, you must give us the requested identifying information concerning your account(s).

Unless we have been instructed not to accept requests for telephone transfers, anyone may effect a telephone transfer if they furnish the requested information. You will bear any loss resulting from such instructions, whether the caller was specifically authorized by you or not.

No one that we employ or that represents the Company may give telephone instructions on your behalf without the Company's prior written permission. (This does not apply to a contract with the immediate family of an employee or representative of the Company.)

We will send you a confirmation of the completed transfer within 5 days from the date of your instruction. When you receive your confirmation, it is your duty to verify the information shown, and advise us of any errors within one business day.

You will bear the risk of loss arising from instructions received by telephone. We are not responsible for the authenticity of such instructions. Any telephone instructions which we reasonably believe to be genuine will be your responsibility. This includes losses from errors in communication. Telephone transfer instructions may not be made during the Payout Period. We reserve the right to stop telephone transfers at any time.

## SWEEP ACCOUNT PROGRAM

During the Purchase Period you may elect to participate in the Sweep Account Program if your Account Value in the One Year Fixed Account Option is at least \$25,000 on the date that the request for the Sweep Account Program is received by us at the Annuity Service Center. The Sweep Account Program allows you to transfer the earnings from the One Year Fixed Account Option to the Variable Account Options. The transfers can be made on an annual, semi-annual, quarterly or monthly basis. All amounts transferred must be in whole percentages, with a 10% minimum to be transferred to each selected Variable Account Option(s). There is no charge for the Sweep Account Program. We do not take into account

transfers made pursuant to the Sweep Account Program in assessing any transfer fee.

#### EFFECTIVE DATE OF TRANSFER

The effective date of a transfer will be:

- The date of receipt, if received at our Annuity Service Center before the close of regular trading of the Exchange on a day values are calculated; (normally, this will be 4:00 P.M. New York time); otherwise
- The next date values are calculated.

#### RESERVATION OF RIGHTS AND MARKET TIMING

If a transfer causes your Account Value in the One Year Fixed Account Option or a Variable Account Option to fall below \$500, we may transfer the remaining Account Value in the same proportions as your transfer request.

We may defer any transfer from the One Year Fixed Account Option to the Variable Account Options for up to six months.

The Contracts are not designed for professional market timing organizations or other entities using programmed and frequent transfers involving large amounts. We may not unilaterally terminate or discontinue transfer privileges. However, we reserve the right to suspend such privileges for a reasonable time with reasonable notice to prevent

19

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market timing efforts that could disadvantage other Contract Owners.

#### DOLLAR COST AVERAGING PROGRAM

You may elect the Dollar Cost Averaging Program which permits the systematic transfer of your Account Value from a Fixed Account Option or the Money Market Division to one or more Variable Account Options, not including the Money Market Division. By allocating amounts on a regularly scheduled basis, as opposed to allocating the total amount at one particular time, you may be less susceptible to the effect of market fluctuations. We currently provide four Fixed Account Options, two of which, the DCA One Year Fixed Account and the DCA Six Month Fixed Account, are available only for dollar cost averaging.

We determine the amount of transfers from a DCA Fixed Account Option or the Money Market Division by dividing the Purchase Payments allocated to that DCA

Fixed Account Option or the Money Market Division by a factor based on the number of months remaining in the term. Transfers from a DCA Fixed Account Option or the Money Market Division are only available on a monthly basis. We require that you specify each allocation to a Variable Account Option, not including the Money Market Division, in whole percentages using a maximum of 10 Variable Account options. The minimum amount to be transferred into a Variable Account Option is 10% of the entire amount transferred.

We will transfer your entire Account Value in a DCA Fixed Account Option by the expiration of its term. The minimum amount to be transferred under the Dollar Cost Averaging Program is \$250 per transfer. We currently do not permit transfers to either DCA Fixed Account Option from the Variable Account Options or the One Year Fixed Account Option. Transfers from either DCA Fixed Account Option may only be made under the Dollar Cost Averaging Program.

You may enroll in dollar cost averaging for the DCA Fixed Account Options only when you make your initial or subsequent Purchase Payments. However, you may enroll in dollar cost averaging for the Money Market Division at any time. There is no charge for dollar cost averaging. We do not take into account transfers made pursuant to the Dollar Cost Averaging Program in assessing any transfer fee.

The chart below explains the different Account Options you may choose if you elect to participate in the Dollar Cost Averaging Program offered by the Contract:

<Table>

<Caption>

ACCOUNT OPTION	FREQUENCY OF TRANSFERS	OTHER RESTRICTIONS
- DCA One Year Fixed Account Option	Monthly, for a 12 month period	You may only participate at the time that Purchase Payments are made. (1) (2)
- DCA Six Month Fixed Account Option	Monthly, for a 6 month period	You may only participate at the time that Purchase Payments are made. (1) (2)
- Money Market Division	Monthly	You must remain in this account option for the Dollar Cost Averaging Program for at least a 12 month period.

</Table>

- (1) You will not be permitted to transfer Account Value into a DCA Fixed Account Option once the entire Account Value has been transferred out of a DCA Fixed Account Option.
- (2) The Dollar Cost Averaging Program will only apply to the Purchase Payment portion of your Account Value.

#### PORTFOLIO REBALANCING PROGRAM

From time to time, we will make available a portfolio rebalancing program which provides for periodic pre-authorized automatic transfers among the Variable Account Options pursuant to your written allocation instructions. We will make such transfers to maintain a specified percentage allocation of Account Value among the Variable Account Options as selected by you. We require each allocation to a Variable Account Option equal at least 1% of Account Value.

The portfolio rebalancing program will begin on the date that your request for portfolio rebalancing is received by us at the Annuity Service Center. You may select rebalancing to occur on a monthly, quarterly, semi-annual, or annual basis, and currently, all Variable Account Options are available for portfolio rebalancing. The Fixed Account Options do not participate in portfolio rebalancing.

There is no charge for portfolio rebalancing. We do not take into account transfers made pursuant to the Portfolio Rebalancing Program in assessing any transfer fee.

20

26

#### FEES AND CHARGES

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By investing in the Contract, you may be subject to seven basic types of fees and charges:

- Account Maintenance Fee
- Surrender Charge
- Premium Tax Charge
- Separate Account Charges
- Optional Separate Account Charges
- Fund Annual Expense Charge
- Other Tax Charges

These fees and charges are explained below. For additional information about these fees and charges, see the Fee Table in this prospectus.

In addition to the charges listed above, certain charges which may apply to the MVA Option are discussed at the end of this section under "Market Value Adjustment."

## ACCOUNT MAINTENANCE FEE

An account maintenance fee of \$30 will be deducted on each Contract Anniversary from your Account Value. If all your money in the Contract is withdrawn, the fee will be deducted at that time. The fee will be assessed equally among the Variable Account and Fixed Account Options that make up your Account Value.

The account maintenance fee is to reimburse the Company for our administrative expenses for providing Variable Account and Fixed Account Options. This includes the expense for establishing and maintaining the record keeping for your Contract.

During the Purchase Period, if your Account Value on a Contract Anniversary is at least \$40,000, we will waive the account maintenance fee for that Contract Year.

## SURRENDER CHARGE

When you withdraw money from your account, you may be subject to a surrender charge that will be deducted from the amount withdrawn. For information about your right to surrender, see the "Surrender of Account Value" section in this prospectus.

It is assumed that the Purchase Payments are withdrawn first under the concept of first-in, first-out. No surrender charge will be applied unless an amount is actually withdrawn.

We calculate the surrender charge by multiplying the applicable percentages specified in the table below by the Purchase Payments withdrawn.

### Amount of Surrender Charge

A surrender charge may not be greater than:

<Table>

<Caption>

NUMBER OF YEARS SINCE DATE OF PURCHASE PAYMENT -----	CHARGE AS PERCENTAGE OF PURCHASE PAYMENT WITHDRAWN -----
<S>	<C>
1	5%
2	5%
3	5%
4	4%
5	3%
6	2%
7	1%
8+	0%



</Table>

## 10% Free Withdrawal

For each Contract Year after the first Contract Year, up to 10% of the Account Value, determined as of the immediately preceding Contract Anniversary (or if during the first Contract Year, the date the Contract is issued) may be withdrawn once each Contract Year without a surrender charge. The surrender charge will apply to any amount withdrawn that exceeds this 10% limit. The percentage withdrawn will be determined by dividing the amount withdrawn by the Account Value, determined as of the immediately preceding Contract Anniversary.

If a surrender charge is applied to all or part of a Purchase Payment, then your Purchase Payment (or portion thereof) will be considered withdrawn, and no surrender charge will be applied to such Purchase Payment (or portion thereof) again.

The 10% free withdrawal requires a minimum withdrawal of \$100, or if less, the entire Account Value. The minimum amount which must remain in each Division in which you are invested, after a withdrawal, is \$500.

## Exceptions to Surrender Charge

No surrender charge will be applied:

- To death benefits;
- To Payout Payments;
- To surrenders (full or partial) under certain Contracts issued in connection with Internal Revenue Code Section 403(b); and
- To partial surrenders through the Systematic Withdrawal Program, in lieu of the 10% free withdrawal, during the first Contract Year, see the "Surrender of Account Value" section of this prospectus.

Additionally, if the Extended Care Waiver Endorsement is available in your state, no surrender charge will apply to a surrender (full or partial), made during any period of time that the Contract Owner is continuously confined for

CONTRACT ANNIVERSARY --the

date that the Contract  
is issued and each  
yearly anniversary  
of that date thereafter.

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90 days or more in a hospital or state-licensed in-patient nursing facility. Confinement cannot begin until at least one year after the date that your Contract is issued. You must give us a written request for each surrender (full or partial), with proof of confinement, within 91 days of the last day that extended care was received, or while the extended care is ongoing. If the Extended Care Waiver Endorsement is available in your state, it will automatically be attached to your Contract. You do not need to elect it. There is no additional charge for the Extended Care Waiver Endorsement.

#### MARKET VALUE ADJUSTMENT

Under the MVA Option you may establish one or more MVA Bands with a minimum amount required to be invested in each MVA Band, as described in the "MVA Option" section of this prospectus. The Company may change this minimum from time to time. Each MVA Band will be guaranteed to receive a stated rate of interest through the end of the selected MVA Term. We guarantee that your MVA Option will earn at least the lowest minimum interest rate applicable to any of the Fixed Account Options offered under the Contract.

While any withdrawal from the Contract will generally be subject to a surrender charge if the amount of the withdrawal exceeds the amount of the free withdrawal amount permitted under your Contract, withdrawals or transfers from an MVA Band prior to the end of an MVA Term will always be subject to a Market Value Adjustment, unless an exception applies, as set out below. The Market Value Adjustment may increase or reduce the amount withdrawn or transferred, based upon the differences in selected interest rates at the time that the MVA Band was established and at the time of the withdrawal or transfer. For example, if your MVA Term is five years, and you withdraw all or a portion of your Account Value from the MVA Band before the five year MVA Term ends, your withdrawal amount may be more or less than before the withdrawal because of the Market Value Adjustment. However, we guarantee that any reduction in the amount withdrawn or transferred will not be below the amount initially invested in the MVA Band plus the lowest minimum interest rate applicable to any of the Fixed Account Options offered under the Contract.

The Market Value Adjustment applies independently of surrender charges, and can still apply even if the withdrawal is within the free withdrawal amount. See the "Systematic Withdrawal Program" under the "Surrender of Account Value" section of this prospectus. The Market Value Adjustment will not apply upon the death of the Contract Owner, or if the Contract Owner is not a natural person, upon the death of the Annuitant. The Market Value Adjustment may be waived for distributions that are required under your Contract. The Market Value Adjustment will also be waived for 30 days following the end of an MVA Term.

## PREMIUM TAX CHARGE

Taxes on Purchase Payments are imposed by some states, cities, and towns. Currently, rates range from zero to 3.5%.

The timing of tax levies varies from one taxing authority to another. If premium taxes are applicable to a Contract, we will deduct such tax against Account Value in a manner determined by us in compliance with applicable state law. We may deduct an amount for premium taxes either upon:

- receipt of the Purchase Payments;
- the commencement of Payout Payments;
- surrender (full or partial); or
- the payment of death benefit proceeds.

## SEPARATE ACCOUNT CHARGES

There will be a mortality and expense risk fee and an administration fee applied to A.G. Separate Account A. These are daily charges at annualized rates of 1.25% and 0.15%, respectively, on the average daily net asset value of A.G. Separate Account A. Each charge is guaranteed and cannot be increased by the Company. The mortality and expense risk fee is to compensate the Company for assuming mortality and expense risks under the Contract. The mortality risk that the Company assumes is the obligation to provide payments during the Payout Period for your life no matter how long that might be. In addition, the Company assumes the obligation to pay during the Purchase Period a death benefit. For more information about the death benefit see the "Death Benefit" section of this prospectus. The expense risk is our obligation to cover the cost of issuing and administering the Contract, no matter how large the cost may be.

The Company may make a profit on the mortality and expense risk fee and on the administration fee.

The administration fee is to reimburse the Company for our administrative expenses under the Contract. This includes the expense of administration and marketing (including but not limited to enrollment and Contract Owner education).

For more information about the mortality and expense risk fee and administration fee, see the Fee Table in this prospectus.

22

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## OPTIONAL SEPARATE ACCOUNT CHARGES

## Optional Death Benefit Charges

At the time that your Contract is issued, you may choose the Enhanced Death Benefit, the Annual Step-Up Death Benefit or the Gain Preservation Death Benefit, in place of the Standard Death Benefit offered in the Contract. If you do not choose an optional death benefit when your Contract is issued, the only choice you may make at a later date is the Gain Preservation Death Benefit. During the Purchase Period there will be an additional charge if you choose the Enhanced Death Benefit, the Annual Step-Up Death Benefit or the Gain Preservation Death Benefit. We take these charges from your Variable Account Options on a daily basis. These charges are at annualized rates of 0.05% for the Enhanced Death Benefit, 0.10% for the Annual Step-Up Death Benefit, and 0.50% for the Gain Preservation Death Benefit. Each charge is guaranteed and cannot be increased by the Company. The charges for the optional death benefits are to compensate the Company for assuming the mortality risks associated with these options. The mortality risk that the Company assumes is the obligation to provide a higher death benefit payment than the Standard Death Benefit. There is no charge for the Standard Death Benefit. For more information about the optional death benefits, see the "Death Benefit" section of this prospectus.

The Company may make a profit on the optional death benefit charges. For more information on the optional death benefit charges, see the "Fee Table" in this prospectus.

## FUND ANNUAL EXPENSE CHARGES

Investment management charges based on a percentage of each Fund's average daily net assets are payable by each Fund. Depending on the Variable Account Option selected, the charges will be paid by each Fund to its investment adviser. These charges and other Fund charges and expenses are fully described in the prospectuses for the Funds. These charges indirectly cost you because they lower your return.

## OTHER TAX CHARGES

We reserve the right to charge for certain taxes (other than premium taxes) that we may have to pay. This could include federal income taxes. Currently, no such charges are being made.

## PAYOUT PERIOD

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The Payout Period ("Annuity Period") begins when you decide to withdraw your money in a steady stream of Payout Payments. You select the date to begin the Payout Period, the Payout Date. You may apply any portion of your Account Value to one of the types of Payout Options listed below. You may choose to have your Payout Option on either a fixed, a variable, or a combination payout basis. When you choose to have your Payout Option on a variable basis, you may keep the same Variable Account Options in which your Purchase Payments were made, or transfer to different ones.

## FIXED PAYOUT

Under Fixed Payout, you will receive payments from the Company. These payments are fixed and guaranteed by the Company. The amount of these payments will depend on:

- Type and duration of Payout Option chosen;
- Your age or your age and the age of your survivor(1);
- Your sex or your sex and the sex of your survivor(1,2);
- The portion of your Account Value being applied; and
- The payout rate being applied and the frequency of the payments.

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(1) This applies only to joint and survivor payouts.

(2) Not applicable for certain Contracts.

## VARIABLE PAYOUT

With a Variable Payout, you may select from your existing Variable Account Options. Your payments will vary accordingly. This is due to the varying investment results that will be experienced by each of the Variable Account Options you selected. The Payout Unit Value is calculated just like the Purchase Unit Value for each Variable Account Option except that the Payout Unit Value includes a factor for the Assumed Investment Rate. For additional information on how Payout Payments and Payout Unit Values are calculated, see the Statement of Additional Information.

In determining your first Payout Payment, an Assumed Investment Rate of 3% is used. If the net investment experience of the Variable Account Option exceeds the Assumed Investment Rate, your next payment will be greater than your first payment. If the investment experience of the Variable Account Option is lower than your Assumed Investment Rate, your next payment will be less than your first payment.

PAYOUT PAYMENTS -- the

payments made to you  
during the Payout Period.  
Payout Payments may  
be made on a fixed,  
variable, or combination of  
fixed and variable basis.

PAYOUT UNIT -- a measuring  
unit used to calculate Payout  
Payments from your Variable

Account Option. Payout Unit values will vary with the investment experience of the A.G. Separate Account A Division you have selected.

#### ASSUMED INVESTMENT

RATE -- the rate used to determine your first monthly Payout Payment per thousand dollars of Account Value in your Variable Account Option(s).

#### VARIABLE PAYOUT --

payments to you will vary based on your investments in the Variable Account Options of A.G. Separate Account A during the Payout Period. Because the value of your Variable Account Options may vary, we cannot guarantee the amounts of the Variable Payout.

23

29

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#### COMBINATION FIXED AND VARIABLE PAYOUT

With a Combination Fixed and Variable Payout, you may choose:

- From your existing Variable Account Options (payments will vary); with a
- Fixed Payout (payment is fixed and guaranteed).

#### PAYOUT DATE

The Payout Date is the date elected by you on which your Payout Payments will start and is subject to our approval. The Payout Date must be at least five years after the date that the Contract is issued. You may change the Payout Date subject to our approval. We will notify you of the approaching Payout Date 60 to 90 days prior to such date. Unless you select a Payout Date, we will automatically extend the Payout Date to begin at the later of when you attain age 85 or ten years after we issue the Contract. Generally, for Qualified Contracts, the Payout Date may begin when you attain age 59 1/2 or separate from service, but must begin no later than April 1 following the calendar year you

reach age 70 1/2 or the calendar year in which you retire. However, the date may be later for participants in 403(b) plans. Non-qualified annuities do not have a specific age requirement. For additional information on the minimum distribution rules that apply to payments under IRA or 403(b) plans, see the "Federal Tax Matters" section in this prospectus and in the Statement of Additional Information.

#### PAYOUT OPTIONS

You may specify the manner in which your Payout Payments are made. You may select one of the following options:

- LIFE ONLY -- payments are made only to you during your lifetime. Under this option there is no provision for a death benefit for the beneficiary. For example, it would be possible under this option for the Annuitant to receive only one payout payment if he died prior to the date of the second payment, two if he died before the third payment.
- LIFE WITH PERIOD CERTAIN -- payments are made to you during your lifetime; but if you die before the guaranteed period has expired, your beneficiary will receive payments for the rest of your guaranteed period.
- JOINT AND SURVIVOR LIFE -- payments are made to you during the joint lifetime of you and your joint annuitant. Upon the death of either you or your joint annuitant, payments continue during the lifetime of the survivor. This option is designed primarily for couples who require payouts during their joint lives and are not concerned with providing for beneficiaries at death of the last survivor. For example, it would be possible under this option for the Joint Annuitants to receive only one payment if both Annuitants died prior to the date of the second payment. Additionally, it would be possible for the Joint Annuitants to receive only one payment and the surviving Annuitant to receive only one payment if one Annuitant died prior to the date of the second payment and the surviving Annuitant dies prior to the date of the third payment.

#### PAYOUT INFORMATION

Once your Payout Payments have begun, the option you have chosen may not be changed. Any one of the Variable Account Options may result in your receiving unequal payments during your life expectancy because of the investment returns of the underlying mutual funds in which the Variable Account Options are invested. If payments begin before age 59 1/2, you may suffer unfavorable tax consequences if you do not meet an exception under federal tax law. See the "Federal Tax Matters" section in this prospectus.

Your Payment Option should be selected at least 15 days before your Payout Date. If such selection is not made and state or federal law does not require the

selection of the Joint and Survivor Life Option:

- Payments will be made under the Life with Period Certain Option,
- The payments will be guaranteed for a 10 year period,
- The payments will be based on the allocation used for your Account Value,
- The One Year Fixed Account Option will be used to distribute payments to you on a Fixed Payout basis, and
- Variable Account Options will be used to distribute payments to you on a Variable Payout basis.

Most Payout Payments are made monthly; however, Payout Payments may also be made as quarterly, semi-annual or annual installments. If you have chosen either a Fixed or Variable Payout Option and if the amount of your payment is less than \$200, we reserve the right to reduce the number of payments made each year so each of your payments is at least \$200. If you have

For more information about  
PAYOUT OPTIONS  
available under the Contract,  
see the Statement of  
Additional Information.

24

30

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chosen a combination of Fixed and Variable Payout Options and the amount of your payment is less than \$100, we reserve the right to reduce the number of payments made each year so each of your payments is at least \$100.

SURRENDER OF ACCOUNT VALUE

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WHEN SURRENDERS ARE ALLOWED

You may withdraw all or part of your Account Value at any time before the Payout Period begins if:

- allowed under federal and state law; and
- allowed under your retirement plan.

For an explanation of charges that may apply if you surrender your Account Value, see the "Fees and Charges" section in this prospectus.

You may be subject to a 10% federal tax penalty for partial or total surrenders



made before age 59 1/2, see the "Federal Tax Matters" section in this prospectus.

#### AMOUNT THAT MAY BE SURRENDERED

The amount that may be surrendered at any time can be determined as follows:

<Table>		
<S>	<C>	<C>
Allowed Surrender Value	= (EQUALS)	Your Account Value (1) - (MINUS) Any Applicable Surrender Charge, any applicable taxes and Account Maintenance Fee
</Table>		

- (1) Equals the Account Value next computed after your properly completed request for surrender is received at the Annuity Service Center.

There is no guarantee that the Surrender Value in a Variable Account Option will ever equal or exceed the total amount of your Purchase Payments received by us.

We will mail to you the Surrender Value within 7 calendar days after we receive your properly completed surrender request at the Annuity Service Center. However, we may be required to suspend or postpone payments if redemption of an underlying Fund's shares have been suspended or postponed. See your current Fund(s)' prospectuses for a discussion of the reasons why the redemption of shares may be suspended or postponed.

If we receive a surrender for a Purchase Payment which has not cleared the banking system, we may delay payment of that portion of your Surrender Value until the check clears. The rest of the Surrender Value will be processed as usual.

#### SURRENDER RESTRICTIONS

Generally, Internal Revenue Code Section 403(b)(11) permits total or partial distributions from a 403(b) contract only on account of hardship (employee contributions only without accrued interest), attainment of age 59 1/2, separation from service, death or disability.

Under the TEXAS STATE OPTIONAL RETIREMENT PROGRAM, no surrender or partial surrender will be allowed except upon attainment of age 70 1/2, retirement or other termination of employment, or death.

## PARTIAL SURRENDER

You may request a partial surrender of your Account Value at any time during the Purchase Period. A partial surrender plus any surrender charge will reduce your Account Value.

To process your partial surrender, you may specify the Account Value that should be deducted from each investment option. If you fail to provide us with this information, we may deduct the partial surrender from each investment option in which your Account Value is held on a pro rata basis.

The minimum partial surrender we will allow is \$500 or your entire Account Value, if less.

We reserve the right to defer the payment of a partial surrender from the One Year Fixed Account Option for up to six months. We currently do not permit partial surrenders from the DCA Fixed Account Options.

## SYSTEMATIC WITHDRAWAL PROGRAM

The Systematic Withdrawal Program allows you to make withdrawals in a Contract Year of up to 10% of your Account Value without the imposition of a surrender charge. If you withdraw more than 10% of your Account Value, you will be subject to a surrender charge. Account Value, for purposes of the Systematic Withdrawal Program, is determined as of the immediately preceding Contract Anniversary or, if during the first Contract Year, the date we issue you the Contract. See the "Fees and Charges" section in this prospectus.

If within seven years of a Purchase Payment, you withdraw more than 10% of your Account Value, then you will not be allowed to retain the 1% Bonus. This provision is not applicable in the states of New Jersey and Oregon. See the "Purchase Period" section in this prospectus.

You may elect to withdraw all or part of your Account Value under a systematic withdrawal

25

31

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method described in your Contract. Withdrawals using this method are eligible for the 10% free withdrawal privilege each Contract Year. The Systematic Withdrawal Program provides for:

- Payments to be made to you;
- Payments over a stated period of time;

- Payments of a stated yearly dollar amount or percentage.

We may require a minimum withdrawal of \$100 per withdrawal under this method. The portion of your account that has not been withdrawn will continue to receive the investment return of the Variable Account Option or the Fixed Account Option that you selected. A systematic withdrawal election may be changed or revoked at no charge. No more than one systematic withdrawal election may be in effect at any one time. We reserve the right to discontinue any or all systematic withdrawals or to change its terms, at any time.

#### DISTRIBUTIONS REQUIRED BY FEDERAL TAX LAW

See the "Federal Tax Matters" section in this prospectus and in the Statement of Additional Information for more information about required distributions imposed by federal tax law.

For an explanation of possible adverse tax consequences of a surrender, see the "Federal Tax Matters" section in this prospectus and in the Statement of Additional Information.

#### EXCHANGE PRIVILEGE

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We issue other fixed and/or variable annuity contracts (other contracts) in addition to the Contract. We will allow you, under certain conditions, to exchange from one of these other contracts to the Contract. If you elect to exercise an exchange, you should contact our Annuity Service Center at the address shown in the back of this prospectus. An exchange may require the issuance of a contract or may be subject to any other requirements that the Company may impose. Below are certain provisions regarding an exchange into the Contract. Please carefully read this entire prospectus for a more detailed description of the Contract.

#### RESTRICTIONS ON EXCHANGE PRIVILEGE

We will impose certain general restrictions and rules on the exchange privileges.

You will be subject to the rules concerning transfers among investment options as stated in the "Transfers Between Investment Options" section in this prospectus. We may, at our option, waive any transfer restrictions for a stated period of time. If we waive these transfer restrictions, you will be allowed to exchange to any investment option available in the Contract. Please read the "Transfers Between Account Options" section in this prospectus.

WE RESERVE THE RIGHT TO TERMINATE, MODIFY OR SUSPEND THESE EXCHANGE PRIVILEGES AT ANY TIME.

#### CHARGES AND TAXES

While we impose no fee for an exchange, you will be subject to all of the fees and charges stated in this prospectus. These fees and charges may include a surrender charge, mortality and expense risk fee, administrative fee, account maintenance fee and certain other fees and charges. These charges will be incurred even though you may not have them on the contract you were in before your exchange into the Contract. Please read the "Fees and Charges" section of this prospectus.

Please read the "Federal Tax Matters" section in this prospectus for information about the federal income tax treatment of the Contracts.

#### DEATH BENEFITS

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The Contract will pay a death benefit during either the Purchase Period or the Payout Period. How the death benefit will be paid is discussed below. The death benefit provisions in the Contract may vary from state to state.

#### BENEFICIARY INFORMATION

The Beneficiary may receive death benefits:

- In a lump sum; or
- Payment of the entire death benefit within 5 years of the date of death; or
- In the form of an annuity under any of the Payout Options stated in the Payout Period section of this prospectus subject to the restrictions of that Payout Option.

Payment of any death benefits must be within the time limits set by federal tax law.

BENEFICIARY -- the person designated to receive Payout Payments or the Account Value upon the death of an Annuitant or the Owner.

ANNUITANT -- the individual, (in most cases this person is you) to whom Payout Payments will be paid. The Annuitant is also the measuring life for the Contract.

## PROOF OF DEATH

We accept the following as proof of any person's death:

- a certified death certificate;
- a certified decree of a court of competent jurisdiction as to the finding of death;
- a written statement by a medical doctor who attended the deceased at the time of death; or
- any other proof satisfactory to us.

Once we have paid the death proceeds, the Contract terminates, and our obligations are complete.

## SPECIAL INFORMATION FOR NON-TAX QUALIFIED CONTRACTS

It is possible that the Contract Owner and the Annuitant under a Non-Qualified Contract are not the same person. If this is the case, and the Contract Owner dies, death benefits must be paid:

- commencing within 5 years of the date of death; or
- beginning within 1 year of the date of death under:
  - a life annuity with or without a period certain, or
  - an annuity for a designated period not extending beyond the life expectancy of the Beneficiary.

## JOINT OWNER SPOUSAL ELECTION INFORMATION

The Beneficiary will receive the Death Benefit payout if:

- the Contract Owner dies before the Payout Date, or
- the Annuitant dies during the Annuity Period.

If the Annuitant dies before the Annuity date, the Owner may designate a new Annuitant or become the Annuitant.

With regard to joint Owners of a Non-Qualified Contract, the Death Benefit is payable upon the death of either Owner during the Purchase Period. However, in the event of your death where the sole Beneficiary of the Non-Qualified Contract is your spouse, your spouse may continue the Contract as Owner, in lieu of receiving the Death Benefit.

## DURING THE PURCHASE PERIOD

Four types of death benefits are available if death occurs during the Purchase Period: the Standard Death Benefit, the Enhanced Death Benefit, the Annual Step-Up Death Benefit, or the Gain Preservation Death Benefit. The Enhanced Death Benefit or the Annual Step-Up Death Benefit can only be chosen at the time that the Contract is issued. You may choose the Gain Preservation Death Benefit at any time prior to the Payout Date and prior to the Contract Owner's 86th birthday, subject to the requirements explained below. If you do not make a choice of death benefit at the time that the Contract is issued then you will automatically be given the Standard Death Benefit.

You may not choose the Gain Preservation Death Benefit if the Enhanced Death Benefit or the Annual Step-Up Death Benefit has already been chosen. The Gain Preservation Death Benefit may be used with Non-Qualified Contracts only. You may not choose the Gain Preservation Death Benefit if your Contract is a Qualified Contract. See the "Federal Tax Matters" section in this prospectus for more information on Non-Qualified and Qualified Contracts.

You will be required to pay a charge if you choose the Enhanced Death Benefit, the Annual Step-Up Death Benefit, or the Gain Preservation Death Benefit. All of the optional death benefits are subject to state availability. There is no charge for the Standard Death Benefit offered by the Contract.

Once selected, the Enhanced Death Benefit, Annual Step-Up Death Benefit or Gain Preservation Death Benefit may not be cancelled.

#### STANDARD DEATH BENEFIT

If death occurs before your 85th birthday, then the Death Benefit during the Purchase Period will be the greatest of:

<Table>

<S>

<C> <C>

- Your Account Value on the date both proof of death and election of the payment method are received by the Company at its Annuity Service Center;

</Table>

<Table>

<S>

<C> <C>

- 100% of Purchase Payments (to Fixed and/or

Variable Account Options)  
- (MINUS)  
Amount of all prior withdrawals and charges; OR  
- The greatest Account Value on any prior seventh  
Contract Anniversary plus any Purchase Payments  
made after such Contract Anniversary  
- (MINUS)  
Amount of all prior withdrawals and charges.  
</Table>

If death occurs at the age of 85 or older, then the Death Benefit during the  
Purchase Period will be:

<Table>  
<S>    <C>   <C>  
Your Account Value on the date both proof of  
death and election of the payment method are  
received by the Company at its Annuity Service  
Center.  
</Table>

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ENHANCED DEATH BENEFIT

You will be charged a fee for choosing the Enhanced Death Benefit. See the "Fees  
and Charges" section in this prospectus.

If death occurs before your 85th birthday, then the Death Benefit during the  
Purchase Period will be the greatest of:

<Table>  
<S>    <C>   <C>  
- Your Account Value on the date both proof of  
death and election of the payment method are  
received by the Company at its Annuity Service  
Center;  
- 100% of Purchase Payments (to Fixed and/or  
Variable Account Options)  
- (MINUS)  
Amount of all prior withdrawals and charges;  
- The greatest Account Value on any prior seventh  
Contract Anniversary plus any purchase Payments

made after such Contract Anniversary

- (MINUS)

Amount of all prior withdrawals and charges made after such Contract Anniversary; OR

- The total amount of Purchase Payments made up to the date of death accumulated at a 3% interest rate each year

- (MINUS)

Amount of all prior withdrawals and charges accumulated at a 3% interest rate each year, not to exceed 200% of total Purchase Payments made minus all prior withdrawals and any surrender charges.

</Table>

If death occurs on or after your 85th birthday and before your 90th birthday, then the Death Benefit during the Purchase Period will be the greater of the first three bullet points above. If death occurs at the age of 90 or older, then the Death Benefit during the Purchase Period will be the first bullet point above. However, the charge for the Enhanced Death Benefit will still be deducted.

#### ANNUAL STEP-UP DEATH BENEFIT

You will be charged a fee for choosing the Annual Step-Up Death Benefit. See the "Fees and Charges" section in this prospectus.

If death occurs before your 85th birthday, then the Death Benefit during the Purchase Period will be the greatest of:

<Table>

<S>

<C> <C>

- Your Account Value on the date of proof of death and election of the payment method are received by the Company at its Annuity Service Center;
- 100% of Purchase Payments (to Fixed and/or Variable Account Options)

- (MINUS)

Amount of all prior withdrawals and charges; OR

- The greatest Account Value on any prior Contract Anniversary plus any purchase Payments made after such Contract Anniversary.

- (MINUS)

Amount of all prior withdrawals and charges



made after such Contract Anniversary.

</Table>

If death occurs at the age of 85 or older, then the Death Benefit during the Purchase Period will be the first bullet point above. However, the charge for the Annual Step-Up Death Benefit will still be deducted.

#### GAIN PRESERVATION DEATH BENEFIT

You will be charged a fee for choosing the Gain Preservation Death Benefit. See the "Fees and Charges" section in this prospectus.

The Death Benefit during the Purchase Period will be the Death Benefit amount payable under the Standard Death Benefit plus the Gain Preservation Amount.

The Gain Preservation Amount is:

<Table>

<S>

<C> <C>

- The Death Benefit amount payable under the Standard Death Benefit;
  - (MINUS)
- The greater of (i) 100% of Purchase Payments (to Fixed and/or Variable Account Options) minus the amount of all prior withdrawals and charges made or (ii) the Account Value on the date that the Gain Preservation Death Benefit is chosen;
  - then
  - X (MULTIPLIED BY)
- 66% (for Contract Owners ages 69 or younger on the date the Gain Preservation Death Benefit is issued) or 33% (for Contract Owners ages 70 through 80 on the date that the Gain Preservation Death Benefit is issued). (1) For example, if the Contract Owner is age 68 when he or she purchases the Gain Preservation Death Benefit, then the multiplier will be 66%, no matter what the age of the Contract Owner is upon his or her death.
  - Not to exceed the lesser of 100% of total Purchase Payments made or \$1,000,000.

</Table>

(1) The 66% or 33% multiplier cannot be changed, unless there is a change of Contract Owner. In the event that there is a change of Contract Owner, the 66% or 33% multiplier will be based on the age of the new Contract Owner (or the older joint Contract Owner) on the date that the change of ownership occurs. If the new Contract Owner (or new older joint Contract Owner) is age 81 or older, then the benefits of the Gain Preservation Death Benefit will be canceled out, and the Standard Death Benefit will apply. However, the charge for the Gain Preservation Death Benefit will still be deducted.

The Gain Preservation Death Benefit is generally intended to help preserve any increase in Account Value from the time of your Purchase Payment(s) by increasing the death benefit amount payable above the Standard Death Benefit.

If there is no increase in your Contract's Account Value from the time of your Purchase Payment(s) until the date of death, then the difference between the first two bullet points above will be zero, or less, and there will be no Gain Preservation Amount to be paid. If this situation occurs, then the death benefit amount will be the Contract's Standard Death Benefit.

28

34

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#### DURING THE PAYOUT PERIOD

If the Annuitant dies during the Payout Period, your Beneficiary may receive any continuing payments under the Payout Option that you selected. The Payout Options available in the Contract are described in the "Payout Period" section of this prospectus.

#### HOW TO REVIEW INVESTMENT PERFORMANCE OF SEPARATE ACCOUNT DIVISIONS

---

We will advertise information about the investment performance of the A.G. Separate Account A Divisions. Our advertising of the past investment performance results does not mean that future performance will be the same. The performance information will not predict what your actual investment experience will be in that Division or show past performance under an actual Contract. We may also show how the Divisions rank on the basis of data compiled by independent ranking services.

Some of the Divisions (and underlying Funds) offered in this prospectus were previously or currently are available through other annuity or life insurance contracts. We may therefore, advertise investment performance since the inception of the underlying Funds. In each case, we will use the charges and fees imposed by the Contract in calculating the Divisions' investment performance.

#### TYPES OF INVESTMENT PERFORMANCE INFORMATION ADVERTISED

We may advertise the Divisions' Total Return Performance information and Yield Performance information.

#### TOTAL RETURN PERFORMANCE INFORMATION

Total Return Performance Information is based on the overall dollar or percentage change in value of an assumed investment in a Division over a given period of time.

There are seven ways Total Return Performance Information may be advertised:

- Standard Average Annual Total Return
- Nonstandard Average Annual Total Return
- Cumulative Total Return
- Annual Change in Purchase Unit Value
- Cumulative Change in Purchase Unit Value
- Total Return Based on Different Investment Amounts
- An Assumed Account Value of \$10,000

Each of these is described below.

#### STANDARD AVERAGE ANNUAL TOTAL RETURN

Standard Average Annual Total Return shows the average percentage change in the value of an investment in the Division from the beginning to the end of a given historical period. The results shown are after all charges and fees have been applied against the Division. This will include the Maximum Separate Account Charges (see the "Fee Table" in this prospectus), account maintenance fees, and surrender charges that would have been deducted if you surrendered the Contract at the end of each period shown. Premium taxes are not deducted. This information is calculated for each Division based on how an initial assumed payment of \$1,000 performed at the end of 1, 5 and 10 year periods. If Standard Average Annual Return for a Division is not available for a stated period, we may show the Standard Average Annual Return since Division inception.

The return for periods of more than one year are annualized to obtain the average annual percentage increase (or decrease) during the period. Annualization assumes that the application of a single rate of return each year during the period will produce the ending value, taking into account the effect of compounding.

#### NONSTANDARD AVERAGE ANNUAL TOTAL RETURN

Nonstandard Average Annual Total Return is calculated in the same manner as the Standard Average Annual Total Return. However, Nonstandard Average Annual Total Return shows only the historic investment results of the Division. Account maintenance fees, Optional Separate Account Charges, surrender charges and premium taxes are not deducted. The SEC staff takes the position that performance information of an underlying Fund reduced by Account fees for a period prior to the inception of the corresponding Division is nonstandard performance information regardless of whether all Account fees and charges are deducted.

DIVISIONS -- subaccounts of A.G. Separate Account A which represent the Variable Account Options in the Contract. Each Division invests in a different mutual fund, each having its own investment objective and strategy.

For more information on how TOTAL RETURN PERFORMANCE INFORMATION is calculated, see the Statement of Additional Information.

29

35

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#### CUMULATIVE TOTAL RETURN

Cumulative Total Return assumes the investment in the Contract will stay in the Division beyond the time that a surrender charge would apply. It may be calculated for 1, 5 and 10 year periods. If Cumulative Total Return for a Division is not available for a stated period, we may show the Cumulative Total Return since Division inception. It is based on an assumed initial investment of \$10,000. The Cumulative Return will be calculated without deduction of account maintenance fees, surrender charges or premium taxes.

#### ANNUAL CHANGE IN PURCHASE UNIT VALUE

Annual Change in Purchase Unit Value is a percentage change during a one year period or since inception. This is calculated as follows:

- The Purchase Unit Value at the start of the year is subtracted from the Purchase Unit Value at the end of the period or year; and

- The difference is divided by the Purchase Unit Value at the start of the period or year.

Account maintenance fees, surrender charges and premium taxes are not deducted. The effect of these charges, if deducted, would reduce the Division's Annual Change in Purchase Unit Value.

#### CUMULATIVE CHANGE IN PURCHASE UNIT VALUE

Cumulative Change in Purchase Unit Value is a percentage change from the beginning to the ending of a period usually greater than one year. Otherwise, it is calculated in the same way as the Annual Change in Purchase Unit Value.

#### TOTAL RETURN BASED ON DIFFERENT INVESTMENT AMOUNTS

We may show total return information based on different investment amounts. For example, we may show \$200 a month for 10 years, or \$100 a month to age 65. Fees may or may not be included. Each performance illustration will explain the Contract charges and fees imposed on the Division.

#### AN ASSUMED ACCOUNT VALUE OF \$10,000

We may show annual values based on an initial investment of \$10,000. This will not reflect any deduction for account maintenance fees, surrender charges and premium taxes.

#### YIELD PERFORMANCE INFORMATION

We may advertise Yield Performance, at a given point in time. A Division's yield is one way of showing the rate of income the Division is earning as a percentage of the Division's Purchase Unit Value.

#### NORTH AMERICAN--AG MONEY MARKET FUND DIVISION

We may advertise the North American--AG Money Market Fund Division's Current Yield and Effective Yield.

The Current Yield refers to the income produced by an investment in the North American--AG Money Market Fund Division over a given 7-day period. The Current Yield does not take into account surrender charges or premium taxes. The income produced over a 7 day period is then "annualized." This means we are assuming the amount of income produced during the 7-day period will continue to be produced each week for an entire year. The annualized amount is shown as a percentage of the investment.

The Effective Yield is calculated in a manner similar to the Current Yield. But, when the yield is annualized the income earned is assumed to be reinvested. The compounding effect will cause the Effective Yield to be higher than the Current Yield.

#### DIVISIONS OTHER THAN THE NORTH AMERICAN--AG MONEY MARKET FUND DIVISION

We may advertise the standardized yield performance for each Division other than the North American -- AG Money Market Fund Division. The yield for each Division will be determined as follows:

- We will subtract the account maintenance fee from the average daily net investment income per Purchase Unit;
- We will divide the remainder by the Purchase Unit Value on the last day of the period; and
- We will annualize the result.

30

36

#### OTHER CONTRACT FEATURES

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##### CHANGE OF BENEFICIARY

The Beneficiary (if not irrevocable) may usually be changed at any time.

The right to name or change a Beneficiary may be subject to approval by the spouse. Also, the right to name a Beneficiary other than the spouse may be subject to certain tax laws and regulations.

If the Owner dies, and there is no Beneficiary, any death benefit will be payable to the Owner's estate.

If a Beneficiary dies while receiving payments, and there is no co-Beneficiary to continue to receive payments, any amount still due will be paid to the Beneficiary's estate.

##### CANCELLATION -- THE 10 DAY "FREE LOOK"

You may cancel the Contract by returning it to the Company within 10 days after delivery. A longer period will be allowed if required under state law. A refund will be made to you within 7 days after receipt of the Contract within the required period. The refund amount will be your Purchase Payments, adjusted to reflect (1) investment experience and (2) any Fees and Charges which have been deducted. See the "Purchase Period -- Right to Return" and "Purchase

Period -- 1% Bonus" sections in this prospectus.

#### WE RESERVE CERTAIN RIGHTS

We reserve the right to:

- amend the Contract to conform with substitutions of investments;
- amend the Contract to comply with tax or other laws;
- operate A.G. Separate Account A as a management investment company under the 1940 Act, in consideration of an investment management fee or in any other form permitted by law;
- deregister A.G. Separate Account A under the 1940 Act, if registration is no longer required;
- reflect a change in A.G. Separate Account A or any Division;
- create new separate accounts;
- transfer any assets in any Division to another Division, or to one or more separate accounts, or to the One Year Fixed Account;
- add, combine or remove Divisions in A.G. Separate Account A, or combine A.G. Separate Account A with another separate account;
- add additional Fixed Account Options;
- make any new Division available to you on a basis we determine;
- change the way in which certain fees are calculated and deducted, without changing the amount of the fee itself;
- commence deducting premium taxes or adjust the amount of premium taxes deducted in accordance with state law that applies; or
- make any changes required to comply with the rules of any Fund.

When required by law, we will obtain (1) your approval of changes and (2) the approval of any appropriate regulatory authority.

#### DEFERRING PAYMENTS

We reserve the right to defer payment of any surrender, payout payment, or death proceeds out of the Account Value if:

- the New York Stock Exchange is closed other than customary weekend and holiday closings, or trading on the New York Stock Exchange is restricted as determined by the SEC;

- the SEC determines that an emergency exists, as a result of which disposal of securities held in a Division is not reasonably practicable or it is not reasonably practicable to fairly determine the Account Value; or

- the SEC by order permits the delay for the protection of Contract Owners.

We may also postpone transfers and allocations of Account Value under these circumstances.

#### VOTING RIGHTS

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As discussed in the "About A.G. Separate Account A" section of this prospectus, A.G. Separate Account A holds on your behalf shares of the Funds which comprise the Variable Account Options. From time to time the Funds are required to hold a shareholder meeting to

CONTRACT OWNER -- the person entitled to the ownership rights as stated in this prospectus.

A.G. SEPARATE ACCOUNT A -- a segregated asset account established by the Company under the Texas Insurance Code. The purpose of A.G. Separate Account A is to receive and invest your Purchase Payments and Account Value in the Variable Account Options you have selected.

31

37

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obtain approval from their shareholders for certain matters. As a Contract Owner, you may be entitled to give voting instructions to us as to how A.G. Separate Account A should vote its Fund shares on these matters. Those persons entitled to give voting instructions will be determined before the shareholder meeting is held. For more information about these shareholder meetings and when they may be held, see the Funds' prospectuses.

#### WHO MAY GIVE VOTING INSTRUCTIONS

In most cases during the Purchase Period, you will have the right to give voting instructions for the shareholder meetings. Contract Owners will instruct A.G. Separate Account A in accordance with these instructions. You will receive proxy material and a form on which voting instructions may be given before the shareholder meeting is held.



You will not have the right to give voting instructions if the Contract was issued in connection with a nonqualified, unfunded deferred compensation plan.

#### DETERMINATION OF FUND SHARES ATTRIBUTABLE TO YOUR ACCOUNT

##### During Purchase Period

The number of Fund shares attributable to your account will be determined on the basis of the Purchase Units credited to your account on the record date set for the Fund shareholder meeting.

##### During Payout Period or After a Death

##### Benefit Has Been Paid

The number of Fund shares attributable to your account will be based on the liability for future variable annuity payments to your payees on the record date set for the Fund shareholder meeting.

#### HOW FUND SHARES ARE VOTED

The Funds which comprise the Variable Account Options in the Contract may have a number of shareholders including A.G. Separate Account A, the Company, and other affiliated and unaffiliated insurance company separate accounts.

A.G. Separate Account A will vote all of the shares of the Funds it holds based on, and in the same proportion as, the instructions given by all the Contract Owners invested in that Fund entitled to give instructions at that shareholder meeting. A.G. Separate Account A will vote the shares of the Funds it holds for which it receives no voting instructions in the same proportion as the shares for which voting instructions have been received.

The Company will vote the shares of the Funds it holds based on, and in the same proportion as, the voting instructions received from Contract Owners.

In the future, we may decide how to vote the shares of the Company or A.G. Separate Account A in a different manner if permitted at that time under federal securities law.

#### FEDERAL TAX MATTERS

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The Contract provides tax-deferred accumulation over time, but is subject to federal income and excise taxes, mentioned briefly below. You should refer to the Statement of Additional Information for further details. Section references

are to the Internal Revenue Code ("Code"). We do not attempt to describe any potential estate or gift tax, or any applicable state, local or foreign tax law other than possible premium taxes mentioned under the "Premium Tax Charge" section in this prospectus. Remember that future legislation could modify the rules discussed below, and always consult your personal tax adviser regarding how the current rules apply to your specific situation.

## TYPES OF PLANS

Tax rules vary, depending on whether the Contract is offered under your employer's tax-qualified retirement program or a Section 408(b) IRA or is instead a Non-Qualified Contract. The Contract is used under the following types of retirement arrangements:

- Section 403(b) annuities for employees of public schools and Section 501(c)(3) tax-exempt organizations;
- Section 408(b) individual retirement annuities.

32

38

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The foregoing Contracts are "Qualified Contracts." Certain series of the Contract may also be available through a nondeductible Section 408A "Roth" individual retirement annuity.

Note that the specific terms of the governing employer plan may limit rights and options otherwise available under a Contract.

In addition, the Contract is also available through "Non-Qualified Contracts." Such Non-Qualified Contracts generally include unfunded, nonqualified deferred compensation plans of corporate employers, as well as individual annuity contracts issued to individuals outside of the context of any formal employer or employee retirement plan or arrangement. Non-Qualified Contracts generally may invest only in mutual funds that are not available to the general public outside of annuity contracts or life insurance contracts.

## TAX CONSEQUENCES IN GENERAL

Purchase Payments, distributions, withdrawals, transfers and surrender of a Contract can each have a tax effect, which varies with the governing retirement arrangement. Please refer to the detailed explanation in the Statement of Additional Information, the documents (if any) controlling the retirement arrangement through which the contract is offered, and your personal tax

adviser.

Purchase Payments under the Contract can be made as contributions by employers, or as pre-tax or after-tax contributions by employees, depending on the type of retirement program. After-tax employee contributions constitute "investment in the Contract." All Qualified Contracts receive deferral of tax on the inside build-up of earnings on invested Purchase Payments, until a distribution occurs. See the Statement of Additional Information for special rules, including those applicable to taxable, non-natural owners of Non-Qualified Contracts.

Transfers among investment options within a variable annuity contract generally are not taxed at the time of such a transfer. However, in 1986 the Internal Revenue Service ("IRS") indicated that limitations might be imposed with respect to either the number of investment options available within a Contract, or the frequency of transfers between investment options, or both, in order for the Contract to be treated as an annuity contract for federal income tax purposes. If imposed, such limitations could be applied to qualified contracts as well as nonqualified contracts, and the Company can provide no assurance that such limitations would not be imposed on a retroactive basis to contracts issued under this prospectus. However, the Company has no present indication that the IRS intends to impose such limitations, or what the terms or scope of those limitations might be.

Distributions are taxed differently depending on the program through which the Contract is offered and the previous tax characterization of the contributions to which the distribution relates. Generally, the portion of a distribution that is not considered a return of investment in the Contract is subject to federal income tax. For annuity payments, the investment in the Contract is recovered ratably over the expected payout period. Special recovery rules might apply in certain situations.

Amounts subject to federal income tax may also incur an excise tax under the circumstances described in the Statement of Additional Information. Generally, distributions would also be subject to some form of federal income tax withholding unless rolled into another tax-deferred vehicle. Required withholding will vary according to type of program, type of payment and your tax status. In addition, amounts received under all Contracts may be subject to state income tax withholding requirements.

Investment earnings on contributions to Non-Qualified Contracts that are not owned by natural persons will be taxed currently to the Owner, and such Contracts will not be treated as annuities for federal income tax purposes.

#### EFFECT OF TAX-DEFERRED ACCUMULATIONS

The chart below compares the results from

Premium Payments made to:

- The Contract issued to a tax-favored retirement program purchased with pre-tax premium payments;
- A Non-Qualified Contract purchased with after-tax Premium Payments and;
- Conventional savings vehicles such as savings accounts.

33

39

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### THE POWER OF TAX-DEFERRED GROWTH

[BAR GRAPH]

This hypothetical chart compares the results of (1) contributing \$100 per month to a conventional, non-tax-deferred plan, (2) contributing \$100 to a nonqualified, tax-deferred annuity, and (3) contributing \$100 per month (\$138.89 since contributions are made before tax) to a tax-deferred plan such as a 403(b) annuity. The chart assumes a 28% income tax rate and an 8% fixed rate of return. Variable options incur mortality and expense risk fee and administration fee charges and may also incur account maintenance fees and surrender charges. The chart does not reflect the deduction of any such fees. An additional 10% tax penalty may apply to withdrawals before age 59 1/2. This information is for illustrative purposes only and is not a guarantee of future return.

Unlike savings accounts, Premium Payments made to tax-favored retirement programs and Non-Qualified Contracts generally provide tax-deferred treatment of earnings. In addition, Premium Payments made to tax-favored retirement programs ordinarily are not subject to income tax until withdrawn. As shown above, investing in a tax-favored program increases the accumulation power of savings over time. The more taxes saved and reinvested in the program, the more the accumulation power effectively grows over the years.

To further illustrate the advantages of tax-deferred savings using a 28% federal income tax bracket, and an annual fixed yield (BEFORE THE DEDUCTION OF ANY FEES OR CHARGES) of 8% under a tax-favored retirement program in which tax savings were reinvested, the tax deferred rate of return has an equivalent after-tax annual fixed yield of 5.76% under a conventional savings program. THE 8% YIELD ON THE TAX-FAVORED PROGRAM WILL BE REDUCED BY THE IMPACT OF INCOME TAXES UPON WITHDRAWAL. The yield will vary depending upon the timing of withdrawals. The previous chart represents (without factoring in fees and charges) after-tax amounts that would be received.

By taking into account the current deferral of taxes, contributions to tax-favored retirement programs increase the amount available for savings by

decreasing the relative current out-of-pocket cost (referring to the effect on annual net take-home pay) of the investment. The chart below illustrates this principle by comparing a pre-tax contribution to a tax-favored retirement plan with an after-tax contribution to a conventional savings account:

PAYCHECK COMPARISON

<Table>  
<Caption>

	TAX-FAVORED RETIREMENT PROGRAM -----	CONVENTIONAL SAVINGS ACCOUNT -----
	<C>	<C>
Annual amount available for savings before federal taxes.....	\$2,000	\$2,000
Current federal income tax due on Purchase Payments.....	0	(560)
Net retirement contribution Purchase Payments.....	\$2,000	\$1,440

This chart assumes a 28% federal income tax rate. The \$560 that is paid toward current federal income taxes reduces the actual amount saved in the conventional savings account to \$1,440 while the full \$2,000 is contributed to the tax-qualified program, subject to being taxed upon withdrawal. Stated otherwise, to reach an annual retirement savings goal of \$2,000, the contribution to a tax-qualified retirement program results in a current out-of-pocket expense of \$1,440 while the contribution to a conventional savings account requires the full \$2,000 out-of-pocket expense. The tax-qualified retirement program represented in this chart is a plan type, such as one under Section 403(b) of the Code which allows participants to exclude contributions, within defined limits, from gross income.

34

40

Please tear off, complete and return the form below to the Annuity Service Center at the address shown on the inside back cover of this Prospectus. A Statement of Additional Information may also be ordered by calling 1-800-424-4990.

.....

Please send me a free copy of the Statement of Additional Information for the Contract.

(Please Print or Type)

<Table>

<S> <C>

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Name: Policy #

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Address:

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Social Security Number:

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</Table>

41

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42

CONTENTS OF STATEMENT OF ADDITIONAL INFORMATION

<Table>

<Caption>

	PAGE	
	----	
<S>		<C>
GENERAL INFORMATION.....	4	
THE COMPANY.....	4	
MARKETING INFORMATION.....	4	
ENDORSEMENTS AND PUBLISHED RATINGS.....	4	
TYPES OF VARIABLE ANNUITY CONTRACTS.....	6	
VARIABLE ANNUITY CONTRACT GENERAL PROVISIONS.....	6	
FEDERAL TAX MATTERS.....	7	
Tax Consequences of Purchase Payments.....	7	
Tax Consequences of Distributions.....	9	
Special Tax Consequences -- Early Distribution.....	11	
Special Tax Consequences -- Required Distributions.....	12	
Tax-Free Rollovers, Transfers and Exchanges.....	13	
EXCHANGE PRIVILEGE.....	14	
Information Which May Be Applicable To Any Exchange.....	14	
CALCULATION OF SURRENDER CHARGE.....	14	

Illustration of Surrender Charge on Total Surrender.....	14
Illustration of Surrender Charge on a 10% Partial Surrender Followed by a Full Surrender.....	15
CALCULATION OF MVA OPTION.....	16
PURCHASE UNIT VALUE.....	17
Illustration of Calculation of Purchase Unit Value.....	17
Illustration of Purchase of Purchase Units...	18

<Table>  
<Caption>

	PAGE
	----
<S>	<C>
PERFORMANCE CALCULATIONS.....	18
Illustration of Calculation of Current Yield for North American -- AG Money Market Fund Division.....	18
Calculation of Current Yield for the North American -- AG Money Market Fund Division.....	18
Illustration of Calculation of Effective Yield for North American -- AG Money Market Fund Division.....	18
Calculation of Effective Yield for the North American -- AG Money Market Fund Division.....	18
Illustration of Calculation of Standardized Yield for Bond Fund Divisions.....	19
Calculation of Average Annual Total Return...	19
PERFORMANCE COMPARISONS.....	26
PAYOUT PAYMENTS.....	28
Assumed Investment Rate.....	28
Amount of Payout Payments.....	28
Payout Unit Value.....	29
Illustration of Calculation of Payout Unit Value.....	30
Illustration of Payout Payments.....	30
DISTRIBUTION OF VARIABLE ANNUITY CONTRACTS.....	30
EXPERTS.....	31
COMMENTS ON FINANCIAL STATEMENTS.....	31

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<Caption>

NORTH

	NORTH	NORTH	AIM V.I.	NORTH	
	AMERICAN--AG	AMERICAN--AG	AMERICAN--AG	AMERICAN--AG	
	GOVERNMENT	GROWTH AND	INTERNATIONAL	CAPITAL	AIM V.I.
	SECURITIES	INCOME	EQUITIES	APPRECIATION	DIVERSIFIED
	FUND	FUND	MARKET FUND	FUND	INCOME FUND
	DIVISION 1 (3)	DIVISION 2 (3)	DIVISION 6 (3)	DIVISION 8	DIVISION 9
					DIVISION
<S>	<C>	<C>	<C>	<C>	<C>
PURCHASE UNITS WITHOUT THE CHARGE FOR AN OPTIONAL DEATH BENEFIT OPTION (1):					
December 31, 2000					
Purchase Units in Force			533,262		273,246
1,372,638	1,262,262	399,335	233,714		
Purchase Unit Values			\$13.936476		\$ 9.564546
\$12.768713	\$15.833526	\$12.080144	\$12.181997		
December 31, 1999					
Purchase Units in Force			263,916		143,977
1,390,591	1,317,110	405,200	367,475		
Purchase Unit Values			\$15.864035		\$ 9.633038
\$11.469704	\$18.013764	\$14.814118	\$11.654338		
December 23, 1999					
Purchase Units in Force			--		--
1,415,677	1,309,712	407,306	386,087		
Purchase Unit Values (2)			--		--
\$11.471379	\$17.601477	\$14.268432	\$11.639810		
December 31, 1998					
Purchase Units in Force			2,550		2,249
--	--	--	--		--
Purchase Unit Value			\$11.125468		\$ 9.960883
--	--	--	--		--
November 23, 1998					
Purchase Units in Force			--		--
--	--	--	--		--
Purchase Unit Values (2)			\$ 9.996230		\$ 9.878091
--	--	--	--		--
PURCHASE UNITS WITH THE CHARGE FOR ENHANCED DEATH BENEFIT OPTION (1):					
December 31, 2000					
Purchase Units in Force			16,701		8,334
107,604	110,404	41,164	40,520		
Purchase Unit Values			\$12.554226		\$ 9.686158



\$12.693222	\$15.739968	\$12.008717	\$12.109992
December 31, 1999			
Purchase Units in Force			14,174 8,261
120,782	134,453	37,660	19,385
Purchase Unit Values			\$14.297796 \$ 9.760387
\$11.407577	\$17.916247	\$14.733875	\$11.591218
December 23, 1999			
Purchase Units in Force			-- --
124,339	129,764	37,654	29,098
Purchase Unit Values(2)			-- --
\$11.409383	\$17.506407	\$14.191319	\$11.576909
December 31, 1998			
Purchase Units in Force			-- 546
--	--	--	--
Purchase Unit Value			-- \$10.098556
--	--	--	--
November 23, 1998			
Purchase Units in Force			-- --
--	--	--	--
Purchase Unit Values(2)			\$ 9.996709 \$ 9.878405
--	--	--	--
PURCHASE UNITS WITH THE CHARGE FOR ANNUAL STEP-UP DEATH BENEFIT OPTION(1):			
December 31, 2000			
Purchase Units in Force			111,133 46,872
120,979	191,338	27,229	23,302
Purchase Unit Values			\$12.354175 \$ 9.581624
\$11.411287	\$10.343942	\$ 9.311229	\$10.987120
December 31, 1999			
Purchase Units in Force			49,308 23,274
116,793	188,391	23,149	35,804
Purchase Unit Values			\$14.077551 \$ 9.660243
\$10.261000	\$11.780478	\$11.430398	\$10.522117
December 23, 1999			
Purchase Units in Force			-- --
116,983	188,635	22,744	24,150
Purchase Unit Values(2)			-- --
\$10.262751	\$11.511137	\$11.009624	\$10.509258
December 31, 1998			
Purchase Units in Force			-- 236
--	--	--	--
Purchase Unit Value			-- \$ 9.998064
--	--	--	--
November 23, 1998			
Purchase Units in Force			-- --
--	--	--	--
Purchase Unit Values(2)			\$ 9.070215 \$ 9.923888
--	--	--	--

<Caption>

	NORTH AMERICAN--AG STOCK INDEX FUND DIVISION 5 (3) -----	OCCAT MANAGED PORTFOLIO DIVISION 3 (3) -----
<S>	<C>	<C>
PURCHASE UNITS WITHOUT THE CHARGE FOR AN OPTIONAL DEATH BENEFIT OPTION (1):		
December 31, 2000		
Purchase Units in Force	923,386	1,547,167
Purchase Unit Values	\$19.167985	\$17.567774
December 31, 1999		
Purchase Units in Force	948,596	1,795,075
Purchase Unit Values	\$21.444540	\$16.234116
December 23, 1999		
Purchase Units in Force	943,866	1,800,114
Purchase Unit Values (2)	\$20.968493	\$16.038861
December 31, 1998		
Purchase Units in Force	--	--
Purchase Unit Value	--	--
November 23, 1998		
Purchase Units in Force	--	--
Purchase Unit Values (2)	--	--
PURCHASE UNITS WITH THE CHARGE FOR ENHANCED DEATH BENEFIT OPTION (1):		
December 31, 2000		
Purchase Units in Force	68,981	132,411
Purchase Unit Values	\$19.054744	\$17.463964
December 31, 1999		
Purchase Units in Force	74,328	153,924
Purchase Unit Values	\$21.328466	\$16.146220
December 23, 1999		
Purchase Units in Force	74,132	153,802
Purchase Unit Values (2)	\$20.855252	\$15.952220
December 31, 1998		
Purchase Units in Force	--	--
Purchase Unit Value	--	--
November 23, 1998		
Purchase Units in Force	--	--
Purchase Unit Values (2)	--	--
PURCHASE UNITS WITH THE CHARGE FOR ANNUAL STEP-UP DEATH BENEFIT OPTION (1):		
December 31, 2000		
Purchase Units in Force	144,594	121,121
Purchase Unit Values	\$10.716226	\$10.764003
December 31, 1999		
Purchase Units in Force	93,705	124,376
Purchase Unit Values	\$12.001403	\$ 9.957164
December 23, 1999		
Purchase Units in Force	93,182	124,007

Purchase Unit Values(2)	\$11.735273	\$ 9.837648
December 31, 1998		
Purchase Units in Force	--	--
Purchase Unit Value	--	--
November 23, 1998		
Purchase Units in Force	--	--
Purchase Unit Values(2)	--	--

(1) Three sets of Selected Purchase Unit Values have been shown above. The first set of Purchase Unit information does not include the Optional Enhanced Death Benefit Charge or the Annual Step-Up Death Benefit Charge you would incur if you choose the Optional Enhanced Death Benefit or the Optional Annual Step-Up Death Benefit. The second set of Purchase Unit information includes the Optional Enhance Death Benefit Charge you would incur if you choose the Optional Enhanced Death Benefit. The third set of Purchase Unit information includes the Annual Step-Up Death Benefit Charge you would incur if you choose the Optional Annual Step-Up Death Benefit.

(2) Purchase Unit Value At Date Of Inception.

(3) On December 23, 1999, the mutual funds which Divisions 1-7 of A.G. Separate Account A invested were replaced by seven similar substitute mutual funds. Accordingly, the Selected Purchase Unit Data for Divisions 1-7 is shown for the period of December 23, 1999 through December 31, 1999 and is based on the new purchase unit values of Divisions 1-7 which were calculated on December 23, 1999. Additionally, we now identify December 23, 1999 as the inception date for Divisions 1-7. See the "About A.G. Separate Account A" section in this prospectus.

<Table>  
<Caption>

				TEMPLETON
	VAN KAMPEN LIT			
OPPENHEIMER		OPPENHEIMER	OPPENHEIMER	DEVELOPING
TEMPLETON	EMERGING			
CAPITAL	OPPENHEIMER	MAIN STREET	SMALL CAP	MARKET
INTERNATIONAL	GROWTH			
APPRECIATION	HIGH INCOME	GROWTH & INCOME	GROWTH	SECURITIES
SECURITIES	PORTFOLIO-			
FUND/VA	FUND/VA	FUND/VA	FUND/VA	FUND- CLASS 2
FUND- CLASS 2	CLASS I SHARES			
DIVISION 10	DIVISION 12	DIVISION 11	DIVISION 13	DIVISION 14(4)
DIVISION 15(5)	DIVISION 7(3)			

<S>	<C>	<C>	<C>	<C>
<C>	<C>			
628,004	203,317	1,145,141	244,322	86,818
189,296	887,930			
\$14.533612	\$ 9.772488	\$11.333272	\$12.951803	\$10.185647
\$11.906797	\$31.886738			
318,642	125,894	562,532	94,772	46,150
88,398	814,202			
\$14.772926	\$10.295545	\$12.598916	\$16.084962	\$15.200206
\$12.368821	\$35.992433			
--	--	--	--	--
--	809,405			
--	--	--	--	--
--	\$34.299260			
1,662	1,792	6,629	2,973	--
360	--			
\$10.576647	\$10.012380	\$10.498635	\$11.130512	\$10.095498
\$10.179276	--			
--	--	--	--	--
--	--			
\$ 9.572666	\$ 9.936320	\$10.011219	\$10.078913	\$10.229227
\$10.090657	--			
33,221	13,341	49,692	9,708	2,408
7,975	73,747			
\$13.581430	\$ 9.761224	\$11.689621	\$12.936878	\$10.026813
\$11.970820	\$31.698318			
22,670	12,015	30,780	9,066	906
4,793	77,568			
\$13.811947	\$10.288808	\$13.001536	\$16.074463	\$14.970651
\$12.441523	\$35.797601			
--	--	--	--	--
--	78,423			
--	--	--	--	--
--	\$34.114010			
--	22	793	4	--
--	--			
--	\$10.011761	\$10.840562	\$11.129835	--
--	--			
--	--	--	--	--
--	--			
\$ 9.572967	\$ 9.936797	\$10.011540	\$10.079402	\$10.229873
\$10.091268	--			
79,043	57,513	194,453	53,972	31,259
41,322	91,649			
\$14.791781	\$ 9.665523	\$10.391735	\$11.684016	\$ 8.061781
\$11.315615	\$20.801045			
38,283	33,529	97,957	14,582	5,121
9,687	69,893			
\$15.050945	\$10.193421	\$11.564221	\$14.525577	\$12.043240
\$11.766892	\$23.503735			
--	--	--	--	--
--	69,525			

--	--	--	--	--
--	\$22.398611	--	--	--
219	--	--	--	--
--	--	--	--	--
\$10.785446	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
\$ 9.991869	\$ 9.883769	\$ 9.335061	\$ 9.258150	\$ 8.254617
\$ 9.741088	--			

(3) On December 23, 1999, the mutual funds in which Divisions 1-7 of A.G. Separate Account A invested were replaced by seven similar substitute mutual funds. Accordingly, the Selected Purchase Unit Data for Divisions 1-7 is shown for the period of December 23, 1999 through December 31, 1999 and is based on the new purchase unit values of Divisions 1-7 which were calculated on December 23, 1999. Additionally, we now identify December 23, 1999 as the inception date for Divisions 1-7. See the "About A.G. Separate Account A" section in this prospectus.

(4) Effective May 1, 2000 the Templeton Developing Markets Fund merged with the Templeton Developing Markets Equity Fund. At the same time as the merger, the Templeton Developing Markets Fund changed its name to the Templeton Developing Markets Securities Fund. Accordingly, the Templeton Developing Markets Fund Division 14 was renamed the Templeton Developing Markets Securities Fund Division 14. The Selected Purchase Unit Data for the Division through December 31, 1999, reflects units of the Templeton Developing Markets Fund Division 14.

(5) Effective May 1, 2000 the Templeton International Fund merged with the Templeton International Equity Fund. At the same time as the merger, the Templeton International Fund changed its name to the Templeton International Securities Fund. Accordingly, the Templeton International Fund Division 15 was renamed the Templeton International Securities Fund Division 15. The Selected Purchase Unit Data for the Division through December 31, 1999, reflects units of the Templeton International Fund Division 15.

Financial statements of A.G. Separate Account A are included in the Statement of Additional Information, which is available upon request. Purchase units shown are for a Purchase Unit outstanding throughout the year under a representative contract of the type invested in each column shown. The unit value of each Division of A.G. Separate Account A will not be the same on any given day as the net asset value per share of the underlying Fund described in this prospectus in which that Division invests. This is because each unit value consists of the underlying Fund share's net asset value minus the charges by A.G. Separate Account A. In addition, dividends declared by the underlying Fund are reinvested by the Division in additional shares. These distributions have the effect of reducing the value of each share of the Fund and increasing the number of Fund

shares outstanding. However, the total cash value in A.G. Separate Account A does not change as a result of such distributions.

<Table>  
<Caption>

MFS(R) VIT	NORTH	NORTH	JANUS ASPEN
CAPITAL	AMERICAN--AG	AMERICAN--AG	INTERNATIONAL
OPPORTUNITIES	HIGH YIELD BOND	GROWTH PORTFOLIO	GROWTH PORTFOLIO
SERIES	FUND	--SERVICE SHARES	--SERVICE SHARE
DIVISION 18	DIVISION 19	DIVISION 20	DIVISION 17
-----	-----	-----	-----
<S>		<C>	<C>
<C>	<C>	<C>	
PURCHASE UNITS WITHOUT THE CHARGE FOR AN OPTIONAL DEATH BENEFIT OPTION(1):			
December 31, 2000			
Purchase Units in Force		3,868	2,615
2,914	617	104	
Purchase Unit Values		\$ 8.980954	\$ 9.340737
\$ 9.544203	\$ 9.622852	\$10.032449	
November 15, 2000			
Purchase Units in Force		--	--
--	--	--	
Purchase Unit Values(2)		\$10.000000	\$10.000000
\$10.000000	\$10.000000	\$10.000000	
PURCHASE UNITS WITH THE CHARGE FOR ENHANCED DEATH BENEFIT OPTION(1):			
December 31, 2000			
Purchase Units in Force		--	--
--	--	--	
Purchase Unit Values		--	--
--	--	--	
November 15, 2000			
Purchase Units in Force		--	--
--	--	--	
Purchase Unit Values(2)		\$10.000000	\$10.000000
\$10.000000	\$10.000000	\$10.000000	
PURCHASE UNITS WITH THE CHARGE FOR STEP-UP DEATH BENEFIT OPTION(1):			
December 31, 2000			
Purchase Units in Force		2,228	53

	--	--	--	
Purchase Unit Values			\$ 8.979797	\$ 9.339541
	--	--	--	
November 15, 2000				
Purchase Units in Force			--	--
	--	--	--	
Purchase Unit Values(2)			\$10.000000	\$10.000000
\$10.000000	\$10.000000		\$10.000000	

<Table>  
<Caption>

	NORTH AMERICAN--	NORTH AMERICAN--	NORTH AMERICAN--	NORTH AMERICAN--
	NEUBERGER BERMAN	PUTNAM	PUTNAM	T.
ROWE PRICE	PUTNAM VT GLOBAL	PUTNAM VT	PUTNAM	T.
SCIENCE &	GROWTH FUND-	MIDCAP VALUE	OPPORTUNITIES	
TECHNOLOGY FUND	CLASS IB SHARES	VOYAGER FUND II --	FUND	
DIVISION 23	DIVISION 24	FUND	DIVISION 22	
		DIVISION 21	DIVISION 25	
		-----	-----	
<S>	<C>	<C>	<C>	<C>

PURCHASE UNITS WITHOUT THE  
CHARGE FOR AN OPTIONAL DEATH  
BENEFIT OPTION(1):

December 31, 2000				
Purchase Units in Force			3,425	1,179
3,332	--		3,919	
Purchase Unit Values			\$10.719129	\$ 8.639205
8.163949	--		\$ 8.412542	\$

November 15, 2000

Purchase Units in Force			--	--
--	--		--	
Purchase Unit Values(2)			\$10.000000	\$10.000000
\$10.000000	\$10.000000		\$10.000000	

PURCHASE UNITS WITH THE CHARGE  
FOR ENHANCED DEATH BENEFIT  
OPTION(1):

December 31, 2000

Purchase Units in Force			--	--
--	--		--	
Purchase Unit Values			--	--
--	--		--	

November 15, 2000

Purchase Units in Force			--	--
--	--		--	
Purchase Unit Values(2)			\$10.000000	\$10.000000

\$10.000000	\$10.000000	\$10.000000
PURCHASE UNITS WITH THE CHARGE		
FOR STEP-UP DEATH BENEFIT		
OPTION(1):		
December 31, 2000		
Purchase Units in Force	--	--
-- 318	--	--
Purchase Unit Values	--	--
-- \$ 9.052035	--	--
November 15, 2000		
Purchase Units in Force	--	--
-- --	--	--
Purchase Unit Values(2)	\$10.000000	\$10.000000
\$10.000000	\$10.000000	\$10.000000

</Table>

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(1) Three sets of Selected Purchase Unit Values have been shown above. The first set of Purchase Unit information does not include the Optional Enhanced Death Benefit Charge or the Annual Step-Up Death Benefit Charge you would incur if you choose the Optional Enhanced Death Benefit or the Optional Annual Step-Up Death Benefit. The second set of Purchase Unit information includes the Optional Enhance Death Benefit Charge you would incur if you choose the Optional Enhanced Death Benefit. The third set of Purchase Unit information includes the Annual Step-Up Death Benefit Charge you would incur if you choose the Optional Annual Step-Up Death Benefit.

(2) Purchase Unit Value At Date Of Inception.

Financial statements of A.G. Separate Account A are included in the Statement of Additional Information, which is available upon request. Purchase units shown are for a Purchase Unit outstanding throughout the year under a representative contract of the type invested in each column shown. The unit value of each Division of A.G. Separate Account A will not be the same on any given day as the net asset value per share of the underlying Fund described in this prospectus in which that Division invests. This is because each unit value consists of the underlying Fund share's net asset value minus the charges by A.G. Separate Account A. In addition, dividends declared by the underlying Fund are reinvested by the Division in additional shares. These distributions have the effect of reducing the value of each share of the Fund and increasing the number of Fund shares outstanding. However, the total cash value in A.G. Separate Account A does not change as a result of such distributions.

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 -----  
 FOR ADDITIONAL INFORMATION ABOUT THE CONTRACTS  
 CONTACT THE ANNUITY SERVICE CENTER:  
 205 E. 10TH AVENUE



AMARILLO, TEXAS 79101  
1-800-424-4990

PURCHASE PAYMENTS SHOULD BE SENT TO:  
AMERICAN GENERAL ANNUITY INSURANCE COMPANY  
P.O. BOX 5429  
BOSTON, MA 02206-5429 (IF SENT BY MAIL)

OR

STATE STREET BANK AND TRUST COMPANY  
ATTENTION LOCK BOX A3W  
1776 HERITAGE DRIVE  
NORTH QUINCY, MA 02171 (IF SENT BY OVERNIGHT DELIVERY)

AMERICAN GENERAL ANNUITY INSURANCE COMPANY  
2929 ALLEN PARKWAY, HOUSTON, TEXAS 77019  
1-800-424-4990  
FOR UNIT VALUE INFORMATION CALL: 1-800-424-4990  
FOR ASSET TRANSFERS BY TELEPHONE CALL: 1-800-424-4990

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47

[AMERICAN GENERAL FINANCIAL GROUP LOGO]

LOGO

AMERICAN GENERAL ANNUITY INSURANCE COMPANY  
MEMBER AMERICAN GENERAL FINANCIAL GROUP  
2929 ALLEN PARKWAY, HOUSTON TX 77019  
ELITEPLUS(R) BONUS VARIABLE ANNUITY

[IMSA LOGO]

Contract Form Number VA 61-94  
Issued by American General Annuity Insurance Company

ElitePlus(R) Bonus Variable Annuity is distributed by American General Distributors, Inc., member NASD and member American General Financial Group. American General Distributors, Inc., is known in Florida and Illinois as American General Financial Distributors of Florida, Inc., and American General Financial Distributors of Illinois, Inc., respectively.

American General Financial Group(SM) is the marketing name for American General Corporation and its subsidiaries. The underwriting risks, financial obligations and support functions associated with the products issued by the above-listed life insurance company are solely its responsibility. The above-listed life insurance company is responsible for its own financial condition and contractual obligations. American General Corporation has no responsibility for the financial condition or contractual obligations of this life insurance company.

48

[AMERICAN GENERAL FINANCIAL GROUP LOGO]

LOGO

AMERICAN GENERAL ANNUITY INSURANCE COMPANY  
 MEMBER AMERICAN GENERAL FINANCIAL GROUP  
 2929 ALLEN PARKWAY, HOUSTON, TX 77019  
 ASSOCIATED LIFESTAGE VARIABLE ANNUITY

[IMSA LOGO]

Contract Form Number VA 61-94  
 Issued by American General Annuity Insurance Company

Associated LifeStage Variable Annuity is distributed by American General Distributors, Inc., member NASD and member American General Financial Group. American General Distributors, Inc., is known in Florida and Illinois as American General Financial Distributors of Florida, Inc., and American General Financial Distributors of Illinois, Inc., respectively.

American General Financial Group(SM) is the marketing name for American General Corporation and its subsidiaries. The underwriting risks, financial obligations and support functions associated with the products issued by the above-listed life insurance company are solely its responsibility. The above-listed life insurance company is responsible for its own financial condition and contractual obligations. American General Corporation has no responsibility for the financial condition or contractual obligations of this life insurance company.

49

AMERICAN GENERAL ANNUITY INSURANCE COMPANY

A.G. SEPARATE ACCOUNT A  
 UNITS OF INTEREST UNDER FLEXIBLE PREMIUM  
 INDIVIDUAL FIXED AND VARIABLE DEFERRED ANNUITY CONTRACTS

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STATEMENT OF ADDITIONAL INFORMATION

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FORM N-4 PART B

\_\_\_\_\_, 2001

This Statement of Additional Information is not a prospectus but contains information in addition to that set forth in the prospectus for the Individual Flexible Premium Fixed and Variable Deferred Annuity Contracts dated \_\_\_\_\_,

2001 ("Contracts") and should be read in conjunction with the prospectus. The terms used in this Statement of Additional Information have the same meaning as those set forth in the prospectus. A prospectus may be obtained by calling or writing American General Annuity Insurance Company ("Company"), at 205 E. 10th Avenue, Amarillo, Texas 79101; 1-800-424-4990. Prospectuses are also available from our registered sales representatives.

CONTENTS OF STATEMENT OF ADDITIONAL INFORMATION

<Table>  
<S>

<C>

GENERAL INFORMATION.....4  
    THE COMPANY.....4  
    MARKETING INFORMATION.....4  
    ENDORSEMENTS AND PUBLISHED RATINGS.....4

TYPES OF VARIABLE ANNUITY CONTRACTS.....6

VARIABLE ANNUITY CONTRACT GENERAL PROVISIONS.....6

FEDERAL TAX MATTERS.....7  
    Tax Consequences of Purchase Payments.....7  
    Tax Consequences of Distributions.....9  
    Special Tax Consequences-- Early Distribution.....11  
    Special Tax Consequences-- Required Distributions.....12

Tax-Free Rollovers, Transfers and Exchanges.....	13
EXCHANGE PRIVILEGE.....	14
Information Which May Be Applicable To Any Exchange.....	14
CALCULATION OF SURRENDER CHARGE.....	14
Illustration of Surrender Charge on Total Surrender.....	14
Illustration of Surrender Charge on a 10% Partial Surrender Followed by a Full Surrender.....	15
CALCULATION OF MVA OPTION.....	16
PURCHASE UNIT VALUE.....	17
Illustration of Calculation of Purchase Unit Value.....	17
Illustration of Purchase of Purchase Units.....	18
PERFORMANCE CALCULATIONS.....	18
Illustration of Calculation of Current Yield for North American--AG Money Market Fund Division.....	18
Calculation of Current Yield for the North American--AG Money Market Fund Division.....	18
Illustration of Calculation of Effective Yield for North American--AG Money Market Fund Division.....	18
Calculation of Effective Yield for the North American--AG Money Market Fund Division.....	18
Illustration of Calculation of Standardized Yield for Bond Fund Divisions.....	19
Calculation of Average Annual Total Return.....	19
PERFORMANCE COMPARISONS.....	

.....26

PAYOUT  
PAYMENTS.....28  
.....28  
Assumed Investment  
Rate.....28  
.....28  
Amount of Payout  
Payments.....28  
.....28  
Payout Unit  
Value.....29  
.....29  
Illustration of Calculation of Payout Unit  
Value.....30  
.....30  
Illustration of Payout  
Payments.....30  
.30

DISTRIBUTION OF VARIABLE ANNUITY  
CONTRACTS.....30  
30  
</Table>

<Table>  
<S>  
<C>  
EXPERTS  
.....31  
.....31  
COMMENTS ON FINANCIAL  
STATEMENTS.....31  
.....31  
</Table>

## GENERAL INFORMATION

## THE COMPANY

American General Annuity Insurance Company develops, markets, and issues annuity products through niche distribution channels. We market single-premium deferred annuities to the savings and retirement markets, flexible-premium deferred annuities to the tax-qualified retirement market, and single-premium immediate annuities to the structured settlement and retirement markets. The Company distributes its annuity products primarily through financial institutions, general agents and specialty brokers. As of December 31, 2000, the Company had over \$22 billion in assets.

The Company is licensed to do business in 47 states, Puerto Rico and the District of Columbia and is incorporated in the state of Texas. On February 25, 1998, the Company became an indirect, wholly-owned subsidiary of American General Corporation. On this date, the Company changed its name from Western National Life Insurance Company to American General Annuity Insurance Company. The Company serves as the custodian of, and provides general accounting services for, A.G. Separate Account A. The Company's executive offices are located at 2929 Allen Parkway, Houston, TX 77019.

## MARKETING INFORMATION

The Company may, from time-to-time, refer to itself in certain marketing materials as American General Annuity. The Company may, from time to time, refer to American General Financial Group. American General Financial Group is the marketing name for American General Corporation and its subsidiaries.

The Company, in its marketing efforts, may refer from time-to-time to portfolio rebalancing and or asset allocation for certain Divisions of A.G. Separate Account A.

The Company may, from time-to-time, compare the performance of the funds that serve as investment vehicles for the Contract to the performance of certain market indices. These indices are described in the "Performance Comparisons" Section of this Statement of Additional Information.

## ENDORSEMENTS AND PUBLISHED RATINGS

From time to time, the rating of the Company as an insurance company by A. M. Best may be referred to in advertisements or in reports to Contract Owners. Each year the A. M. Best Company reviews the financial status of thousands of insurers, culminating in the assignment of Best's Ratings. These ratings reflect their current opinion of the relative financial strength and operating performance of an insurance company in comparison to the norms of the life/health insurance industry. Best's Ratings range from A++ to F.

In addition, the claims-paying ability of the Company as measured by

the Standard and Poor's Ratings Group may be referred to in advertisements or in reports to Contract Owners. A

Standard and Poor's insurance claims-paying ability rating is an assessment of an operating insurance company's financial capacity to meet the obligations of its insurance policies in accordance with their terms. Standard and Poor's ratings range from AAA to D.

Further, from time to time the Company may refer to Moody's Investor's Service's rating of the Company. Moody's Investor's Service's financial strength ratings indicate an insurance company's ability to discharge senior policyholder obligations and claims and are based on an analysis of the insurance company and its relationship to its parent, subsidiaries and affiliates. Moody's Investor's Service's ratings range from Aaa to C.

The Company may additionally refer to its Fitch, Inc. rating. A Fitch, Inc. rating is an assessment of a company's insurance claims paying ability. Fitch, Inc.'s ratings range from AAA to CCC.

Ratings relate to the claims paying ability of the Company's General Account and not the investment characteristics of the Separate Account.

The Company may, from time to time, refer to Lipper Analytical Services Incorporated ("Lipper"), Morningstar, Inc. ("Morningstar") and CDA/Wiesenberger Investment Companies ("CDA/Wiesenberger") when discussing the performance of its Divisions. Lipper, Morningstar and CDA/Wiesenberger are leading publishers of statistical data about the investment company industry in the United States.

Additionally, the Company may compare the performance of the Divisions to categories published by Lipper and Morningstar. The published categories which may be utilized in comparison with the performance of the Divisions include the Morningstar Growth and Income Mutual Fund Category, Morningstar Aggressive Growth Mutual Fund Category, Morningstar Growth Mutual Fund Category, Morningstar International Stock Mutual Fund Category, Lipper Growth and Income Mutual Fund Category, Lipper Small Company Growth Mutual Fund Category, Lipper Growth Mutual Fund Category and Lipper International Mutual Fund Category. Additional Lipper or Morningstar categories may be utilized if they are deemed by the Company relevant to the performance of the Company's Divisions.

The Company may, from time to time, refer to The Variable Annuity Research & Data Services ("VARDS") Report. The VARDS Report offers monthly analysis of the variable annuity industry, including marketing and performance information.

Finally, the Company will utilize as a comparative measure for the performance of its Funds the Consumer Price Index ("CPI"). The CPI is a measure

of change in consumer prices, as determined in a monthly survey of the U.S. Bureau of Labor Statistics. Housing costs, transportation, food, electricity, changes in taxes and labor costs are among the CPI components. The CPI provides a tool for determining the impact of inflation on an individual's purchasing power.

#### TYPES OF VARIABLE ANNUITY CONTRACTS

The Contracts offered, in connection with the prospectus to which this Statement of Additional Information relates, are flexible payment deferred annuity Contracts.

Under flexible payment Contracts, Purchase Payments generally are made until retirement age is reached. However, no Purchase Payments are required to be made after the first payment. Purchase Payments are subject to any minimum payment requirements under the Contract. Purchase Payments are invested and accumulate on a fixed or variable basis until the date the Contract Owner selects to commence annuity payments.

The majority of these Contracts will be sold to individuals through financial institutions in the Non-Qualified market. A smaller number of these contracts will be sold in the Qualified market through 403(b) plans and certain IRA situations.

The Contracts are non-participating and will not share in any of the profits of the Company.

#### VARIABLE ANNUITY CONTRACT GENERAL PROVISIONS

**THE CONTRACT:** The entire Contract consists of the Contract, the Application, if any, and any riders or endorsements attached to the Contract. The Contract may be changed or altered only by an authorized officer of the Company. A change or alteration must be made in writing.

**MISSTATEMENT OF AGE OR SEX:** If the Age or sex of any Annuitant has been misstated, any Annuity benefits payable will be the Annuity benefits provided by the correct Age or sex. After Annuity Payments have begun, any underpayments will be made up in one sum with the next Annuity Payment. Any overpayments will be deducted from future Annuity Payments until the total is repaid.

**MODIFICATION:** The Contract may be modified in order to maintain compliance with applicable state and federal law. When required, the Company will obtain the Owner's approval of changes and gain approval from appropriate regulatory authorities.

**NON-PARTICIPATING:** The Contract will not share in any distribution of



dividends.

**EVIDENCE OF SURVIVAL:** The Company may require satisfactory evidence of continued survival of any person(s) on whose life Annuity Payments are based.

**PROOF OF AGE:** The Company may require evidence of Age of any Annuitant or Owner.

**PROTECTION OF PROCEEDS:** To the extent permitted by law, death benefits and Annuity Payments shall be free from legal process and the claim of any creditor if the person is entitled to them under the Contract. No payment and no amount under the Contract can be taken or assigned in advance of its payment date unless the Company receives the Owner's written consent.

6

55

**REPORTS:** At least once each calendar year, the Company will furnish the Owner with a report showing the Contract Value as of a date not more than four months prior to the date of mailing, and will provide any other information as may be required by law. Reports will be sent to the last known address of the Owner.

**TAXES:** Any taxes paid to any governmental entity relating to the Contract will be deducted from the Purchase Payment or Contract Value when incurred. The Company will, in its sole discretion, determine when taxes have resulted from: the investment experience of the Separate Account; receipt by the Company of the Purchase Payments; or commencement of Annuity Payments. The Company may, in its sole discretion, pay taxes when due and deduct that amount from the Contract Value at a later date. Payment at an earlier date does not waive any right the Company may have to deduct amounts at a later date. While the Company is not currently maintaining a provision for federal income taxes with respect to the Separate Account, the Company has reserved the right to establish a provision for income taxes if it determines, in its sole discretion, that it will incur a tax as a result of the operation of the Separate Account. The Company will deduct for any income taxes incurred by it as a result of the operation of the Separate Account whether or not there was a provision for taxes and whether or not it was sufficient. The Company will deduct any withholding taxes required by applicable law.

**REGULATORY REQUIREMENTS:** All values payable under the Contract, including any paid-up annuity, cash withdrawal or death benefits that may be available, will not be less than the minimum benefits required by the laws and regulations of the state in which the Contract is delivered.

#### FEDERAL TAX MATTERS

This Section summarizes the major tax consequences of contributions, payments, and withdrawals under the Contracts, during life and at death.

## TAX CONSEQUENCES OF PURCHASE PAYMENTS

403(b) Annuities. Purchase Payments made by Section 501(c)(3) tax-exempt organizations and public educational institutions toward Contracts for their employees are excludable from the gross income of employees, to the extent aggregate Purchase Payments do not exceed several tax limitations. This gross income exclusion applies both to employer contributions and to your voluntary and nonelective salary reduction contributions.

Your voluntary salary reduction contributions are generally limited to \$10,500 (\$9,500 before 1998), although additional "catch-up" contributions are permitted under certain circumstances. Combined employer and salary reduction contributions are generally limited to the smallest of \$30,000, approximately 25% of salary, or an exclusion allowance which takes into account a number of factors. In addition, employer contributions for highly compensated employees may be further limited by applicable nondiscrimination rules.

7

56

408(b) Individual Retirement Annuities ("408(b) IRAs"). Annual tax-deductible contributions for 408(b) IRA Contracts are limited to the lesser of \$2,000 or 100% of compensation, and generally may be made only by individuals who:

- (i) are not active participants in another retirement plan, and are not married;
- (ii) are not active participants in another retirement plan, are married, but either (a) the spouse is not an active participant in another retirement plan, or (b) the spouse is an active participant, but the couple's adjusted gross income does not exceed \$150,000;
- (iii) are active participants in another retirement plan, are unmarried, and have adjusted gross income of \$32,000 (Year 2000 Figure) or less (\$25,000 or less prior to 1998; adjusted upward for inflation after 1998); or
- (iv) are active participants in another retirement plan, are married, and have adjusted gross income of \$52,000 (Year 2000 Figure) or less (\$40,000 or less prior to 1998; adjusted upward for inflation after 1998).

Active participants in other retirement plans whose adjusted gross income exceeds the limits in (ii), (iii) or (iv) by less than \$10,000 are entitled to make deductible 408(b) IRA contributions in proportionately reduced amounts. If a 408(b) IRA is established for a nonworking spouse who has no

compensation, the annual tax-deductible Purchase Payments for both spouses' Contracts cannot exceed the lesser of \$4,000 or 100% of the working spouse's earned income, and no more than \$2,000 may be contributed to either spouse's IRA for any year.

You may be eligible to make nondeductible IRA contributions of an amount equal to the excess of:

- (i) the lesser of \$2,000 (\$4,000 for you and your spouse's IRA) or 100% of compensation, over
- (ii) your applicable IRA deduction limit.

You may also make rollover contributions to an IRA of eligible rollover amounts from other qualified plans and contracts. See Tax-Free Rollovers, Transfers and Exchanges.

408A "Roth" Individual Retirement Annuities ("408A "Roth" IRAs"). After 1997, annual nondeductible contributions for 408A "Roth" IRA Contracts are limited to the lesser of \$2,000 or 100% of compensation, and may be made only by individuals who:

- (i) are unmarried and have adjusted gross income of \$95,000 or less; or
- (ii) are married and filing jointly and have adjusted gross income of \$150,000 or less.

The available nondeductible 408A "Roth" IRA contribution is reduced proportionately to zero where adjusted gross income exceeds the limit in (i) by \$15,000 or less, or the limit in (ii) by \$10,000 or less. Similarly, individuals who are married and filing separately and whose adjusted gross income is less than \$10,000 may make a contribution to a Roth IRA of a portion of the otherwise applicable \$2,000 or 100% of compensation limit.

All contributions to 408(b) IRAs, traditional nondeductible IRAs and 408A "Roth" IRAs must be aggregated for purposes of the \$2,000 annual contribution limit.

Simplified Employee Pension Plan ("SEP"). Employer contributions under a SEP are made to a separate individual retirement account or annuity established for each participating employee, and generally must be made at a rate representing a uniform percent of the participating employees' compensation. Employer contributions are excludable from the employees' taxable income and, cannot exceed the lesser of \$30,000 or 25% of your compensation.

Through 1996, employees of certain small employers (other than tax-exempt organizations) were permitted to establish plans allowing employees to contribute pretax, on a salary reduction basis, to the SEP. These salary reduction contributions may not exceed \$7,000, indexed for inflation in later years. Such plans, if established by December 31, 1996, may still allow employees to make these contributions.

Savings Incentive Match Plan for Employees ("SIMPLE"). Employer and employee contributions under a SIMPLE Retirement Account Plan are made to a separate individual retirement account or annuity for each employee. Employee salary reduction contributions cannot exceed \$6,000 in any year. Employer contributions can be a matching or a nonelective contribution of a percentage as specified in the Code. Only employers with 100 or fewer employees can maintain a SIMPLE IRA plan, which must also be the only plan the employer maintains.

Non-Qualified Contracts. Purchase Payments made under Non-Qualified Contracts are neither excludable from the gross income of the Contract Owner nor deductible for tax purposes. However, any increase in the Purchase Unit Value of a Non-Qualified Contract resulting from the investment performance of A.G. Separate Account A is not taxable to the Contract Owner until received by him. Contract Owners that are not natural persons, however, are currently taxable on any annual increase in the Purchase Unit Value attributable to Purchase Payments made after February 28, 1986 to such Contracts.

#### TAX CONSEQUENCES OF DISTRIBUTIONS

403(b) Annuities. Voluntary salary reduction amounts accumulated after December 31, 1988, and earnings on voluntary contributions before and after that date, may not be distributed before one of the following:

(1) attainment of age 59 1/2;

9

58

(2) separation from service;

(3) death;

(4) disability, or

(5) hardship (hardship distributions are limited to salary reduction contributions only, exclusive of earnings thereon).

Similar restrictions will apply to all amounts transferred from a Section 403(b) (7) custodial account (other than rollover contributions). Contributions which are not subject to these restrictions, such as employer contributions to a Section 403(b) annuity, may be subject to restrictions under the sponsoring employer's plan, if any. Distributions are taxed as ordinary

income to the recipient in accordance with Section 72.

408(b) IRA, SEPs and SIMPLE IRAs. Distributions are generally taxed as ordinary income to the recipient. Conversions of a 408(b) or traditional IRA to a 408A "Roth" IRA, where permitted, are generally taxable in the year of the rollover or conversion. Such rollovers of conversions completed in 1998 are generally eligible for pro-rata federal income taxation over four years. Individuals with adjusted gross income over \$100,000 are generally ineligible for such conversions, regardless of marital status, as are married individuals who file separately.

408A "Roth" IRAs. "Qualified" distributions upon attainment of age 59 1/2, death, disability or for first-time homebuyer expenses are tax-free as long as five or more years have passed since the first contribution to taxpayer's first 408A "Roth" IRA. The five-year holding period may be different for determining whether a distribution allocable to a conversion contribution is subject to the 10% penalty tax. Qualified distributions may be subject to state income tax in some states. Other distributions are generally taxable to the extent that the distribution exceeds purchase payments.

Non-Qualified Contracts. Partial redemptions from a Non-Qualified Contract purchased after August 13, 1982 (or allocated to post-August 13, 1982 Purchase Payments under a pre-existing Contract), generally are taxed as ordinary income to the extent of the accumulated income or gain under the Contract if they are not received as an annuity. Partial redemptions from a Non-Qualified Contract purchased before August 14, 1982 are taxed only after the Contract Owner has received all of his pre-August 14, 1982 investment in the Contract. The amount received in a complete redemption of a Non-Qualified Contract (regardless of the date of purchase) will be taxed as ordinary income to the extent that it exceeds the Contract Owner's investment in the Contract. Two or more Contracts purchased from the Company (or an affiliated company) by a Contract Owner within the same calendar year, after October 21, 1988, are treated as a single Contract for purposes of measuring the income on a partial redemption or complete surrender.

When payments are received as an annuity, the Contract Owner's investment in the Contract is treated as received ratably and excluded ratably from gross income as a tax-free return of capital,

over the expected payment period of the annuity. Individuals who begin receiving annuity payments on or after January 1, 1987 can exclude from income only their unrecovered investment in the Contract. Upon death prior to recovering tax-free their entire investment in the Contract, such individuals generally are entitled to deduct the unrecovered amount on their final tax return.

#### SPECIAL TAX CONSEQUENCES--EARLY DISTRIBUTION

403(b) Annuities, 408(b) IRAs, SEPs and SIMPLE IRAs. Taxable distributions received before the recipient attains age 59 1/2 generally are subject to a 10% penalty tax in addition to regular income tax. Distributions on account of the following generally are excepted from this penalty tax:

- (1) death;
- (2) disability;
- (3) separation from service after a participant reaches age 55 (only applies to qualified plans and 403(b) annuities);
- (4) separation from service at any age, if the distribution is in the form of substantially equal periodic payments over the life (or life expectancy) of the Participant (or the Participant and Beneficiary); and
- (5) distributions which do not exceed the employee's tax-deductible medical expenses for the taxable year of receipt.

Separation from service is not required for distributions from an IRA, SEP or SIMPLE IRA under #4 above. Certain distributions from a SIMPLE IRA within two years after first participating in the plan may be subject to a 25% penalty, rather than a 10% penalty.

After 1997, distributions from 408(b) IRAs on account of the following additional reasons are also excepted from this penalty tax:

- (6) distributions up to \$10,000 (in the aggregate) to cover costs of acquiring, constructing or reconstructing the residence of a first-time homebuyer;
- (7) distributions to cover certain costs of higher education: tuition, fees, books, supplies and equipment for the IRA owner, a spouse, child or grandchild; and
- (8) distributions to cover certain medical care or long-term care insurance premiums, for individuals who have received federal or state unemployment compensation for 12 consecutive months.

408A "Roth" IRAs. Distributions, other than "qualified" distributions where the five-year holding rule is met, are generally subject to the same 10% penalty tax as other IRAs.

## SPECIAL TAX CONSEQUENCES--REQUIRED DISTRIBUTIONS

403(b) Annuities. Generally, minimum required distributions must commence no later than April 1 of the calendar year following the later of the calendar year in which the Participant attains age 70 1/2 or the calendar year in which the Participant retires. Required distributions must be made over a period that does not exceed the life or life expectancies of the Participant (or lives or joint life expectancies of the Participant and Beneficiary). The minimum amount payable can be determined several different ways. A penalty tax of 50% is imposed on the amount by which the minimum required distribution in any year exceeds the amount actually distributed in that year.

Amounts accumulated under a Contract on December 31, 1986 may be paid in a manner that meets the above rule or, alternatively:

- (i) should begin to be paid when the Participant attains age 75; and
- (ii) the present value of payments expected to be made over the life of the Participant, (under the option chosen) must exceed 50% of the present value of all payments expected to be made (the "50% rule").

The 50% rule will not apply if a Participant's spouse is the joint annuitant. Notwithstanding these pre-January 1, 1987 rules, the entire contract balance must meet the minimum distribution incidental benefit requirement of Section 403(b)(10).

At the Participant's death before payout has begun, Contract amounts generally either must be paid to the Beneficiary within 5 years, or must begin within 1 year of death and be paid over the life or life expectancy of the Beneficiary. If death occurs after commencement of (but before full) payout, distributions generally must continue at least as rapidly as under the method elected by the Participant and in effect at the time of death.

A participant generally may aggregate his or her 403(b) contracts and accounts for purposes of satisfying these requirements, and withdraw the required distribution in any combination from such contracts or accounts, unless the plan, contract, or account otherwise provides.

408(b) IRAs, SEPs and SIMPLE IRAs. Minimum distribution requirements are generally the same as described above for 403(b) Annuities, except that:

- (1) there is no exception for pre-1987 amounts; and
- (2) there is no available postponement, past April 1 of the calendar year following the calendar year in which age 70 1/2 is attained.

A participant generally may aggregate his or her IRAs for purposes of satisfying these requirements, and withdraw the required distribution in any combination from such contracts or accounts, unless the contract or account

otherwise provides.

61

408A "Roth" IRAs. Minimum distribution requirements generally applicable to 403(b) Annuities, 408(b) IRAs, SEPs and 457 Plans do not apply to 408A "Roth" IRAs during the owner's lifetime, but generally do apply after the owner's death.

A beneficiary generally may aggregate his or her Roth IRAs inherited from the same decedent for purposes of satisfying these requirements, and withdraw the required distribution in any combination from such contracts or accounts, unless the contract or account otherwise provides.

Non-Qualified Contracts. Tax laws do not require commencement of distributions from Non-Qualified Contracts at any particular time during the Owner's lifetime, provided that the Owner is a natural person, and generally do not limit the duration of annuity payments.

At the Participant's death before payout has begun, Contract amounts generally either must be paid to the Beneficiary within 5 years, or must begin within 1 year of death and be paid over the life or life expectancy of the Beneficiary. If death occurs after commencement of (but before full) payout, distributions generally must continue at least as rapidly as under the method elected by the Participant at the time of death.

#### TAX-FREE ROLLOVERS, TRANSFERS AND EXCHANGES

403(b) Annuities. Tax-free transfers between 403(b) annuity contracts and/or 403(b) (7) custodial accounts, and tax-free rollovers from 403(b) programs to 408(b) IRAs or other 403(b) programs, are permitted under certain circumstances.

408(b) IRAs. Funds may be transferred tax-free to a 408(b) IRA Contract from a 403(b) Annuity, or 401(a) or 403(a) Qualified Plan under certain conditions. These amounts may subsequently be rolled over on a tax-free basis to another 403(b) Annuity Contract or 401(a) or 403(a) Qualified Plan from this "conduit" IRA if no additional contributions have been made to that IRA. In addition, tax-free rollovers may be made from one 408(b) IRA (other than a Roth IRA) to another provided that no more than one such rollover is made during any twelve-month period.

408A "Roth" IRAs. Funds may be transferred tax-free from one 408A "Roth" IRA to another. Funds in a 408(b) IRA may be rolled in a taxable transaction to a 408A "Roth" IRA by individuals who:

- (i) have adjusted gross income of \$100,000 or less, whether single or married filing jointly; and



(ii) are not married filing separate returns.

Special, complicated rules governing holding periods, escape from the 10% penalty tax and ratable recognition of 1998 income also apply to rollovers from 408(b) IRAs to 408A "Roth" IRAs, and may be subject to further modification by Congress. You should consult your tax advisor regarding the application of these rules.

13

62

SEPs. Funds may be rolled over tax-free from one SEP only to another SEP or a 408(b) IRA.

Non-Qualified Contracts. Certain of the Non-Qualified single payment deferred annuity Contracts permit the Contract Owner to exchange the Contract for a new deferred annuity contract prior to the commencement of annuity payments. The exchange of one annuity contract for another is a tax-free transaction under Section 1035, but is reportable to the IRS.

#### EXCHANGE PRIVILEGE

In the prospectus we describe generally how under certain conditions we will allow you to exchange from other fixed and/or variable contracts we issue (other contracts) to the Contracts.

#### INFORMATION WHICH MAY BE APPLICABLE TO ANY EXCHANGE

- o The maximum surrender charge in the Contracts is 5%;
- o The Contracts offer four death benefit choices; a standard death benefit, an optional enhanced death benefit and an optional annual step-up death benefit; and an optional gain preservation death benefit.
- o The Contracts have a 1.25% mortality and expense charge.
- o The Contracts have a 0.15% administration charge.

#### CALCULATION OF SURRENDER CHARGE

The surrender charge is discussed in the Prospectus under "Fees and Charges -- Surrender Charge." Examples of calculation of the Surrender Charge upon total and partial surrender are set forth below:

ILLUSTRATION OF SURRENDER CHARGE ON TOTAL SURRENDER

TRANSACTION HISTORY

<Table>

<Caption>

DATE ----	TRANSACTION -----	AMOUNT -----
<S>	<C>	<C>
2/1/96	Purchase Payment	\$10,000
2/1/97	Purchase Payment	5,000
2/1/98	Purchase Payment	15,000
2/1/99	Purchase Payment	2,000
2/1/00	Purchase Payment	3,000
2/1/01	Purchase Payment	4,000
[2/1/01	Purchase Payment	1,000]
7/1/01	Total Purchase Payments	40,000
	(Assumes Account Value is \$50,000)	

</Table>

Assume the Account Value at the time of full withdrawal is \$50,000 (7/1/01), and the Account Value on the previous anniversary (2/1/98) was \$45,000. 10% of \$45,000 (\$4,500) is not subject to Surrender Charge. Assume that the 1% Bonus has not been credited to any Purchase Payments.

The total Surrender Charge is:

$$(10,000 - 4,500) * 1\% + 5,000 * 2\% + 15,000 * 3\% + 2,000 * 4\% + 3,000 * 5\% + 4,000 * 5\% + 1,000 * 5\% = \$1,085*$$

ILLUSTRATION OF SURRENDER CHARGE ON A 10% PARTIAL SURRENDER FOLLOWED BY A FULL SURRENDER

TRANSACTION HISTORY (ASSUMES NO INTEREST EARNED)

<Table>

<Caption>

DATE ----	TRANSACTION -----	AMOUNT -----
<S>	<C>	<C>
2/1/96	Purchase Payment	\$10,000

2/1/97	Purchase Payment	5,000
2/1/98	Purchase Payment	15,000
2/1/99	Purchase Payment	2,000
2/1/00	Purchase Payment	3,000
2/1/01	Purchase Payment	4,000
[2/1/01	Purchase Payment	1,000]
7/1/01	10% Partial Surrender	4,000
	(Assumes Account Value is \$40,000)	
8/1/98	Full Surrender	

</TABLE>

- a. Since this is the first partial surrender in this participant year, calculate free withdrawal amount (10% of the value as of 2/1/01).

$$10\% * 40,000 = \$4,000 \text{ (no charge on this 10\% withdrawal)}$$

- b. The Account Value upon which Surrender Charge on the Full Surrender may be calculated is \$40,000 -- \$4,000 = \$36,000

- c. The Surrender Charge is

$$(10,000 - 4,000) * 1\% + 5,000 * 2\% + 15,000 * 3\% + 2,000 * 4\% + 3,000 * 5\% + 4,000 * 5\% + 1,000 * 5\% = \$1,090.*$$

- d. Assume that the \$30 Account Maintenance Charge does not apply.

15

64

- e. Assume that the 1% Bonus has not been credited to any Purchase Payments.

-----

\* These calculations refer to the following surrender charge table:

<Table>

<Caption>

NUMBER OF YEARS SINCE DATE OF PURCHASE PAYMENT	CHARGE AS PERCENTAGE OF PURCHASE PAYMENT WITHDRAWN
-----	-----

<S>	<C>
1	5%
2	5%

3	5%
4	4%
5	3%
6	2%
7	1%
8+	0%

</Table>

#### CALCULATION OF MVA OPTION

The effect of the market value adjustment may be positive or negative. If, for example, on the date of a withdrawal, the index rate described below (plus 0.5%) is higher than that index rate as of the contract's date of issue, the effect of the market value adjustment will be negative. If, for example, on the date of a withdrawal, the index rate (plus 0.5%) is lower than that index rate as of the contract's date of issue, the effect of the market value adjustment will be positive. Any negative adjustment will be waived to the extent that it would decrease the withdrawal value below the minimum guaranteed value.

The market value adjustment is determined by the formula below, using the following factors:

- o A is an index rate determined at the beginning of each MVA term, for a security with time to maturity equal to that MVA term;
- o B is an index rate determined at the time of withdrawal, for a security with time to maturity equal to the current MVA term;
- o N is the number of months remaining in the current MVA term (rounded up to the next higher number of months); and

16

65

- o The index rates for A and B will be the U.S. Treasury Yield as quoted by Bloomberg or a comparable financial market news service, for the maturity equal to the MVA term, using linear interpolation as appropriate.

The market value adjustment will equal:

The amount surrendered or transferred out prior to the end of the MVA term multiplied by:

$$\left[ \frac{(1+A)}{(1+B+0.005)} \right]^{(N/12)} - 1$$

The market value adjustment will be added to or deducted from the amount being withdrawn or transferred.

Index rates for any calendar month will equal the average of index rates for the last 5 trading days of the previous calendar month.

We guarantee that any reduction in the amount withdrawn or transferred will not be below the amount initially invested in the MVA Band plus the lowest minimum interest rate applicable to any of the Fixed Account Options offered under the Contract.

#### PURCHASE UNIT VALUE

The calculation of Purchase Unit value is discussed in the Prospectus under "Purchase Period." The following illustrations show a calculation of a new Unit value and the purchase of Purchase Units (using hypothetical examples):

#### ILLUSTRATION OF CALCULATION OF PURCHASE UNIT VALUE

<Table>

<S>

<C>

	1. Purchase Unit value, beginning of period .....	
\$	1.800000	
	2. Value of Fund share, beginning of period .....	
\$	21.200000	
	3. Change in value of Fund share .....	
\$	.500000	
	4. Gross investment return (3)/(2) .....	
	.023585	
	5. Daily separate account fee* .....	
	.000025	

-----  
\*Mortality and expense risk fee and administration and distribution fee of 0.90% per annum used for illustrative purposes (assumes that no optional separate account charges are deducted).

	6. Net investment return (4)--(5) .....	
	.023560	

-----

	7. Net investment factor 1.000000+(6) .....	
	1.023560	

-----

	8. Purchase Unit value, end of period (1)x(7) .....	
	1.842408	

</Table>

66

ILLUSTRATION OF PURCHASE OF PURCHASE UNITS (ASSUMING NO STATE PREMIUM TAX)

<Table>

<S>

<C>

1. First Periodic Purchase Payment		
.....	\$	100.00
2. Purchase Unit value on effective date of purchase (see Example 3)		
.....	\$	1.800000
3. Number of Purchase Units purchased (1)/(2)		
.....		55.556
4. Purchase Unit value for valuation date following purchase (see Example 3) ..	\$	1.842408
-----		
5. Value of Purchase Units in account for valuation date following purchase (3)x(4)		
.....	\$	102.36

</Table>

PERFORMANCE CALCULATIONS

ILLUSTRATION OF CALCULATION OF CURRENT YIELD FOR NORTH AMERICAN--AG MONEY MARKET FUND DIVISION

The current yield quotation based on a seven day period is computed by determining the net change, exclusive of capital changes, in the value of a hypothetical pre-existing account having a balance of one Purchase Unit at the beginning of the period, subtracting a hypothetical charge reflecting deductions from Contract Owner accounts, and dividing the difference by the value of the account at the beginning of the base period to obtain the base period return and then multiplying the base period return by 365/7.

CALCULATION OF CURRENT YIELD FOR THE NORTH AMERICAN--AG MONEY MARKET FUND DIVISION

The 7-Day current yield for the North American--AG Money Market Fund Division is 4.68%.

ILLUSTRATION OF CALCULATION OF EFFECTIVE YIELD FOR NORTH AMERICAN--AG MONEY

An effective yield quotation is computed by determining the net change, exclusive of capital changes, in the value of a hypothetical pre-existing account having a balance of one Purchase Unit at the beginning of the period, subtracting a hypothetical charge reflecting deductions from Contract Owner accounts, and dividing the difference by the value of the account at the beginning of the base period to obtain the base period return and then compounding the base period return by adding 1, raising the sum to a power equal to 365 divided by 7, and subtracting 1 from the result, according to the following formula:

$$\text{EFFECTIVE YIELD} = [(\text{BASE PERIOD RETURN} + 1)^{365/7}] - 1$$

CALCULATION OF EFFECTIVE YIELD FOR THE NORTH AMERICAN--AG MONEY MARKET FUND DIVISION

The 7-Day effective yield for the North American--AG Money Market Fund Division is 4.79%.

ILLUSTRATION OF CALCULATION OF STANDARDIZED YIELD FOR BOND FUND DIVISIONS

The standardized yield quotation based on a 30-day period is computed by dividing the net investment income per Purchase Unit earned during the period by the maximum offering price per Unit on the last day of the period, according to the following formula:

$$\text{YIELD} = \frac{2 [(a - b + 1)^6 - 1]}{cd}$$

Where:

- a = net investment income earned during the period by the Fund attributable to shares owned by the Division
- b = expenses accrued for the period (net of reimbursements)
- c = the average daily number of Purchase Units outstanding during the period
- d = the maximum offering price per Purchase Unit on the last day of the period

Yield on each Division is earned from dividends declared and paid by

the Fund, which are automatically reinvested in Fund shares.

#### CALCULATION OF AVERAGE ANNUAL TOTAL RETURN

Average Annual Total Return quotations for the 1, 5, and 10 year periods ended December 31, 2000, the date of the most recent balance sheet included in this registration statement, are computed by finding the average annual compounded rates of over the 1, 5, and 10 year periods that would equate the initial amount invested to the ending redeemable value, according to the following formula:

$$P (1+T)^n = ERV$$

Where:

P = a hypothetical initial Purchase Payment of \$1,000

T = average annual total return

n = number of years

ERV = redeemable value at the end of the 1, 5 or 10 year periods of a hypothetical \$1,000 Purchase Payment made at the beginning of the 1, 5 or 10 year periods (or fractional portion thereof)

The Company may advertise standardized average annual total return which, includes the surrender charge of up to 7% of Gross Purchase Payments as well as non-standardized average

annual total returns and non-standardized cumulative returns, which do not include a surrender charge or maintenance fee.

There is no sales charge for reinvested dividends. All recurring fees have been deducted. For fees which vary with the account size, an account size equal to that of the median account size has been assumed. Ending redeemable value has been determined assuming a complete redemption at the end of the 1, 5 or 10 year period and deduction of all nonrecurring charges at the end of each such period.

In the sections above we have described a number of ways we may advertise information about the investment performance of A.G. Separate Account A Divisions. Certain performance information for each A.G. Separate Account A Division is printed in the following tables.



The information presented does not reflect the advantage under the Contract of deferring federal income tax on increases in Account Value due to earnings attributable to Purchase Payments. The information presented also does not reflect the advantage under Qualified Contracts of deferring federal income tax on Purchase Payments.

The performance results shown in the following tables are not an estimate or guarantee of future investment performance, and do not represent the actual experience of amounts invested by a particular Contract owner.

Table III is calculated using the Maximum Separate Account Charges you would pay under the Contract. This maximum amount, 1.90%, would be deducted on a daily basis from your Variable Account Options. This charge includes the Separate Account Charges of 1.25% for the Mortality and Expense Risk Fee and 0.15% for the Administration Fee. The 1.90% charge also includes 0.50% for the Gain Preservation Death Benefit Charge.

Tables I, II, IV and V are calculated using only standard Separate Account Charges of 1.40%. These charges include 1.25% for the Mortality and Expense Risk Fee and 0.15% for the Administrative Fee. No Optional Separate Account Charges are included.

TABLE I

AVERAGE ANNUAL TOTAL RETURN (NOT INCLUDING OPTIONAL SEPARATE ACCOUNT CHARGES)  
 WITH NO SURRENDER CHARGE OR MAINTENANCE FEE IMPOSED\*  
 (FROM SEPARATE ACCOUNT DIVISION INCEPTION TO DECEMBER 31, 2000)

<Table>  
 <Caption>

5 YEARS	DIVISION		1 YEAR
	SINCE FUND AND DIVISION** INCEPTION	INCEPTION DATE	
-----	-----	-----	-----
<S>			<C>
<C>	<C>	<C>	<C>
AIM V.I. Capital Appreciation Fund (Division 8)	--	17.11%	(12.15)%
	--	11/23/98	
AIM V.I. Diversified Income Fund (Division 9)			(0.71)

--	--	(1.52)	11/23/98	
Janus Aspen Growth Portfolio - Service Shares (Division 16)	--			--
--	--	--	11/15/00	
Janus Aspen International Growth Portfolio - Service Shares	--			--
--	--	--	11/15/00	
(Division 17)				
MFS VIT Capital Opportunities Series (Division 18)	--			--
--	--	--	11/15/00	
North American - AG Government Securities Fund (Division 4)				11.33
--	--	11.05	12/23/99	
North American - AG Growth & Income Fund (Division 1)				(12.10)
--	--	(9.84)	12/23/99	
North American - AG High Yield Bond Fund (Division 19)				--
--	--	--	11/15/00	
North American - AG International Equities Fund (Division 2)				(18.46)
--	--	(15.03)	12/23/99	
North American - AG Money Market Fund (Division 6)				4.53
--	--	4.56	12/23/99	
North American - AG Stock Index Fund (Division 5)				(10.62)
--	--	(8.41)	12/23/99	
North American - AG Strategic Bond Fund (Division 20)				--
--	--	--	11/15/00	
North American - Neuberger Berman MidCap Value Fund				
(Division 21)	--			--
--	--	--	11/15/00	
North American - T. Rowe Price Science & Technology Fund				
(Division 23)	--			--
--	--	--	11/15/00	
OCCAT Managed Portfolio (Division 3)				8.22
--	--	9.32	12/23/99	
Oppenheimer Capital Appreciation Fund/VA (Division 10)				(1.62)
--	--	21.95	11/23/98	
Oppenheimer High Income Fund/VA (Division 12)				(5.08)
--	--	(0.79)	11/23/98	
Oppenheimer Main Street Growth & Income Fund/VA				
(Division 11)	--			(10.05)
--	--	6.07	11/23/98	
Oppenheimer Small Cap Growth Fund/VA (Division 13)				(19.48)
--	--	12.66	11/23/98	
Putnam VT Global Growth Fund - Class IB Shares (Division 24)				--
--	--	--	11/15/00	
Templeton Developing Markets Fund Class 2 (Division 14) (1)				(32.99)
--	--	(0.20)	11/23/98	
Templeton International Fund Class 2 (Division 15) (2)				(3.74)
--	--	8.18	11/23/98	
Van Kampen LIT Emerging Growth Portfolio (Division 7)				(11.41)
--	--	(6.89)	12/23/99	

</Table>

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See Footnotes following Table III.

TABLE II

CUMULATIVE RETURN (NOT INCLUDING OPTIONAL SEPARATE ACCOUNT CHARGES)  
 WITH NO SURRENDER CHARGE OR MAINTENANCE FEE IMPOSED\*  
 (FROM SEPARATE ACCOUNT DIVISION INCEPTION TO DECEMBER 31, 2000)

<Table>  
 <Caption>

5 YEARS	DIVISION			1 YEAR
	10 YEARS	SINCE FUND AND DIVISION** INCEPTION	INCEPTION DATE	
-----	-----	-----	-----	-----
<S>				<C>
<C>	<C>	<C>	<C>	
AIM V.I. Capital Appreciation Fund (Division 8)	--	17.11%	11/23/98	(12.15)%
AIM V.I. Diversified Income Fund (Division 9)	--	(1.52)	11/23/98	(0.71)
Janus Aspen Growth Portfolio - Service Shares (Division 16)	--	--	11/15/00	--
Janus Aspen International Growth Portfolio - Service Shares (Division 17)	--	--	11/15/00	--
MFS VIT Capital Opportunities Series (Division 18)	--	--	11/15/00	--
North American - AG Government Securities Fund (Division 4)	--	11.05	12/23/99	11.33
North American - AG Growth & Income Fund (Division 1)	--	(9.84)	12/23/99	(12.10)
North American - AG High Yield Bond Fund (Division 19)	--	--	11/15/00	--
North American - AG International Equities Fund (Division 2)	--	(15.03)	12/23/99	(18.46)
North American - AG Money Market Fund (Division 6)	--	4.56	12/23/99	4.53
North American - AG Stock Index Fund (Division 5)	--	(8.41)	12/23/99	(10.62)
North American - AG Strategic Bond Fund (Division 20)	--	--	11/15/00	--
North American - Neuberger Berman MidCap Value Fund (Division 21)				--

--	--	--	11/15/00	
North American - T. Rowe Price Science & Technology Fund (Division 23)				--
--	--	--	11/15/00	
OCCAT Managed Portfolio (Division 3)				8.22
--	--	9.32	12/23/99	
Oppenheimer Capital Appreciation Fund/VA (Division 10)				(1.62)
--	--	21.95	11/23/98	
Oppenheimer High Income Fund/VA (Division 12)				(5.08)
--	--	(0.79)	11/23/98	
Oppenheimer Main Street Growth & Income Fund/VA (Division 11)				(10.05)
--	--	6.07	11/23/98	
Oppenheimer Small Cap Growth Fund/VA (Division 13)				(19.48)
--	--	12.66	11/23/98	
Putnam VT Global Growth Fund - Class IB Shares (Division 24)				--
--	--	--	11/15/00	
Templeton Developing Markets Fund Class 2 (Division 14) (1)				(32.99)
--	--	(0.20)	11/23/98	
Templeton International Fund Class 2 (Division 15) (2)				(3.74)
--	--	8.18	11/23/98	
Van Kampen LIT Emerging Growth Portfolio (Division 7)				(11.41)
--	--	(6.89)	11/15/00	

</TABLE>

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\* The performance figures in the Table reflect the investment performance for the Divisions for the stated periods and should not be used to infer that future performance will be the same.

\*\* On November 15, 2000, Divisions 16-25 commenced operations. Accordingly, the Standard Average Annual Total Return for Divisions 16-25 will be shown when it becomes available.

(1) Effective May 1, 2000 the Templeton Developing Markets Fund (previously offered under the Contract) merged with the Templeton Developing Markets Equity Fund. At the same time as the merger, the Templeton Developing Markets Fund changed its name to the Templeton Developing Markets Securities Fund. Also effective with this merger, the Templeton Developing Markets Fund Division 14 was renamed the Templeton Developing Markets Securities fund Division 14. Accordingly, the performance figures for the Division through December 31, 1999, reflect the actual historical performance of the Templeton Developing Markets Fund Division 14.

(2) Effective May 1, 2000 the Templeton International Fund merged with the

Templeton International Equity Fund. At the same time as the merger, the Templeton International Fund changed its name to the Templeton International Securities Fund. Accordingly, the performance figures in the Table for the Fund through March 31, 2000, reflect the historical performance and inception date of the Templeton International Fund. Additionally, performance for Class 2 shares reflects a blended figure, combining: (a) for periods prior to Class 2's inception of May 1, 1997, historical results of Class 1 shares; and (b) for periods after May 1, 1997, Class 2's results reflecting an additional 12b-1 fee expense which also affects all future performance. Blended figures assume reinvestment of dividends and capital gains.

TABLE III

AVERAGE ANNUAL TOTAL RETURN OF AN INVESTMENT  
 IN A HYPOTHETICAL CONTRACT\* (INCLUDING MAXIMUM SEPARATE ACCOUNT CHARGES)  
 WITH SURRENDER CHARGE AND MAINTENANCE FEE IMPOSED  
 (FROM UNDERLYING FUND INCEPTION TO DECEMBER 31, 2000)

<Table>  
 <Caption>

5 YEARS	DIVISION		1 YEAR
	SINCE FUND AND DIVISION**	INCEPTION DATE	
-----	-----	-----	-----
<S>			<C>
<C>	<C>	<C>	<C>
AIM V.I. Capital Appreciation Fund (Division 8)		5/5/93	
AIM V.I. Diversified Income Fund (Division 9)		5/5/93	
Janus Aspen Growth Portfolio - Service Shares (Division 16) (1)		9/13/93	
Janus Aspen International Growth Portfolio - Service Shares (Division 17) 1		5/2/94	
MFS VIT Capital Opportunities Series (Division 18)		8/14/96	
North American - AG Government Securities Fund (Division 4)		1/16/86	
North American - AG Growth & Income Fund (Division 1)		4/29/94	
North American - AG High Yield Bond Fund (Division 19)		9/21/98	
North American - AG International Equities Fund (Division 2)		10/2/89	
North American - AG Money Market Fund (Division 6)			

	1/16/86
North American - AG Stock Index Fund (Division 5)	
	4/20/87
North American - AG Strategic Bond Fund (Division 20)	
	9/21/98
North American - Neuberger Berman MidCap Value Fund (Division 21)	
	9/21/98
North American - T. Rowe Price Science & Technology Fund (Division 23)	
	4/29/94
OCCAT Managed Portfolio (Division 3) (2)	
	8/1/88
Oppenheimer Capital Appreciation Fund/VA (Division 10)	
	4/3/85
Oppenheimer High Income Fund/VA (Division 12)	
	4/30/86
Oppenheimer Main Street Growth & Income Fund/VA (Division 11)	
	7/5/95
Oppenheimer Small Cap Growth Fund/VA (Division 13)	
	5/1/98
Putnam VT Global Growth Fund - Class IB Shares (Division 24)	
	5/1/90
Templeton Developing Markets Fund Class 2 (Division 1) (3)	
	3/1/96
Templeton International Fund Class 2 (Division 15) (4)	
	5/1/92
Van Kampen LIT Emerging Growth Portfolio (Division 7)	
	7/3/95

</Table>

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See Footnotes following Table VI.

TABLE IV

AVERAGE ANNUAL TOTAL RETURN OF AN INVESTMENT  
 IN A HYPOTHETICAL CONTRACT\* (NOT INCLUDING OPTIONAL SEPARATE ACCOUNT CHARGES)  
 WITH NO SURRENDER CHARGE OR MAINTENANCE FEE IMPOSED  
 (FROM UNDERLYING FUND INCEPTION TO DECEMBER 31, 2000)

<Table>  
 <Caption>

DIVISION

5 YEARS	SINCE		INCEPTION	1 YEAR
	FUND AND DIVISION**	INCEPTION	DATE	
-----	-----	-----	-----	-----
<S>				<C>
<C>	<C>	<C>	<C>	
AIM V.I. Capital Appreciation Fund (Division 8)				12.15%
13.87%	--	15.76%	5/5/93	
AIM V.I. Diversified Income Fund (Division 9)				(0.71)
2.84	--	3.81	5/5/93	
Janus Aspen Growth Portfolio - Service Shares (Division 16) (1)				(15.94)
17.44	--	16.09	9/13/93	
Janus Aspen International Growth Portfolio - Service Shares (Division 17) (1)				(17.32)
21.09	--	18.20	5/2/94	
MFS VIT Capital Opportunities Series (Division 18)				(4.96)
--	--	21.36	8/14/96	
North American - AG Government Securities Fund (Division 4)				11.33
4.37	5.86	--	1/16/86	
North American - AG Growth & Income Fund (Division 1)				(12.10)
12.33	--	13.33	4/29/94	
North American - AG High Yield Bond Fund (Division 19)				(7.29)
--	--	(0.46)	9/21/98	
North American - AG International Equities Fund (Division 2)				(18.46)
5.27	6.08	--	10/2/89	
North American - AG Money Market Fund (Division 6)				4.53
3.77	3.24	--	1/16/86	
North American - AG Stock Index Fund (Division 5)				(10.62)
16.45	15.37	--	4/20/87	
North American - AG Strategic Bond Fund (Division 20)				0.76
--	--	3.00	9/21/98	
North American - Neuberger Berman MidCap Value Fund (Division 21)				27.22
--	--	30.47	9/21/98	
North American - T. Rowe Price Science & Technology Fund (Division 23)				(35.06)
15.45	--	23.41	4/29/94	
OCCAT Managed Portfolio (Division 3(2))				8.22
11.58	16.52	--	8/1/88	
Oppenheimer Capital Appreciation Fund/VA (Division 10)				(1.62)
21.00	17.82	--	4/3/85	
Oppenheimer High Income Fund/VA (Division 12)				(5.08)
3.97	10.19	--	4/30/86	
Oppenheimer Main Street Growth & Income Fund/VA (Division 11)				(10.05)
13.75	--	17.02	7/5/95	
Oppenheimer Small Cap Growth Fund/VA (Division 13)				(19.48)
--	--	3.87	5/1/98	

13.33	11.65	--	5/1/90	(30.74)
Putnam VT Global Growth Fund - Class IB Shares (Division 24)				
--	--	(13.01)	3/1/96	(32.99)
Templeton Developing Markets Fund Class 2 (Division 14) (3)				
11.55	--	11.51	5/1/92	(3.74)
Templeton International Fund Class 2 (Division 15) (4)				
27.07	--	27.82	7/3/95	(11.41)

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See Footnotes following Table VI.

TABLE V

CUMULATIVE RETURN OF AN INVESTMENT  
 IN A HYPOTHETICAL CONTRACT\* (NOT INCLUDING OPTIONAL SEPARATE ACCOUNT CHARGES)  
 WITH NO SURRENDER CHARGE OR MAINTENANCE FEE IMPOSED  
 (FROM UNDERLYING FUND INCEPTION TO DECEMBER 31, 2000)

<Table>  
 <Caption>

5 YEARS	DIVISION		1 YEAR
	SINCE FUND AND DIVISION**	INCEPTION	
10 YEARS	INCEPTION	DATE	
-----	-----	-----	-----
<S>			<C>
<C>	<C>	<C>	<C>
AIM V.I. Capital Appreciation Fund (Division 8)			(12.15) %
91.42%	--	206.68%	
		5/5/93	
AIM V.I. Diversified Income Fund (Division 9)			(0.71)
15.02	--	33.10	
		5/5/93	
Janus Aspen Growth Portfolio - Service Shares (Division 16) (1)			(15.94)
123.37	--	197.00	
		9/13/93	
Janus Aspen International Growth Portfolio - Service Shares (Division 17) (1)			(17.32)
160.38	--	204.66	
		5/2/94	
MFS VIT Capital Opportunities Series (Division 18)			(4.96)
--	--	133.49	
		8/14/96	



North American - AG Government Securities Fund (Division 4)	23.85	76.77	--	1/16/86	11.33
North American - AG Growth & Income Fund (Division 1)	78.81	--	130.42	4/29/94	(12.10)
North American - AG High Yield Bond Fund (Division 19)	--	--	(1.05)	9/21/98	(7.29)
North American - AG International Equities Fund (Division 2)	29.25	80.36	--	10/2/89	(18.46)
North American - AG Money Market Fund (Division 6)	20.32	37.61	--	1/16/86	4.53
North American - AG Stock Index Fund (Division 5)	114.10	317.88	--	4/20/87	(10.62)
North American - AG Strategic Bond Fund (Division 20)	--	--	6.97	9/21/98	0.76
North American - Neuberger Berman MidCap Value Fund (Division 21)	--	--	83.17	9/21/98	27.22
North American - T. Rowe Price Science & Technology Fund (Division 23)	105.14	--	306.91	4/29/94	(35.06)
OCCAT Managed Portfolio (Division 3) (2)	72.97	361.37	--	8/1/88	8.22
Oppenheimer Capital Appreciation Fund/VA (Division 10)	159.39	415.32	--	4/3/85	(1.62)
Oppenheimer High Income Fund/VA (Division 12)	21.49	163.77	--	4/30/86	(5.08)
Oppenheimer Main Street Growth & Income Fund/VA (Division 11)	90.41	--	136.94	7/5/95	(10.05)
Oppenheimer Small Cap Growth Fund/VA (Division 13)	--	--	10.65	5/1/98	(19.48)
Putnam VT Global Growth Fund - Class IB Shares (Division 24)	86.95	201.05	--	5/1/90	(30.74)
Templeton Developing Markets Fund Class 2 (Division 14) (3)	--	--	(49.00)	3/1/96	(32.99)
Templeton International Fund Class 2 (Division 15) (4)	72.71	--	157.11	5/1/92	(3.74)
Van Kampen LIT Emerging Growth Portfolio (Division 7)	231.26	--	285.28	7/3/95	(11.41)

</Table>

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\* The performance figures in the Table reflect the investment performance for the Funds for the stated periods and should not be used to infer that future performance will be the same. The table reflects the historical performance of each Fund based on investment in a hypothetical Contract from the date of the Fund's inception. Hypothetical performance is based on the actual performance of the underlying Fund reduced by Separate Account fees that would have been incurred during the hypothetical period. The Standard Average Annual Total Return for Divisions 16-25 will be shown when it becomes available.

\*\* As of the date of this prospectus, historical fund performance information was not available for the North American-Putnam Opportunities Fund and Putnam VT Voyager Fund II - Class IB Shares. Accordingly, there is no hypothetical historical performance to be shown for these two funds.

- (1) The Janus Aspen Series-Service Shares commenced operations on December 31, 1999. The returns shown reflect the historical performance of a different class of shares (the Institutional Shares) prior to December 31, 1999, restated based on the Service Shares' estimated fees and expenses (ignoring any fee and expense limitations). The percentages show the change in performance from year-to-year during the period indicated. The Portfolios do not impose any sales or other charges that would affect performance computations. Each Portfolio's past performance does not necessarily indicate how it will perform in the future.
- (2) On September 16, 1994, an investment company which had commenced operations on August 1, 1988 then called Quest For Value Accumulation Trust (the "Old Trust") was effectively divided into two investment funds, the Old Trust and the present OCC Accumulation Trust (the "New Trust"), at which time the New Trust commenced operations. The total assets of the Managed Portfolio immediately after the transaction were \$682,601,380 with respect to the Old Trust and \$51,345,102 with respect to the New Trust. For the period prior to September 16, 1994, the performance figure for the Managed Portfolio reflects the performance of the corresponding Managed Portfolio of the Old Trust.
- (3) Effective May 1, 2000 the Templeton Developing Markets Fund (previously offered under the Contract) merged with the Templeton Developing Markets Equity Fund. At the same time as the merger, the Templeton Developing Markets Fund changed its name to the Templeton Developing Markets Securities Fund. Accordingly, the performance figures in the Table for the Fund through December 31, 1999, reflect the historical performance and inception date of the Templeton Developing Markets Fund. Additionally, performance for Class 2 shares reflects a blended figure, combining: (a) for periods prior to Class 2's inception of May 1, 1997, historical results of Class 1 shares; and (b) for periods after May 1, 1997, Class 2's results reflecting an additional 12b-1 fee expense which also affects all future performance. Blended figures assume reinvestment of dividends and capital gains.
- (4) Effective May 1, 2000 the Templeton International Fund (previously offered under the Contract) merged with the Templeton International Equity Fund. At the same time as the merger, the Templeton International Fund changed its name to the Templeton International Securities Fund.

Accordingly, the performance figures in the Table for the Fund through December 31, 1999, reflect the historical performance and inception date of the Templeton International Fund. Additionally, performance for Class 2 shares reflects a blended figure, combining: (a) for periods prior to Class 2's inception of May 1, 1997, historical results of Class 1 shares; and (b) for periods after May 1, 1997, Class 2's results reflecting an additional 12b-1 fee expense which also affects all future performance. Blended figures assume reinvestment of dividends and capital gains.

#### PERFORMANCE COMPARISONS

THE PERFORMANCE OF A DIVISION MAY FROM TIME TO TIME BE COMPARED WITH THE FOLLOWING INDICES WHICH HAVE BEEN DEEMED BY THE COMPANY RELEVANT TO THE DIVISION:

The performance of the North American--AG Government Securities Fund Division Four may be compared to Lehman U.S. Government Index. The Lehman Brothers U.S. Government Index consists of securities issued by the U.S. Government (i.e., securities in the Treasury and Agency Indices). It includes public obligations of the U.S. Treasury with a remaining maturity of one year or more and publicly issued debt of U.S. Government agencies, quasi-federal corporations, and corporate or foreign debt.

The performance of the North American--AG Growth & Income Fund Division One, OCCAT Managed Portfolio Division Three, North American--AG Stock Index Fund Division Five, AIM V.I. Capital Appreciation Fund Division Eight, Oppenheimer Capital Appreciation Fund/VA Division Ten, North American--T. Rowe Price Science & Technology Fund Division Twenty-Three, MFS VIT Capital Opportunities Series Division Eighteen, North American--Putnam Opportunities Fund Division Twenty-Two,

Putnam VT Voyager Fund II--Class IB Shares Division Twenty-Five, Janus Aspen Growth Portfolio--Service Shares Division Sixteen and the Oppenheimer Main Street Growth & Income Fund/VA Division Eleven may be compared to the Standard & Poor's(R) Corporation ("S&P(R)") (1) Composite Stock Price Index ("S&P 500(R) Index"). The S&P 500(R) Index is an unmanaged capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. The S&P 500(R) Index represents approximately 73% of the aggregate United States equity markets capitalization.

The performance of the North American--AG International Equities Fund Division Two, the Templeton International Securities Fund -- Class Two Division Fifteen, and the Janus Aspen International Growth Portfolio -- Service Shares Division Seventeen may be compared to the Morgan Stanley Capital International ("MSCI") EAFE Index. The MSCI EAFE Index, which commenced in 1969, is an unmanaged stock index consisting of more than 1,000 companies from Europe,

Australasia and the Far East. The index is capitalization weighted. It is a well known measure for international stock performance. Total returns (with income reinvested) for the MSCI EAFE Index are published using two methods. The first method includes gross income (income earned without subtracting foreign income taxes which may be withheld from foreign investors). The second method includes net income (income earned after subtracting estimated foreign taxes). The Division currently compares its performance with the index using the second method.

The performance of the North American--AG Money Market Fund Division Six may be compared to Certificate of Deposit Primary Offering by New York City Banks, 30 Day Index (Primary CD Index). The index is a money market index which reflects the average rate paid by New York Banks on certificates of deposit of more than \$100,000. The Index for 30 days is published daily.

The performance of the Van Kampen LIT Emerging Growth Portfolio Division Seven may be compared to Russell 2000(R) Index ("Russell 2000") (2) and S&P MidCap 400(R) Index. The Russell 2000 was developed in 1984 by the Frank Russell Trust Company to track the stock market performance of small capitalization domestic stocks. The Russell 2000 is market weighted and consists of approximately 2000 stocks. Stocks included in the Russell 2000 are chosen by the Frank Russell Trust Company on the basis of their market size. The S&P MidCap 400(R) Index is market weighted and consists of 400 stocks of domestic companies having a median market capitalization of approximately \$1.37 billion. Stocks included in the S&P MidCap 400(R) Index are chosen on the basis of their market size, liquidity and industry group representation. No stocks included in the S&P 500 Index are included in the S&P MidCap 400(R) Index.

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(1) "Standard & Poor's(R)", "S&P(R)", "S&P 500(R)" and "S&P MidCap 400(R)" are trademarks of Standard and Poor's ("S&P"). None of the Funds are sponsored, endorsed, sold or promoted by S&P and S&P makes no representation regarding the advisability of investing in these Funds.

(2) The "Russell 2000(R) Index" and the "Russell 1000(R) Index" are trademark/service marks of the Frank Russell Trust Company. Russell(TM) is a trademark of the Frank Russell Trust Company.

The performance of the AIM V.I. Diversified Income Fund Division Nine and the North American--AG Strategic Bond Fund Division Twenty, may be compared to Lehman Aggregate Bond Index. The Lehman Brothers Aggregate Bond Index is a market weighted index that contains individually priced U.S. Treasury, agency, corporate, and mortgage pass-through securities rated BBB or better.

The performance of the North American--AG High Yield Bond Fund Division

Nineteen may be compared to the Salomon Brothers High Yield Market Index.

The performance of the Oppenheimer High Income Fund/VA Division Twelve may be compared to Merrill Lynch High Yield Master Index. The Merrill Lynch High Yield Master Index is an unmanaged index of U.S. corporate and government bonds that is a measure of the performance of the high-yield corporate bond market.

The performance of the Oppenheimer Small Cap Growth Fund/VA Division Thirteen may be compared to the Russell 2000 Index. (See description above.)

The performance of the North American--Neuberger Berman MidCap Value Fund Division Twenty-One may be compared to the Russell Mid Cap Index.

The performance of the Templeton Developing Markets Securities Fund -- Class Two Division Fourteen and the Putnam VT Global Growth Fund -- Class IB Shares Division Twenty-Four, may be compared to MSCI World Index. The MSCI World Index is an unmanaged capitalization weighted index consisting of more than 1500 issues from 22 countries as well as certain South African gold mining issues.

#### PAYOUT PAYMENTS

#### ASSUMED INVESTMENT RATE

The discussion concerning the amount of Payout Payments which follows this section is based on an Assumed Investment Rate of 3% per annum. The foregoing Assumed Investment Rates are used merely in order to determine the first monthly payment per thousand dollars of value. It should not be inferred that such rates will bear any relationship to the actual net investment experience of A.G. Separate Account A.

#### AMOUNT OF PAYOUT PAYMENTS

The amount of the first variable annuity payment to the Annuitant will depend on the amount of the Account Value applied to effect the variable annuity as of the tenth day immediately preceding the date payout payments commence, the amount of any premium tax owed, the annuity option selected, and the age of the Annuitant.

The Contracts contain tables indicating the dollar amount of the first payout payment under each payout option for each \$1,000 of Account Value (after the deduction for any premium tax) at various

ages. These tables are based upon the Annuity 2000 Table (promulgated by the Society of Actuaries) and an Assumed Investment Rate of 3%.

The portion of the first monthly variable payout payment derived from a Division of A.G. Separate Account A is divided by the Payout Unit value for that

Division (calculated ten days prior to the date of the first monthly payment) to determine the number of Payout Units in each Division represented by the payment. The number of such units will remain fixed during the Payout Period, assuming the Annuitant makes no transfers of Payout Units to provide Payout Units under another Division or to provide a fixed annuity.

In any subsequent month, the dollar amount of the variable payout payment derived from each Division is determined by multiplying the number of Payout Units in that Division by the value of such Payout Unit on the tenth day preceding the due date of such payment. The Payout Unit value will increase or decrease in proportion to the net investment return of the Division or Divisions underlying the variable payout since the date of the previous payout payment, less an adjustment to neutralize the 3% or other Assumed Investment Rate referred to above.

Therefore, the dollar amount of variable payout payments after the first will vary with the amount by which the net investment return is greater or less than 3% per annum. For example, if a Division has a cumulative net investment return of 5% over a one year period, the first payout payment in the next year will be approximately 2 percentage points greater than the payment on the same date in the preceding year, and subsequent payments will continue to vary with the investment experience of the Division. If such net investment return is 1% over a one year period, the first payout payment in the next year will be approximately 2 percentage points less than the payment on the same date in the preceding year, and subsequent payments will continue to vary with the investment experience of the applicable Division.

Each deferred Contract provides that, when fixed payout payments are to be made under one of the first three payout options, the monthly payment to the Annuitant will not be less than the monthly payment produced by the then current settlement option rates, which will not be less than the rates used for a currently issued single payment immediate annuity contract. The purpose of this provision is to assure the Annuitant that, at retirement, if the fixed payout purchase rates then required by the Company for new single payment immediate annuity contracts are significantly more favorable than the annuity rates guaranteed by a Contract, the Annuitant will be given the benefit of the new annuity rates.

#### PAYOUT UNIT VALUE

The value of a Payout Unit is calculated at the same time that the value of a Purchase Unit is calculated and is based on the same values for Fund shares and other assets and liabilities. (See "Purchase Period" in the prospectus.) The calculation of Payout Unit value is discussed in the prospectus under "Payout Period."

The following illustrations show, by use of hypothetical examples, the method of determining the Payout Unit value and the amount of variable annuity payments.

78

## ILLUSTRATION OF CALCULATION OF PAYOUT UNIT VALUE

&lt;Table&gt;

&lt;S&gt;

&lt;C&gt;

	1. Payout Unit value, beginning of period .....	
\$	.980000	
	2. Net investment factor for Period (see Example 3) .....	
	1.023558	
	3. Daily adjustment for 3% Assumed Investment Rate .....	
	.999906	
	4. (2)x(3) .....	
	1.023462	
	5. Payout Unit value, end of period (1)x(4) .....	
\$	1.002993	

&lt;/Table&gt;

## ILLUSTRATION OF PAYOUT PAYMENTS

&lt;Table&gt;

&lt;S&gt;

&lt;C&gt;

	1. Number of Purchase Units at Payout Date .....	
	10,000.00	
	2. Purchase Unit value (see Example 3) .....	
\$	1.800000	
	3. Account Value of Contract (1)x(2) .....	
\$	18,000.00	
	4. First monthly Payout Payment per \$1,000 of Account Value ....	
\$	5.63	
	5. First monthly Payout Payment (3)x(4)/1,000 .....	
\$	101.34	
	6. Payout Unit value (see Example 10) .....	
\$	.980000	
	7. Number of Payout Units (5)/(6) .....	
	103.408	
	8. Assume Payout Unit value for second month equal to .....	
\$	.997000	
	9. Second monthly Payout Payment (7)x(8) .....	
\$	103.10	
	10. Assume Payout Unit value for third month equal to .....	
\$	.953000	
	11. Third monthly Payout Payment (7)x(10) .....	
\$	98.55	

&lt;/Table&gt;

## DISTRIBUTION OF VARIABLE ANNUITY CONTRACTS

The Company has qualified or intends to qualify the Contracts for sale in 47 states and the District of Columbia and will commence offering the Contracts promptly upon qualification in each such jurisdiction.

The Contracts are sold in a continuous offering by licensed insurance agents who are registered representatives of broker-dealers which are members of the National Association of Securities Dealers, Inc. (the "NASD"). In some cases the broker-dealers are exempt from registration. The principal underwriter for A.G. Separate Account A is American General Distributors, Inc. ("Distributor"). Distributor was formerly known as A.G. Distributors, Inc. In the States of Florida and Illinois, the Distributor is known as American General Financial Distributors of Florida, Inc. and American General Financial Distributors of Illinois, Inc., respectively. Distributor's address is 2929 Allen Parkway, Houston, Texas 77019. Distributor is a Delaware corporation organized in 1994 and is a member of the NASD.

The broker-dealers whose agents sell the Contracts will be compensated for such sales by commissions ranging up to 7% of each Purchase Payment. The Company may from time to time pay a trail commission to the licensed agents who sell the Contracts. (These various commissions are paid by the Company and do not result in any charge to Contract Owners or to A.G. Separate Account A in addition to the charges described under "Fees and Charges" in the prospectus.)

Pursuant to its underwriting agreement with Distributor and A.G. Separate Account A, the Company reimburses Distributor for reasonable sales expenses, including overhead expenses. Sales

30

79

commissions paid for the years 1998, 1999 and 2000 were \$8,646,861.37, \$6,110,251.97 and \$ 3,776,839.59, respectively. Distributor retained \$0 in Commissions for the years, 1998, 1999 and 2000.

## EXPERTS

The balance sheets of the Company at December 31, 2000 and 1999, and the related statements of income, changes in stockholder's equity, comprehensive income, and cash flows for the years ended December 31, 2000 and 1999, the ten months ended December 31, 1998, and the two months ended February 28, 1998, and the statements of net assets and operations for the Company's A.G. Separate Account A at December 31, 2000 and for the year then ended, and the statements of changes in net assets for each of the two years in the period then ended, all of which are included in this Statement of Additional Information have been audited by Ernst & Young LLP, independent auditors, as set forth in their reports appearing elsewhere herein and are included in reliance upon such



reports given upon the authority of such firm as experts in accounting and auditing.

The address of Ernst & Young LLP, independent auditors for the financial statements of American General Annuity Insurance Company and A. G. Separate Account A, is One Houston Center, 1221 McKinney Street, Suite 2400, Houston, Texas 77010-2007.

COMMENTS ON FINANCIAL STATEMENTS

The financial statements of American General Annuity Insurance Company should be considered only as bearing upon the ability of the Company to meet its obligations under the Contracts, which include death benefits, and its assumption of the mortality and expense risks.

The Separate Account financial statements contained herein reflect the composition of the Separate Account as of December 31, 2000, and for the year then ended.

TABLE OF CONTENTS

A.G. SEPARATE ACCOUNT A - ANNUAL REPORT  
DECEMBER 31, 2000

<TABLE>	
<S>	<C>
Report of Independent Auditors .....	1
Summary of Financial Statements .....	3
Statement of Net Assets .....	4
Statement of Operations .....	8
Statements of Changes in Net Assets .....	12
Notes to Financial Statements .....	28
</TABLE>	

REPORT OF INDEPENDENT AUDITORS

TO THE BOARD OF DIRECTORS OF AMERICAN GENERAL ANNUITY INSURANCE COMPANY  
AND CONTRACT OWNERS OF A.G. SEPARATE ACCOUNT A

We have audited the accompanying statement of net assets of A.G. Separate Account A (comprised of the following sub-accounts: Oppenheimer Main Street Growth & Income Fund /VA, Oppenheimer Capital Appreciation Fund /VA, Oppenheimer Small Cap Growth Fund /VA, Oppenheimer High Income Fund /VA, Templeton Developing Markets Securities Fund - Class 2, Templeton International Securities Funds- Class 2, Franklin Small Cap Fund - Class 2, AIM V.I. Capital Appreciation Fund, AIM V.I. Diversified Income Fund, AIM V.I. Value Fund, AIM V.I. International Equity Fund, Van Kampen LIT Emerging Growth Portfolio, Van Kampen LIT Enterprise Portfolio, North American - AG Stock Index Fund, North American - AG Growth & Income Fund, North American - AG International Equities Fund, North American - AG Government Securities Fund, North American - T. Rowe Price Science & Technology Fund, North American - Putnam Opportunities Fund, North American - AG Money Market Fund, North American - Neuberger Berman MidCap Value Fund, North American - AG High Yield Bond Fund, North American - AG Strategic Bond Fund, One Group Investment Trust Diversified Equity Portfolio, One Group Investment Trust Equity Index Portfolio, One Group Investment Trust Large Cap Growth Portfolio, One Group Investment Trust Mid Cap Value Portfolio, One Group Investment Trust Mid Cap Growth Portfolio, One Group Investment Trust Diversified Mid Cap Portfolio, One Group Investment Trust Government Bond Portfolio, One Group Investment Trust Bond Portfolio, One Group Investment Trust Balanced Portfolio, OCCAT Managed Portfolio, Janus Aspen Growth Portfolio - Service Shares, Janus Aspen International Growth Portfolio - Service Shares, MFS Variable Insurance Trust Capital Opportunities Series, Putnam VT Voyager Fund II- Class IB Shares, Putnam VT Global Growth Fund- Class IB Shares, State Street Global Advisors Money Market Portfolio, State Street Global Advisors Growth Equity Portfolio, Credit Suisse Growth and Income Portfolio, Credit Suisse International Equity Portfolio, Van Kampen Emerging Growth Portfolio, American General U.S. Government Securities Portfolio, and EliteValue Portfolio) (collectively, the "Separate Account") as of December 31, 2000, and the related statement of operations for the period ended December 31, 2000 as indicated therein and the statements of changes in net assets for the periods ended December 31, 2000 and 1999 as indicated therein. These financial statements are the responsibility of the Separate Account's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of December 31, 2000, by correspondence with the custodians. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of A.G. Separate Account A at December 31, 2000, and the results of its operations for the period ended December 31, 2000 as indicated therein and changes in its net assets for the periods ended December 31, 2000 and 1999 as indicated therein, in conformity

with accounting principles generally accepted in the United States.

/s/ ERNST & YOUNG LLP

Houston, Texas

March 21, 2001

3

2

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4

SUMMARY OF FINANCIAL STATEMENTS

3

STATEMENT OF NET ASSETS

December 31, 2000

<TABLE>

<CAPTION>

ALL

ASSETS:

SUB-ACCOUNTS

-----

<S>

<C>

Total investment in shares of mutual funds, at market (Cost \$335,311,488)

..... \$309,364,880

-----

NET ASSETS

.....  
.... \$309,364,880

-----

NET ASSETS ATTRIBUTABLE TO:

Contract owners - reserves for redeemable annuity contracts

(net of applicable contract loans - partial withdrawals with right of reinvestment) ..... \$309,364,880

-----

NET ASSETS ATTRIBUTABLE TO CONTRACT OWNER RESERVES

..... \$309,364,880

=====

</TABLE>

STATEMENT OF OPERATIONS  
For the Year Ended December 31, 2000

<TABLE>  
<CAPTION>

ALL

INVESTMENT INCOME:  
SUB-ACCOUNTS

-----

<S>

<C>

Dividends from mutual funds ..... \$  
3,957,151

-----

EXPENSES:  
Mortality and expense risk, administrative fees and maintenance charges  
..... 3,513,243

-----

NET INVESTMENT INCOME  
.....  
443,908

-----

REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS:  
Net realized gain on investments ..... 456,164  
Capital gains distributions from mutual funds  
..... 11,449,746  
Net unrealized depreciation of investments during the period  
..... (33,672,694)

-----

Net realized and unrealized loss on investments  
..... (21,766,784)

-----

DECREASE IN NET ASSETS RESULTING FROM OPERATIONS  
..... \$ (21,322,876)

=====

</TABLE>

STATEMENTS OF CHANGES IN NET ASSETS  
 For the Years Ended December 31

<TABLE>  
 <CAPTION>

ALL SUB-ACCOUNTS

	2000	1999	
OPERATIONS:			
<S>			
	<C>	<C>	
Net investment income			\$
.....			
443,908	\$ 649,009		
Net realized gain on investments			
.....			456,164
27,843,075			
Capital gains distributions from mutual funds			
.....		11,449,746	442,717
Net unrealized appreciation (depreciation) of investments during the period			
.....	(33,672,694)	74,258	
-----			
Increase (decrease) in net assets resulting from operations			
.....		(21,322,876)	29,009,059
-----			
PRINCIPAL TRANSACTIONS:			
Contract purchase payments			
.....			
91,740,962	31,465,485		
Death benefit payments			
.....			
(2,353,354)	(1,368,376)		
Surrenders of accumulation units by terminations and withdrawals			
.....		(24,227,210)	(11,255,790)
Amounts transferred from the Company's general account			
.....		77,302,598	69,003,716
-----			
Increase in net assets resulting from principal transactions			
.....		142,462,996	87,845,035
Return of capital to the Company			
.....			--
(17,206,028)			
-----			

Increase in net assets from principal transactions  
and return of capital to the Company  
..... 142,462,996  
70,639,007

TOTAL INCREASE IN NET ASSETS	
121,140,120	99,648,066
NET ASSETS:	
Beginning of period	
188,224,760	88,576,694
End of period	
\$309,364,880	\$188,224,760

</TABLE>

SEE NOTES TO FINANCIAL STATEMENTS.

5  
4 STATEMENT OF NET ASSETS - DECEMBER 31, 2000

<TABLE>  
<CAPTION>

OPPENHEIMER CAPITAL APPRECIATION FUND/VA	OPPENHEIMER SMALL CAP GROWTH FUND/VA	OPPENHEIMER HIGH INCOME FUND/VA	OPPENHEIMER MAIN STREET GROWTH & INCOME FUND/VA
<S>	<C>	<C>	<C>
Investment in shares of mutual funds, at market			\$ 15,579,778
\$ 10,747,541	\$ 3,920,599	\$ 7,205,177	
NET ASSETS			\$ 15,579,778
\$ 10,747,541	\$ 3,920,599	\$ 7,205,177	

=====			
NET ASSETS ATTRIBUTABLE TO:			
Contract owners - reserves for redeemable annuity contracts			
(net of applicable contract loans - partial withdrawals with			
right of reinvestment) .....			
			\$ 15,579,778
\$ 10,747,541	\$ 3,920,599	\$ 7,205,177	
-----			
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNER RESERVES .....			
			\$ 15,579,778
\$ 10,747,541	\$ 3,920,599	\$ 7,205,177	
=====			

</TABLE>

<TABLE>  
<CAPTION>

				NORTH		
					VAN KAMPEN	
VAN KAMPEN	NORTH	AMERICAN-AG			LIT	
LIT	AMERICAN-AG	GROWTH			EMERGING GROWTH	
ENTERPRISE	STOCK INDEX	& INCOME			PORTFOLIO	
PORTFOLIO	FUND	FUND			-----	
					<S>	
					<C>	
				<C>	<C>	
ASSETS:						
Investment in shares of mutual funds, at market .....					\$	41,383,887
\$ 1,715,795	\$ 20,563,374	\$ 23,702,997			-----	
NET ASSETS .....					\$	41,383,887
\$ 1,715,795	\$ 20,563,374	\$ 23,702,997			=====	

NET ASSETS ATTRIBUTABLE TO:			
Contract owners - reserves for redeemable annuity contracts			
(net of applicable contract loans - partial withdrawals with			
right of reinvestment) .....			
			\$ 41,383,887
\$ 1,715,795	\$ 20,563,374	\$ 23,702,997	
-----			
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNER RESERVES .....			
			\$ 41,383,887
\$ 1,715,795	\$ 20,563,374	\$ 23,702,997	
=====			

=====  
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ONE GROUP INVESTMENT TRUST DIVERSIFIED EQUITY PORTFOLIO	ONE GROUP INVESTMENT TRUST EQUITY INDEX PORTFOLIO	ONE GROUP INVESTMENT TRUST LARGE CAP GROWTH PORTFOLIO	NORTH AMERICAN- AG STRATEGIC BOND FUND
-----			-----
<S>			<C>
<C>	<C>	<C>	
ASSETS:			
Investment in shares of mutual funds, at market .....			\$ 1,045
\$ 9,321,320	\$ 4,925,947	\$ 15,646,541	
-----			-----
NET ASSETS .....			\$ 1,045
\$ 9,321,320	\$ 4,925,947	\$ 15,646,541	
=====			=====

NET ASSETS ATTRIBUTABLE TO:			
Contract owners - reserves for redeemable annuity contracts (net of applicable contract loans - partial withdrawals with right of reinvestment) .....			\$ 1,045
\$ 9,321,320	\$ 4,925,947	\$ 15,646,541	
-----			-----
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNER RESERVES .....			\$ 1,045
\$ 9,321,320	\$ 4,925,947	\$ 15,646,541	
=====			=====

</TABLE>

SEE NOTES TO FINANCIAL STATEMENTS.

<TABLE>



<CAPTION>

TEMPLETON DEVELOPING V.I. MARKETS DIVERSIFIED SECURITIES INCOME FUND-CLASS 2 FUND	TEMPLETON AIM V.I. INTERNATIONAL AIM V.I. SECURITIES VALUE FUND-CLASS 2 FUND	TEMPLETON AIM V.I. INTERNATIONAL FRANKLIN INTERNATIONAL SMALL CAP EQUITY FUND-CLASS 2 FUND	AIM V.I. CAPITAL APPRECIATION FUND	AIM
<S>	<C>	<C>	<C>	<C>
1,994,441	2,816,957	3,234,325	9,014,420	
3,143,317	16,384,741	6,678,363		
1,994,441	2,816,957	3,234,325	9,014,420	
3,143,317	16,384,741	6,678,363		
1,994,441	2,816,957	3,234,325	9,014,420	
3,143,317	16,384,741	6,678,363		

</TABLE>

<TABLE>

<CAPTION>

NORTH NORTH AMERICAN- AMERICAN-AG NORTH INTERNATIONAL AMERICAN-AG EQUITIES MARKET FUND	NORTH NORTH AMERICAN- AMERICAN-AG NEUBERGER GOVERNMENT BERMAN SECURITIES MIDCAP VALUE FUND	NORTH AMERICAN- T.ROWE PRICE NORTH AMERICAN- SCIENCE & AG HIGH TECHNOLOGY YIELD BOND FUND	NORTH AMERICAN- PUTNAM OPPORTUNITIES FUND	MONEY
<S>	<C>	<C>	<C>	<C>

<C>	<C>	<C>	<C>	<C>
\$ 5,571,886	\$ 20,273,189	\$ 27,202	\$ 10,188	\$
5,099,890	36,715	5,936		
-----	-----	-----	-----	
-----	-----	-----	-----	
\$ 5,571,886	\$ 20,273,189	\$ 27,202	\$ 10,188	\$
5,099,890	36,715	5,936		
=====	=====	=====	=====	
=====	=====	=====	=====	
\$ 5,571,886	\$ 20,273,189	\$ 27,202	\$ 10,188	\$
5,099,890	36,715	5,936		
-----	-----	-----	-----	
-----	-----	-----	-----	
\$ 5,571,886	\$ 20,273,189	\$ 27,202	\$ 10,188	\$
5,099,890	36,715	5,936		
=====	=====	=====	=====	
=====	=====	=====	=====	

</TABLE>

<TABLE>

<CAPTION>

ONE GROUP INVESTMENT TRUST GROUP	ONE GROUP INVESTMENT TRUST GROUP	ONE GROUP INVESTMENT TRUST GROUP	ONE GROUP INVESTMENT TRUST GROUP	ONE
MID CAP INVESTMENT TRUST VALUE	MID CAP INVESTMENT TRUST GROWTH	DIVERSIFIED OCCAT MID CAP	GOVERNMENT BOND	
BOND PORTFOLIO	BALANCED PORTFOLIO	MANAGED PORTFOLIO	PORTFOLIO	

<S>	<C>	<C>	<C>	<C>	<C>
-----	-----	-----	-----	-----	-----

\$ 10,559,628	\$ 9,517,820	\$ 2,350,055	\$ 10,974,939	\$
10,666,481	5,350,623	30,796,450		
-----	-----	-----	-----	
-----	-----	-----	-----	
\$ 10,559,628	\$ 9,517,820	\$ 2,350,055	\$ 10,974,939	\$
10,666,481	5,350,623	30,796,450		
=====	=====	=====	=====	
=====	=====	=====	=====	

\$ 10,559,628	\$ 9,517,820	\$ 2,350,055	\$ 10,974,939	\$
---------------	--------------	--------------	---------------	----

10,666,481	\$	5,350,623	\$	30,796,450			
-----							
\$	10,559,628	\$	9,517,820	\$	2,350,055	\$	10,974,939
10,666,481	\$	5,350,623	\$	30,796,450			
=====							
=====							

</TABLE>

7

6 STATEMENT OF NET ASSETS - DECEMBER 31, 2000

<TABLE>  
<CAPTION>

JANUS ASPEN

INTERNATIONAL	MFS VIT	PUTNAM VT	JANUS ASPEN
GROWTH	CAPITAL	VOYAGER FUND II-	GROWTH
PORTFOLIO-	OPPORTUNITIES	CLASS IB	PORTFOLIO-
SERVICE SHARES	SERIES	SHARES	SERVICE SHARES
-----			
<S>			<C>
<C>	<C>	<C>	
ASSETS:			
Investment in shares of mutual funds, at market .....			\$ 54,742
\$ 24,914	\$ 27,808	\$ 32,968	
-----			
NET ASSETS .....			\$ 54,742
\$ 24,914	\$ 27,808	\$ 32,968	
=====			
=====			

NET ASSETS ATTRIBUTABLE TO:

Contract owners - reserves for redeemable annuity contracts (net of applicable contract loans - partial withdrawals with right of reinvestment) .....			\$ 54,742
\$ 24,914	\$ 27,808	\$ 32,968	
-----			
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNER RESERVES .....			\$ 54,742
\$ 24,914	\$ 27,808	\$ 32,968	
=====			

=====

</TABLE>

<TABLE>

<CAPTION>

PUTNAM VT  
GLOBAL GROWTH  
FUND-CLASS IB  
SHARES

-----

<S>

<C>

ASSETS:

Investment in shares of mutual funds, at market ..... \$ 2,881

-----

NET ASSETS ..... \$ 2,881

=====

NET ASSETS ATTRIBUTABLE TO:

Contract owners - reserves for redeemable annuity contracts  
(net of applicable contract loans - partial withdrawals with  
right of reinvestment) ..... \$ 2,881

-----

NET ASSETS ATTRIBUTABLE TO CONTRACT OWNER RESERVES ..... \$ 2,881

=====

</TABLE>

SEE NOTES TO FINANCIAL STATEMENTS.

8

7

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9

8 STATEMENT OF OPERATIONS - FOR THE YEAR ENDED DECEMBER 31, 2000

<TABLE>

<CAPTION>

OPPENHEIMER

MAIN STREET	OPPENHEIMER	OPPENHEIMER	
GROWTH	CAPITAL	SMALL CAP	OPPENHEIMER
& INCOME	APPRECIATION	GROWTH	HIGH INCOME
FUND/VA	FUND/VA	FUND/VA	FUND/VA

-----  
<S>

<C>	<C>	<C>	<C>
INVESTMENT INCOME:			
Dividends from mutual funds .....			\$
43,222 \$	9,427 \$	-- \$	312,358
-----			
EXPENSES:			
Mortality and expense risk, administrative fees and maintenance charges ...			
192,057	130,329	45,972	60,214
-----			
NET INVESTMENT INCOME (LOSS) .....			
(148,835)	(120,902)	(45,972)	252,144
-----			
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS:			
Net realized gain (loss) on investments .....			
105,343	225,960	76,514	(59,347)
Capital gains distributions from mutual funds .....			
570,647	503,065	115,054	--
Net unrealized appreciation (depreciation) of investments during the period .....			
(2,099,936)	(1,053,401)	(981,896)	(480,616)
-----			
Net realized and unrealized gain (loss) on investments .....			
(1,423,946)	(324,376)	(790,328)	(539,963)
-----			
INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS .....			
(1,572,781)\$	(445,278) \$	(836,300) \$	(287,819) \$

=====  
</TABLE>

<TABLE>  
<CAPTION>

NORTH			
VAN KAMPEN	VAN KAMPEN	NORTH	AMERICAN-AG
LIT	LIT	AMERICAN-AG	GROWTH
EMERGING GROWTH	ENTERPRISE	STOCK INDEX	& INCOME
PORTFOLIO	PORTFOLIO	FUND	FUND

<S>	<C>	<C>	<C>	<C>
INVESTMENT INCOME:				
Dividends from mutual funds .....				\$
-- \$	623	\$ 186,360	\$ 177,653	
EXPENSES:				
Mortality and expense risk, administrative fees and maintenance charges .....				
632,550	10,409	321,224	385,060	
NET INVESTMENT INCOME (LOSS) .....				
(632,550)	(9,786)	(134,864)	(207,407)	
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS:				
Net realized gain (loss) on investments .....				
962,054	4,790	(47,957)	(177,094)	
Capital gains distributions from mutual funds .....				
116,942	35,137	568,246	4,672,089	
Net unrealized appreciation (depreciation) of investments during the period .....				
(7,017,305)	(342,022)	(2,858,308)	(7,632,486)	
Net realized and unrealized gain (loss) on investments .....				
(5,938,309)	(302,095)	(2,338,019)	(3,137,491)	
INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS .....				
(6,570,859)\$	(311,881)	\$(2,472,883)	\$(3,344,898)	\$

</TABLE>

(1) For the period November 15, 2000 to December 31, 2000.

SEE NOTES TO FINANCIAL STATEMENTS.

<TABLE>

<CAPTION>

TEMPLETON DEVELOPING MARKETS AIM V.I. SECURITIES VALUE FUND-CLASS 2 FUND	TEMPLETON AIM V.I. INTERNATIONAL INTERNATIONAL SECURITIES EQUITY FUND-CLASS 2 FUND	FRANKLIN SMALL CAP FUND-CLASS 2	AIM V.I. CAPITAL APPRECIATION FUND	AIM V.I. DIVERSIFIED INCOME FUND
<S>	<C>	<C>	<C>	<C>
<C>	<C>			
\$ 9,390	\$ 30,906	\$ 6,447	\$ --	\$ 198,743
19,810	\$ 16,244			
21,165	30,768	22,472	122,507	35,590
106,535	42,277			
(11,775)	138	(16,025)	(122,507)	163,153
(86,725)	(26,033)			
(233,443)	(2,358)	11,045	248,690	(38,249)
5,286	4,533			
--	207,864	16,183	250,241	--
690,137	415,801			
(347,396)	(260,819)	(634,329)	(1,925,569)	(135,559)
(2,971,790)	(1,709,532)			
(580,839)	(55,313)	(607,101)	(1,426,638)	(173,808)
(2,276,367)	(1,289,198)			

\$	(592,614)	\$	(55,175)	\$	(623,126)	\$	(1,549,145)	\$	(10,655)	\$
	(2,363,092)	\$	(1,315,231)							

=====

</TABLE>

<TABLE>

<CAPTION>

NORTH NORTH AMERICAN- AMERICAN-AG NEUBERGER INTERNATIONAL BERMAN EQUITIES MIDCAP VALUE FUND FUND (1)	NORTH AMERICAN-AG NORTH AMERICAN- GOVERNMENT AG HIGH YIELD SECURITIES BOND FUND FUND (1)	NORTH AMERICAN- T. ROWE PRICE SCIENCE & TECHNOLOGY FUND (1)	NORTH AMERICAN- PUTNAM OPPORTUNITIES FUND (1)	NORTH AMERICAN-AG MONEY MARKET FUND
---	--	---	--	--

-----

<S>	<C>	<C>	<C>	<C>
<C>	<C>			

\$	67,417	\$	1,148,550	\$	--	\$	--	\$	340,116	\$
	28	\$	127							

-----

88,119	273,460	21	6	80,434
45		6		

-----

(20,702)	875,090	(21)	(6)	259,682
(17)	121			

-----

(126,026)	33,392	--	--	--
1	--			
662,247	--	3,253	--	--



1,403

--

(1,773,046)	1,159,582	(3,739)	285	--
1,126	(120)			

(1,236,825)	1,192,974	(486)	285	--
2,530	(120)			

\$ (1,257,527)	\$ 2,068,064	\$ (507)	\$ 279	\$ 259,682	\$
2,513	\$ 1				

</TABLE>

11

10 STATEMENT OF OPERATIONS - FOR THE YEAR ENDED DECEMBER 31, 2000

<TABLE>  
<CAPTION>

GROUP	ONE GROUP	ONE GROUP		ONE
INVESTMENT TRUST	INVESTMENT TRUST	INVESTMENT TRUST	NORTH AMERICAN- AG STRATEGIC BOND FUND (1)	
DIVERSIFIED EQUITY	EQUITY	LARGE CAP		
EQUITY	INDEX	GROWTH		
PORTFOLIO	PORTFOLIO	PORTFOLIO		
<S>	<C>	<C>	<C>	<C>
INVESTMENT INCOME:				
Dividends from mutual funds .....			\$ 33	\$
23,644 \$	36,282 \$	--		
EXPENSES:				
Mortality and expense risk, administrative fees and maintenance charges .....			1	
56,425	36,108	109,669		

NET INVESTMENT INCOME (LOSS) .....			32
(32,781)	174	(109,669)	
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS:			
Net realized gain (loss) on investments .....			
(3,804)	4,187	5,587	--
Capital gains distributions from mutual funds ....			
--	28,427	110,338	--
Net unrealized appreciation (depreciation) of investments during the period .....			
(474,445)	(459,440)	(3,724,921)	(18)
Net realized and unrealized gain (loss) on investments .....			
(478,249)	(426,826)	(3,608,996)	(18)
INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS .....			
(511,030)	\$ (426,652)	\$ (3,718,665)	\$ 14 \$

</TABLE>

<TABLE>  
<CAPTION>

JANUS

ASPEN				JANUS ASPEN	
INTERNATIONAL	MFS VIT	PUTNAM VT		GROWTH	
GROWTH	CAPITAL	VOYAGER FUND II-		PORTFOLIO-	
PORTFOLIO-	OPPORTUNITIES	CLASS IB		SERVICE SHARES (1)	SERVICE
SHARES (1)	SERIES (1)	SHARES (1)			
<S>					
<C>		<C>		<C>	
INVESTMENT INCOME:					
Dividends from mutual funds .....					
39	\$	--	\$	--	\$

EXPENSES:

Mortality and expense risk, administrative				
				34
fees and maintenance charges .....				
22	25	37		
-----				
-----				
NET INVESTMENT INCOME (LOSS) .....				(34)
17	(25)	(37)		
-----				
-----				
REALIZED AND UNREALIZED GAIN				
(LOSS) ON INVESTMENTS:				
Net realized gain (loss) on investments .....				
--	(8)	(1)		--
Capital gains distributions from mutual funds ....				--
--	--	--		
Net unrealized appreciation (depreciation)				
of investments during the period .....				
(572)	363	(1,297)		(305)
-----				
-----				
Net realized and unrealized gain (loss)				
on investments .....				
(572)	355	(1,298)		(305)
-----				
-----				
INCREASE (DECREASE) IN NET ASSETS				
RESULTING FROM OPERATIONS .....				
(555)	\$ 330	\$ (1,335)	\$	(339) \$
=====				
=====				

</TABLE>

(1) For the period November 15, 2000 to December 31, 2000.

SEE NOTES TO FINANCIAL STATEMENTS.

<TABLE>

<CAPTION>

ONE GROUP	ONE GROUP	ONE GROUP	ONE GROUP
INVESTMENT TRUST	INVESTMENT TRUST	INVESTMENT TRUST	INVESTMENT TRUST
ONE GROUP	ONE GROUP		
MID CAP	MID CAP	DIVERSIFIED	GOVERNMENT
INVESTMENT TRUST	INVESTMENT TRUST	OCCAT	
VALUE	GROWTH	MID CAP	BOND

BOND	BALANCED	MANAGED		
PORTFOLIO	PORTFOLIO	PORTFOLIO	PORTFOLIO	
PORTFOLIO	PORTFOLIO	PORTFOLIO	PORTFOLIO	
<S>	<C>	<C>	<C>	<C>
<C>	<C>	<C>	<C>	<C>
\$ 55,835	\$ --	\$ 4,458	\$ 383,900	\$
364,352	89,130	432,057		
55,575	59,230	12,462	60,327	
57,801	30,962	433,341		
260	(59,230)	(8,004)	323,573	
306,551	58,168	(1,284)		
13,544	13,936	9,352	3,411	
(809)	4,266	(586,631)		
446	62,326	6,402	--	
--	937	2,412,561		
1,552,755	(672,212)	117,614	374,493	
384,970	(103,195)	400,540		
1,566,745	(595,950)	133,368	377,904	
384,161	(97,992)	2,226,470		
\$ 1,567,005	\$ (655,180)	\$ 125,364	\$ 701,477	\$
690,712	(39,824)	2,225,186		

</TABLE>

<TABLE>	
<CAPTION>	
PUTNAM VT	
GLOBAL GROWTH	
FUND- CLASS IB	
SHARES (1)	
-----	
<S>	<C>
\$	--
-----	
	4
-----	
	(4)
-----	
	--
	--
	(148)
-----	
	(148)
-----	
\$	(152)
=====	

</TABLE>

13

12 STATEMENTS OF CHANGES IN NET ASSETS

<TABLE>  
<CAPTION>

OPPENHEIMER MAIN STREET	OPPENHEIMER
GROWTH & INCOME	CAPITAL APPRECIATION
FUND/VA	FUND/VA

				FOR THE
	FOR THE	FOR THE	FOR THE	YEAR
ENDED	YEAR ENDED	YEAR ENDED	YEAR ENDED	DECEMBER
31,	DECEMBER 31,	DECEMBER 31,	DECEMBER 31,	2000
	1999	2000	1999	

<S> <C>

	<C>	<C>	<C>	<C>
OPERATIONS:				
Net investment income (loss) .....				\$
(148,835) \$	(39,433) \$	(120,902) \$	2,850	
Net realized gain (loss) on investments .....				
105,343	44,783	225,960	23,215	
Capital gains distributions from mutual funds .....				
570,647	--	503,065	--	
Net unrealized appreciation (depreciation) of investments				
during the period .....				
(2,099,936)	801,930	(1,053,401)	1,131,820	

Increase (decrease) in net assets resulting from operations .....				
(1,572,781)	807,280	(445,278)	1,157,885	

PRINCIPAL TRANSACTIONS:

Contract purchase payments .....				
1,059,745	891,765	712,809	389,683	
Death benefit payments .....				
(150,990)	(23,048)	(22,331)	--	
Surrenders of accumulation units by termination and withdrawals ....				
(1,263,314)	(141,126)	(789,255)	(103,628)	
Amounts transferred from (to) the Company's general account .....				
5,359,485	3,036,236	2,667,579	1,667,651	
Transfers between sub-accounts, net .....				
3,527,358	3,970,976	3,027,425	2,465,063	

Increase (decrease) in net assets resulting from				
principal transactions .....				
8,532,284	7,734,803	5,596,227	4,418,769	
Return of capital to the Company .....				
--	--	--	--	

Increase (decrease) in net assets from principal transactions				
and return of capital to the Company .....				

8,532,284	7,734,803	5,596,227	4,418,769
-----			
TOTAL INCREASE (DECREASE) IN NET ASSETS .....			
6,959,503	8,542,083	5,150,949	5,576,654
NET ASSETS:			
Beginning of period .....			
8,620,275	78,192	5,596,592	19,938
-----			
End of period .....			
15,579,778	\$ 8,620,275	\$ 10,747,541	\$ 5,596,592

</TABLE>

<TABLE>  
<CAPTION>

31,	DECEMBER 31,	DECEMBER 31,	DECEMBER 31,	DECEMBER
1999	2000	1999	2000	2000

<S> <C>  
<C>                      <C>                      <C>

UNITS OUTSTANDING, BY CLASS:

ElitePlus Bonus Standard benefit unit .....	1,145,141.094	562,531.880	628,003.743	318,641.590
ElitePlus Bonus Enhanced benefit unit .....	49,691.629	30,779.703	33,220.732	22,670.387
ElitePlus Bonus Annual Step Up benefit unit .....	194,453.171	97,957.267	79,043.488	38,283.382
One Multi-Manager Standard benefit unit .....	--	--	--	--
-----				
Accumulation units at end of period .....	1,389,285.894	691,268.850	740,267.963	379,595.359

ACCUMULATION VALUE PER UNIT:

ElitePlus Bonus Standard benefit unit .....	11.333272	\$ 12.598916	\$ 14.533612	\$ 14.772926
ElitePlus Bonus Enhanced benefit unit .....	11.689621	13.001536	13.581430	13.811947
ElitePlus Bonus Annual Step Up benefit unit .....	10.391735	11.564221	14.791781	15.050945
One Multi-Manager Standard benefit unit .....				

-- -- -- --  
</TABLE>

SEE NOTES TO FINANCIAL STATEMENTS.

14

STATEMENTS OF CHANGES IN NET ASSETS

13

<TABLE>

<CAPTION>

OPPENHEIMER TEMPLETON SMALL CAP GROWTH MARKETS SECURITIES FUND/VA FUND-CLASS 2		OPPENHEIMER TEMPLETON HIGH INCOME INTERNATIONAL SECURITIES FUND/VA FUND-CLASS 2		DEVELOPING
FOR THE FOR THE YEAR ENDED YEAR ENDED DECEMBER 31, DECEMBER 31, 2000 1999	FOR THE FOR THE YEAR ENDED YEAR ENDED DECEMBER 31, DECEMBER 31, 1999 2000	FOR THE FOR THE YEAR ENDED YEAR ENDED DECEMBER 31, DECEMBER 31, 2000 1999	FOR THE YEAR ENDED DECEMBER 31, 1999	FOR THE YEAR ENDED DECEMBER 31, 2000
\$ (45,972)	\$ (9,919)	\$ 252,144	\$ 13,718	\$ (11,775)
\$ (3,103)	\$ 138	\$ 7,023		
76,514	(5,447)	(59,347)	(9,875)	(233,443)
51,306	(2,358)	6,205		
115,054	--	--	--	--
--	207,864	--		
(981,896)	583,463	(480,616)	1,197	(347,396)
114,363	(260,819)	140,995		
(836,300)	568,097	(287,819)	5,040	(592,614)
162,566	(55,175)	154,223		



313,228	69,200	1,495,625	347,825	531,896
105,911	324,172	114,387		
(92,337)	(8,786)	(55,801)	--	(501)
(12,475)	(12,314)	--		
(207,559)	(11,943)	(333,594)	(53,762)	(116,777)
(7,946)	(219,907)	(8,983)		
1,148,994	399,323	3,923,588	1,028,113	1,028,996
268,279	997,604	389,400		
1,708,708	836,836	258,686	859,115	288,417
338,689	515,577	614,310		
-----	-----	-----	-----	-----
-----	-----	-----	-----	-----
2,871,034	1,284,630	5,288,504	2,181,291	1,732,031
692,458	1,605,132	1,109,114		
--	--	--	--	--
--	--	--		
-----	-----	-----	-----	-----
-----	-----	-----	-----	-----
2,871,034	1,284,630	5,288,504	2,181,291	1,732,031
692,458	1,605,132	1,109,114		
-----	-----	-----	-----	-----
-----	-----	-----	-----	-----
2,034,734	1,852,727	5,000,685	2,186,331	1,139,417
855,024	1,549,957	1,263,337		
-----	-----	-----	-----	-----
-----	-----	-----	-----	-----
1,885,865	33,138	2,204,492	18,161	855,024
--	1,267,000	3,663		
-----	-----	-----	-----	-----
-----	-----	-----	-----	-----
\$ 3,920,599	\$ 1,885,865	\$ 7,205,177	\$ 2,204,492	\$ 1,994,441
\$ 855,024	\$ 2,816,957	\$ 1,267,000		
-----	-----	-----	-----	-----
-----	-----	-----	-----	-----

</TABLE>

<TABLE>

<CAPTION>

DECEMBER 31, DECEMBER 31, 2000 1999	DECEMBER 31, DECEMBER 31, 1999 2000	DECEMBER 31, DECEMBER 31, 2000 1999	DECEMBER 31, 1999	DECEMBER 31, 2000
--	--	--	----------------------	----------------------



2, 1999	YEAR ENDED	YEAR ENDED	DECEMBER 31,	TO
DECEMBER 31,	DECEMBER 31,	DECEMBER 31,	2000	
1999	2000	1999		
<S>	<C>	<C>	<C>	<C>
<b>OPERATIONS:</b>				
Net investment income (loss)	.....	.....	\$ (16,025)	\$
(283)	\$ (122,507)	\$ (28,690)		
Net realized gain (loss) on investments	.....	.....	11,045	
65	248,690	32,398		
Capital gains distributions from mutual funds	.....	.....	16,183	
--	250,241	98,961		
Net unrealized appreciation (depreciation)	.....	.....	(634,329)	
of investments during the period	.....	.....		
34,263	(1,925,569)	1,183,393		
<b>Increase (decrease) in net assets resulting from operations</b>				
34,045	(1,549,145)	1,286,062	(623,126)	
<b>PRINCIPAL TRANSACTIONS:</b>				
Contract purchase payments	.....	.....	1,466,740	
97,770	715,002	380,496		
Death benefit payments	.....	.....	(647)	
--	(70,254)	(17,293)		
Surrenders of accumulation units by termination and withdrawals	.....	.....	(21,000)	
--	(536,489)	(94,913)		
Amounts transferred from (to) the Company's general account	.....	.....	2,201,971	
78,572	2,265,829	1,204,128		
Transfers between sub-accounts, net	.....	.....	--	
--	3,105,906	2,296,720		
<b>Increase (decrease) in net assets resulting from principal transactions</b>				
176,342	5,479,994	3,769,138	3,647,064	
Return of capital to the Company	.....	.....	--	
--	--	--		
<b>Increase (decrease) in net assets from principal transactions and return of capital to the Company</b>				
176,342	5,479,994	3,769,138	3,647,064	

TOTAL INCREASE (DECREASE) IN NET ASSETS .....			3,023,938
210,387	3,930,849	5,055,200	

NET ASSETS:

Beginning of period .....			210,387
--	5,083,571	28,371	

End of period .....	\$	3,234,325	\$
210,387	\$	9,014,420	\$
		5,083,571	

</TABLE>

<TABLE>  
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DECEMBER 31,	DECEMBER 31,	DECEMBER 31,	DECEMBER 31,
1999	2000	1999	2000

<S>	<C>	<C>	<C>	<C>
-----	-----	-----	-----	-----

UNITS OUTSTANDING, BY CLASS:

ElitePlus Bonus Standard benefit unit .....	--
--	533,261.982
ElitePlus Bonus Enhanced benefit unit .....	--
--	16,701.346
ElitePlus Bonus Annual Step Up benefit unit .....	--
--	111,132.859
One Multi-Manager Standard benefit unit .....	264,003.140
14,168.957	--
Accumulation units at end of period .....	264,003.140
14,168.957	661,096.187
	327,398.369

ACCUMULATION VALUE PER UNIT:

ElitePlus Bonus Standard benefit unit .....	\$	--	\$
--	\$	13.936476	\$
ElitePlus Bonus Enhanced benefit unit .....	--		
--	12.554226		
ElitePlus Bonus Annual Step Up benefit unit .....	--		
--	12.354175		
One Multi-Manager Standard benefit unit .....	12.251087		
14.848464	--		

SEE NOTES TO FINANCIAL STATEMENTS.

STATEMENTS OF CHANGES IN NET ASSETS

<TABLE>  
<CAPTION>

VAN KAMPEN		VAN KAMPEN		AIM
AIM V.I.	AIM V.I.	AIM V.I.	AIM	
V.I.	LIT	VALUE		
DIVERSIFIED INCOME	EMERGING GROWTH	GROWTH		
INTERNATIONAL EQUITY	EMERGING GROWTH	EMERGING GROWTH		
FUND	FUND	FUND		FUND
PORTFOLIO				
FOR THE	FOR THE	FOR THE	FOR THE PERIOD	FOR THE
FOR THE PERIOD	FOR THE	FOR THE PERIOD	AUG. 2, 1999	YEAR ENDED
YEAR ENDED	YEAR ENDED	YEAR ENDED		YEAR ENDED
AUG. 2, 1999	YEAR ENDED	AUG. 2, 1999	TO DECEMBER 31,	DECEMBER 31, TO
DECEMBER 31,	DECEMBER 31,	DECEMBER 31,	1999	2000
DECEMBER 31,	DECEMBER 31,	TO DECEMBER 31,		
2000	1999	2000		
1999	2000	1999		
<S>	<C>	<C>	<C>	<C>
<C>	<C>	<C>	<C>	<C>
\$ 163,153	\$ 92,956	\$ (86,725)	\$ 860	\$ (26,033)
2,621	\$ (632,550)	\$ (12,905)		
(38,249)	(8,132)	5,286	1,612	4,533
350	962,054	4,223		
--	--	690,137	19,222	415,801
15,207	116,942	--		
(135,559)	(111,467)	(2,971,790)	149,337	(1,709,532)
121,689	(7,017,305)	1,835,647		
(10,655)	(26,643)	(2,363,092)	171,031	(1,315,231)
139,867	(6,570,859)	1,826,965		
368,588	131,515	6,505,518	898,211	2,702,744
290,290	5,997,667	503,454		

(44,144)	(8,727)	(73,588)	--	(25,331)	
--	(355,969)	--			
(363,053)	(69,867)	(236,474)	(1,109)	(89,375)	
(538)	(4,546,549)	(52,203)			
1,407,762	877,409	10,497,139	987,105	4,661,727	
314,210	8,567,452	353,271			
92,422	758,431	--	--	--	
--	3,576,022	32,084,636			
-----	-----	-----	-----	-----	
-----	-----	-----			
1,461,575	1,688,761	16,692,595	1,884,207	7,249,765	
603,962	13,238,623	32,889,158			
--	--	--	--	--	
--	--	--			
-----	-----	-----	-----	-----	
-----	-----	-----			
1,461,575	1,688,761	16,692,595	1,884,207	7,249,765	
603,962	13,238,623	32,889,158			
-----	-----	-----	-----	-----	
-----	-----	-----			
1,450,920	1,662,118	14,329,503	2,055,238	5,934,534	
743,829	6,667,764	34,716,123			
-----	-----	-----	-----	-----	
-----	-----	-----			
1,692,397	30,279	2,055,238	--	743,829	
--	34,716,123	--			
-----	-----	-----	-----	-----	
-----	-----	-----			
\$ 3,143,317	\$ 1,692,397	\$ 16,384,741	\$ 2,055,238	\$ 6,678,363	\$
743,829	\$ 41,383,887	\$ 34,716,123			
=====	=====	=====	=====	=====	
=====	=====	=====			

</TABLE>

<TABLE>

<CAPTION>

DECEMBER 31, DECEMBER 31, 2000 1999	DECEMBER 31, DECEMBER 31, 1999 2000	DECEMBER 31, DECEMBER 31, 2000 1999	DECEMBER 31, 1999	DECEMBER 31, 2000
<S>	<C>	<C>	<C>	<C>
<C>	<C>	<C>		
273,246.049	143,977.018	--	--	--
--	887,930.452	814,201.839		
8,334.483	8,261.067	--	--	--
--	73,746.668	77,567.805		
46,872.429	23,273.690	--	--	--
--	91,649.478	69,893.161		
--	--	1,676,051.779	177,389.937	630,647.870
51,103.010	587,293.134	58,594.702		
328,452.961	175,511.775	1,676,051.779	177,389.937	630,647.870
51,103.010	1,640,619.732	1,020,257.507		
\$ 9.564546	\$ 9.633038	\$ --	\$ --	\$ --
--	\$ 31.886738	\$ 35.992433	--	--
9.686158	9.760387	--	--	--
--	31.698318	35.797601		
9.581624	9.660243	--	--	--
--	20.801045	23.503735		
--	--	9.775797	11.585991	10.589687
14.555490	15.029348	16.921777		

17

16 STATEMENTS OF CHANGES IN NET ASSETS

<TABLE>  
<CAPTION>

VAN

KAMPEN

LIT NORTH AMERICAN-AG

ENTERPRISE STOCK INDEX

PORTFOLIO

FUND

-----			FOR THE
FOR THE PERIOD	FOR THE	FOR THE PERIOD	YEAR ENDED
AUG. 2, 1999 TO	YEAR ENDED	DEC. 23, 1999 TO	DECEMBER 31,
DECEMBER 31,	DECEMBER 31,	DECEMBER 31,	2000
1999	2000	1999	-----
-----			
<S>			<C>
<C>	<C>	<C>	
OPERATIONS:			
Net investment income (loss) .....			\$
(9,786) \$	(206) \$	(134,864) \$	8,640
Net realized gain (loss) on investments .....			4,790
28	(47,957)	308	
Capital gains distributions from mutual funds .....			35,137
--	568,246	--	
Net unrealized appreciation (depreciation) of investments			
during the period .....			
(342,022)	18,079	(2,858,308)	500,872
-----			-----
Increase (decrease) in net assets resulting from operations ....			
(311,881)	17,901	(2,472,883)	509,820
-----			-----
PRINCIPAL TRANSACTIONS:			
Contract purchase payments .....			854,546
145,169	742,530	72,004	
Death benefit payments .....			
(20,765)	--	(135,581)	--
Surrenders of accumulation units by termination and withdrawals ..			
(1,372)	--	(2,537,851)	(26,502)
Amounts transferred from (to) the Company's general account .....			1,001,957
30,240	2,409,954	49,265	
Transfers between sub-accounts, net .....			--
--	(494,907)	22,447,525	
-----			-----
Increase (decrease) in net assets resulting from principal			
transactions .....			1,834,366
175,409	(15,855)	22,542,292	
Return of capital to the Company .....			--
--	--	--	
-----			-----



Increase (decrease) in net assets from principal transactions and return of capital to the Company .....				1,834,366
175,409	(15,855)	22,542,292		
-----				
TOTAL INCREASE (DECREASE) IN NET ASSETS .....				1,522,485
193,310	(2,488,738)	23,052,112		
-----				
NET ASSETS:				
Beginning of period .....				193,310
--	23,052,112	--		
-----				
End of period .....				\$ 1,715,795
\$ 193,310	\$ 20,563,374	\$ 23,052,112		
=====				

</TABLE>

<TABLE>

<CAPTION>

				DECEMBER 31,
DECEMBER 31,	DECEMBER 31,	DECEMBER 31,		2000
1999	2000	1999		
-----				
<S>				
<C>	<C>	<C>		<C>
UNITS OUTSTANDING, BY CLASS:				
ElitePlus Bonus Standard benefit unit .....				--
--	923,386.119	948,596.476		
ElitePlus Bonus Enhanced benefit unit .....				--
--	68,981.292	74,328.160		
ElitePlus Bonus Annual Step Up benefit unit .....				--
--	144,594.010	93,705.041		
One Multi-Manager Standard benefit unit .....				168,147.814
15,986.696	--	--		
-----				
Accumulation units at end of period .....				168,147.814
15,986.696	1,136,961.421	1,116,629.677		
-----				

ACCUMULATION VALUE PER UNIT:

ElitePlus Bonus Standard benefit unit .....				\$ --
\$ --	\$ 19.167985	\$ 21.444540		
ElitePlus Bonus Enhanced benefit unit .....				--
--	19.054744	21.328466		

ElitePlus Bonus Annual Step Up benefit unit .....	--	10.716226	12.001403	--
One Multi-Manager Standard benefit unit .....	12.091912	--	--	10.204087

SEE NOTES TO FINANCIAL STATEMENTS.

STATEMENTS OF CHANGES IN NET ASSETS

<TABLE>  
<CAPTION>

NORTH AMERICAN-AG		NORTH AMERICAN-AG		NORTH AMERICAN-AG		NORTH AMERICAN-AG	
AMERICAN-AG		T. ROWE PRICE		NORTH AMERICAN-AG		NORTH AMERICAN-AG	
GROWTH & INCOME		SCIENCE & TECHNOLOGY		INTERNATIONAL EQUITIES		GOVERNMENT	
SECURITIES		SECURITIES		SECURITIES		SECURITIES	
FUND		FUND		FUND		FUND	
FUND		FUND		FUND		FUND	
FOR THE PERIOD		FOR THE PERIOD		FOR THE PERIOD		FOR THE PERIOD	
FOR THE PERIOD		FOR THE PERIOD		FOR THE PERIOD		FOR THE PERIOD	
YEAR ENDED		YEAR ENDED		YEAR ENDED		YEAR ENDED	
DEC. 23, 1999 TO		DEC. 23, 1999 TO		DEC. 23, 1999 TO		DEC. 23, 1999 TO	
DEC. 23, 1999 TO		DEC. 23, 1999 TO		DEC. 23, 1999 TO		DEC. 23, 1999 TO	
DECEMBER 31,		DECEMBER 31,		DECEMBER 31,		DECEMBER 31,	
DECEMBER 31,		DECEMBER 31,		DECEMBER 31,		DECEMBER 31,	
2000		1999		2000		1999	
1999		2000		1999		2000	
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
\$ (207,407)	\$ 4,122	\$ (20,702)	\$ (859)	\$ 875,090			
\$ 74,997	\$ (21)	\$ --					
(177,094)	833	(126,026)	852	33,392			
283	--	--	--				
4,672,089	--	662,247	--	--			
--	3,253	--	--				
(7,632,486)	640,445	(1,773,046)	251,966	1,159,582			

(77,673)	(3,739)	--		
(3,344,898)	645,400	(1,257,527)	251,959	2,068,064
(2,393)	(507)	--		
885,395	75,575	173,796	5,286	835,535
2,010	5,541	--		
(213,286)	--	(32,596)	--	
(195,738)	--	--	--	
(2,882,054)	(65,462)	(753,048)	(16,692)	
(1,955,582)	(278,711)	--	--	
2,037,359	67,060	449,244	9,355	2,857,060
66,130	1,173	--		
(1,133,862)	27,631,770	169,840	6,572,269	
(1,862,057)	18,738,871	20,995	--	
(1,306,448)	27,708,943	7,236	6,570,218	
(320,782)	18,528,300	27,709	--	
--	--	--	--	--
--	--	--	--	--
(1,306,448)	27,708,943	7,236	6,570,218	
(320,782)	18,528,300	27,709	--	
(4,651,346)	28,354,343	(1,250,291)	6,822,177	1,747,282
18,525,907	27,202	--		
28,354,343	--	6,822,177	--	18,525,907
--	--	--	--	--
\$ 23,702,997	\$ 28,354,343	\$ 5,571,886	\$ 6,822,177	\$ 20,273,189
\$ 18,525,907	\$ 27,202	\$ --		

</TABLE>

<TABLE>

<CAPTION>

DECEMBER 31, DECEMBER 31, 2000 1999	DECEMBER 31, DECEMBER 31, 1999 2000	DECEMBER 31, DECEMBER 31, 2000 1999	DECEMBER 31, 1999	DECEMBER 31, 2000
<S>	<C>	<C>	<C>	<C>
<C>	<C>	<C>	<C>	<C>
1,262,261.929	1,317,110.227	399,334.989	405,200.438	1,372,637.911
1,390,590.751	3,332.044	--	--	--
110,403.865	134,452.763	41,163.937	37,660.485	107,604.173
120,781.826	--	--	--	--
191,337.772	188,391.481	27,229.059	23,149.213	120,979.061
116,793.186	--	--	--	--
--	--	--	--	--
--	--	--	--	--
1,564,003.566	1,639,954.471	467,727.985	466,010.136	1,601,221.145
1,628,165.763	3,332.044	--	--	--
--	--	--	--	--
--	--	--	--	--
\$ 15.833526	\$ 18.013764	\$ 12.080144	\$ 14.814118	\$ 12.768713
\$ 11.469704	\$ 8.163949	\$ --	--	--
15.739968	17.916247	12.008717	14.733875	12.693222
11.407577	8.163446	--	--	--
10.343942	11.780478	9.311229	11.430398	11.411287
10.261000	8.162899	--	--	--
--	--	--	--	--
--	--	--	--	--

</TABLE>

19

18

STATEMENTS OF CHANGES IN NET ASSETS

<TABLE>

<CAPTION>

NORTH

AMERICAN-PUTNAM

NORTH AMERICAN-AG

OPPORTUNITIES

MONEY MARKET

FUND

FUND

PERIOD	FOR THE	FOR THE	FOR THE PERIOD	FOR THE
YEAR ENDED	YEAR ENDED	AUG. 2, 1999 TO	PERIOD	NOV. 15, 2000
31,	DECEMBER 31,	DECEMBER 31,	DECEMBER 31,	TO DECEMBER
1999	2000	1999		2000

<S>	<C>	<C>	<C>	<C>
-----	-----	-----	-----	-----

OPERATIONS:

Net investment income (loss)				\$
(6) \$	--	\$ 259,682	\$ 12,863	
Net realized gain (loss) on investments				
--	--	--	--	
Capital gains distributions from mutual funds				
--	--	--	--	
Net unrealized appreciation (depreciation) of investments during the period				
285	--	--	--	
Increase (decrease) in net assets resulting from operations				
279	--	259,682	12,863	

PRINCIPAL TRANSACTIONS:

Contract purchase payments				
--	--	39,042,004	4,341,686	
Death benefit payments				
--	--	(38,883)	--	
Surrenders of accumulation units by termination and withdrawals				
--	--	(1,631,523)	(149,480)	
Amounts transferred from (to) the Company's general account				
4,427	--	(27,418,706)	(3,809,950)	
Transfers between sub-accounts, net				
5,482	--	(10,427,702)	4,919,899	
Increase (decrease) in net assets resulting from principal transactions				
9,909	--	(474,810)	5,302,155	
Return of capital to the Company				

Increase (decrease) in net assets from principal transactions and return of capital to the Company .....			
9,909	--	(474,810)	5,302,155

TOTAL INCREASE (DECREASE) IN NET ASSETS .....			
10,188	--	(215,128)	5,315,018

NET ASSETS:

Beginning of period .....			
--	--	5,315,018	--
End of period .....			\$
10,188	\$	--	\$ 5,099,890
			\$ 5,315,018

</TABLE>

<TABLE>  
<CAPTION>

31,	DECEMBER 31,	DECEMBER 31,	DECEMBER 31,	DECEMBER
1999	2000	1999	2000	2000

<S> <C> <C> <C> <C>

UNITS OUTSTANDING, BY CLASS:

ElitePlus Bonus Standard benefit unit .....			
1,179.330	--	233,714.061	367,474.733
ElitePlus Bonus Enhanced benefit unit .....			
--	--	40,520.290	19,385.078
ElitePlus Bonus Annual Step Up benefit unit .....			
--	--	23,301.628	35,804.348
One Multi-Manager Standard benefit unit .....			
--	--	141,418.484	42,400.138

Accumulation units at end of period .....			
1,179.330	--	438,954.463	465,064.297

ACCUMULATION VALUE PER UNIT:

ElitePlus Bonus Standard benefit unit .....					\$
8.639205	\$	--	\$ 12.181997	\$	11.654338
ElitePlus Bonus Enhanced benefit unit .....					
8.638671		--	12.109992		11.591218
ElitePlus Bonus Annual Step Up benefit unit .....					
8.638091		--	10.987120		10.522117
One Multi-Manager Standard benefit unit .....					
--	--		10.649725		10.162799

</TABLE>

SEE NOTES TO FINANCIAL STATEMENTS.

STATEMENTS OF CHANGES IN NET ASSETS

<TABLE>

<CAPTION>

NORTH AMERICAN- NEUBERGER BERMAN AMERICAN-AG MIDCAP VALUE STRATEGIC BOND FUND		NORTH AMERICAN-AG ONE GROUP INVESTMENT TRUST HIGH YIELD BOND DIVERSIFIED EQUITY FUND		NORTH	
FUND		PORTFOLIO		FUND	
FOR THE PERIOD FOR THE NOV. 15, 2000 YEAR ENDED TO DECEMBER 31, DECEMBER 31, 2000 1999	FOR THE FOR THE YEAR ENDED DECEMBER 31, DECEMBER 31, 1999 2000	FOR THE PERIOD FOR THE PERIOD NOV. 15, 2000 AUG. 2, 1999 TO TO DECEMBER 31, DECEMBER 31, 2000 1999	FOR THE FOR THE YEAR ENDED DECEMBER 31, 1999	FOR THE PERIOD NOV. 15, 2000 TO DECEMBER 31, 2000	
<S> <C>	<C>	<C>	<C>	<C>	<C>
\$ (17)	\$ --	\$ 121	\$ --	\$ --	\$ 32
\$ --	\$ (32,781)	\$ 73,197	--	--	--
1	--	--	--	--	--
--	(3,804)	580	--	--	--
1,403	--	--	--	--	--
--	--	--	--	--	--
1,126	--	(120)	--	--	(18)
--	(474,445)	(29,058)	--	--	--
2,513	--	1	--	--	14

--	(511,030)		44,719		
6,291	--	--	--	--	--
--	2,973,834		366,327		
--	--	--	--	--	--
--	(28,146)		--		--
--	--	--	--	--	--
--	(130,083)		(874)		--
--	--	--	--	--	--
--	6,107,851		498,722		
27,911	--	--	5,935	--	1,031
--	--	--	--	--	--
34,202	--	--	5,935	--	1,031
--	8,923,456		864,175		
34,202	--	--	5,935	--	1,031
--	8,923,456		864,175		
36,715	--	--	5,936	--	1,045
--	8,412,426		908,894		
--	--	--	--	--	--
--	908,894		--		--
\$ 36,715	\$ --	\$ --	\$ 5,936	\$ --	\$ 1,045
\$ --	\$ 9,321,320	\$ --	\$ 908,894	\$ --	\$ --

</TABLE>

<TABLE>

<CAPTION>

DECEMBER 31, DECEMBER 31, 2000 1999	DECEMBER 31, DECEMBER 31, 1999 2000	DECEMBER 31, DECEMBER 31, 2000 1999	DECEMBER 31, 1999	DECEMBER 31, 2000
<S>	<C>	<C>	<C>	<C>



<C>	<C>	<C>			
3,425.270		--	616.964	--	104.162
--		--	--		
--		--	--	--	--
--		--	--	--	--
--		--	--	--	--
--	940,136.295		86,671.205		
-----					
3,425.270		--	616.964	--	140.162
--	940,136.295		86,671.205		
-----					
-----					

\$	10.719129	\$	--	\$	9.622852	\$	--	\$	10.032449
\$	--	\$	--	\$	--				
	10.718467		--		9.622260		--		10.041462
	--		--		--				
	10.717763		--		9.621617		--		10.040794
	--		--		--				
	--		--		--		--		--
	--	9.914861		10.486688					

</TABLE>

21

20 STATEMENTS OF CHANGES IN NET ASSETS

<TABLE>  
<CAPTION>

INVESTMENT TRUST	ONE GROUP INVESTMENT TRUST	ONE GROUP
INDEX	LARGE CAP GROWTH	EQUITY
PORTFOLIO	PORTFOLIO	
-----		
FOR THE PERIOD	FOR THE	FOR THE
AUG. 2, 1999 TO	YEAR ENDED	PERIOD
DECEMBER 31,	DECEMBER 31,	AUG. 2, 1999 TO
1999	2000	DECEMBER 31,
		1999
-----		-----
		FOR THE
		YEAR ENDED
		DECEMBER 31,
		2000
-----		-----

<S> <C>

<C>	<C>	<C>	
OPERATIONS:			
Net investment income (loss) .....			\$ 174
\$ 10,972	\$ (109,669)	\$ 168,797	
Net realized gain (loss) on investments .....			4,187
--	5,587	1,353	
Capital gains distributions from mutual funds .....			28,427
--	110,338	--	
Net unrealized appreciation (depreciation) of investments during the period .....			(459,440)
32,276	(3,724,921)	1,280	
-----			
Increase (decrease) in net assets resulting from operations .....			(426,652)
43,248	(3,718,665)	171,430	
-----			
PRINCIPAL TRANSACTIONS:			
Contract purchase payments .....			2,048,950
222,800	6,042,624	795,847	
Death benefit payments .....			(89,882)
--	(126,061)	--	
Surrenders of accumulation units by termination and withdrawals .....			(55,067)
(112)	(307,074)	(1,108)	
Amounts transferred from (to) the Company's general account ...			2,722,245
460,417	11,786,093	1,003,455	
Transfers between sub-accounts, net .....			--
--	--	--	
-----			
Increase (decrease) in net assets resulting from principal transactions .....			4,626,246
683,105	17,395,582	1,798,194	
Return of capital to the Company .....			--
--	--	--	
-----			
Increase (decrease) in net assets from principal transactions and return of capital to the Company .....			4,626,246
683,105	17,395,582	1,798,194	
-----			
TOTAL INCREASE (DECREASE) IN NET ASSETS .....			4,199,594
726,353	13,676,917	1,969,624	
-----			
NET ASSETS:			
Beginning of period .....			726,353
--	1,969,624	--	
-----			

End of period .....				\$ 4,925,947
\$ 726,353	\$ 15,646,541	\$ 1,969,624		
=====				

<TABLE>  
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DECEMBER 31,	DECEMBER 31,	DECEMBER 31,	DECEMBER 31,
1999	2000	1999	2000

<S> <C> <C> <C> <C>  
UNITS OUTSTANDING, BY CLASS:

ElitePlus Bonus Standard benefit unit .....	--	--	--	--
ElitePlus Bonus Enhanced benefit unit .....	--	--	--	--
ElitePlus Bonus Annual Step Up benefit unit .....	--	--	--	--
One Multi-Manager Standard benefit unit .....	65,763.834	1,728,905.542	165,757.532	498,405.492
Accumulation units at end of period .....	65,763.834	1,728,905.542	165,757.532	498,405.492

ACCUMULATION VALUE PER UNIT:

ElitePlus Bonus Standard benefit unit .....	--	\$	--	\$	--	\$
ElitePlus Bonus Enhanced benefit unit .....	--	--	--	--	--	--
ElitePlus Bonus Annual Step Up benefit unit .....	--	--	--	--	--	--
One Multi-Manager Standard benefit unit .....	11.044862	9.049969	11.882560	9.883413		

SEE NOTES TO FINANCIAL STATEMENTS.

<TABLE>

<CAPTION>

ONE GROUP INVESTMENT TRUST INVESTMENT TRUST MID CAP VALUE DIVERSIFIED MID CAP PORTFOLIO		ONE GROUP INVESTMENT TRUST INVESTMENT TRUST MID CAP GROWTH GOVERNMENT BOND PORTFOLIO		ONE GROUP INVESTMENT TRUST MID CAP GROWTH GOVERNMENT BOND PORTFOLIO	
FOR THE FOR THE PERIOD YEAR ENDED AUG. 2, 1999 TO DECEMBER 31, DECEMBER 31, 2000 1999	FOR THE PERIOD FOR THE AUG. 2, 1999 YEAR ENDED TO DECEMBER 31, DECEMBER 31, 1999 2000	FOR THE FOR THE PERIOD YEAR ENDED AUG. 2, 1999 TO DECEMBER 31, DECEMBER 31, 2000 1999	FOR THE PERIOD FOR THE AUG. 2, 1999 TO DECEMBER 31, DECEMBER 31, 1999	FOR THE FOR THE PERIOD YEAR ENDED AUG. 2, 1999 TO DECEMBER 31, DECEMBER 31, 1999	FOR THE YEAR ENDED DECEMBER 31, 2000
<S> <C>	<C> <C>	<C> <C>	<C> <C>	<C> <C>	<C>
\$ 260	\$ 649	\$ (59,230)	\$ 85,669	\$ (8,004)	
\$ 12,394	\$ 323,573	\$ 12,024			
13,544	(132)	13,936	1,401	9,352	
344	3,411	(142)			
446	--	62,326	--	6,402	
--	--	--	--	--	
1,552,755	38,683	(672,212)	(3,111)	117,614	
2,453	374,493	(15,597)			
1,567,005	39,200	(655,180)	83,959	125,364	
15,191	701,477	(3,715)			
2,649,944	379,424	4,225,690	256,717	729,976	
90,897	2,853,892	436,509			
(26,928)	--	(27,989)	--	(4,362)	
--	(74,442)	--	--	--	
(126,322)	(797)	(131,760)	(376)	(27,048)	
(104)	(139,436)	(2,226)			
5,604,757	473,345	5,314,634	452,125	1,326,622	
93,519	6,620,635	582,245			
--	--	--	--	--	
--	--	--	--	--	

8,101,451	851,972	9,380,575	708,466	2,025,188
184,312	9,260,649	1,016,528		
--	--	--	--	--
--	--	--	--	--
8,101,451	851,972	9,380,575	708,466	2,025,188
184,312	9,260,649	1,016,528		
9,668,456	891,172	8,725,395	792,425	2,150,552
199,503	9,962,126	1,012,813		
891,172	--	792,425	--	199,503
--	1,012,813	--		
\$ 10,559,628	\$ 891,172	\$ 9,517,820	\$ 792,425	\$ 2,350,055
\$ 199,503	\$ 10,974,939	\$ 1,012,813		

</TABLE>

<TABLE>

<CAPTION>

DECEMBER 31, DECEMBER 31, 2000 1999	DECEMBER 31, DECEMBER 31, 1999 2000	DECEMBER 31, DECEMBER 31, 2000 1999	DECEMBER 31, 1999	DECEMBER 31, 2000
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
849,949.827	90,703.969	738,566.675	64,305.328	187,123.623
18,757.630	988,587.196	101,010.476		
849,949.827	90,703.969	738,566.675	64,305.328	187,123.623
18,757.630	988,587.196	101,010.476		



Increase (decrease) in net assets resulting from operations.....				690,712
	(6,012)	(39,824)	17,870	
-----				
PRINCIPAL TRANSACTIONS:				
Contract purchase payments.....				2,569,981
	440,328	1,807,148	227,482	
Death benefit payments.....				(72,682)
	--	(92,669)	--	
Surrenders of accumulation units by termination and withdrawals.....				(156,185)
	(2,171)	(60,673)	(444)	
Amounts transferred from (to) the Company's general account.....				6,601,704
	600,806	3,104,456	387,277	
Transfers between sub-accounts, net.....				--
	--	--	--	
-----				
Increase (decrease) in net assets resulting from principal transactions.....				8,942,818
	1,038,963	4,758,262	614,315	
Return of capital to the Company .....				--
	--	--	--	
-----				
Increase (decrease) in net assets from principal transactions and return of capital to the Company.....				8,942,818
	1,038,963	4,758,262	614,315	
-----				
TOTAL INCREASE (DECREASE) IN NET ASSETS.....				9,633,530
	1,032,951	4,718,438	632,185	
NET ASSETS:				
Beginning of period.....				1,032,951
	--	632,185	--	
-----				
End of period.....				\$ 10,666,481
\$	1,032,951	\$ 5,350,623	\$ 632,185	
=====				

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<TABLE>

<CAPTION>

DECEMBER 31,	DECEMBER 31,	DECEMBER 31,	DECEMBER 31,
1999	2000	1999	2000

			<C>
			<C>
			<C>
UNITS OUTSTANDING, BY CLASS:			
ElitePlus Bonus Standard benefit unit.....			--
--	--	--	
ElitePlus Bonus Enhanced benefit unit.....			--
--	--	--	
ElitePlus Bonus Annual Step Up benefit unit.....			--
--	--	--	
One Multi-Manager Standard benefit unit.....			964,033.435
103,548.700	511,711.056	60,756.200	
			-----
Accumulation units at end of period.....			964,033.435
103,548.700	511,711.056	60,756.200	
			-----
ACCUMULATION VALUE PER UNIT:			
ElitePlus Bonus Standard benefit unit.....			\$ --
\$ --	\$ --	\$ --	
ElitePlus Bonus Enhanced benefit unit.....			--
--	--	--	
ElitePlus Bonus Annual Step Up benefit unit.....			--
--	--	--	
One Multi-Manager Standard benefit unit.....			11.064431
9.975510	10.456338	10.405275	

</TABLE>

SEE NOTES TO FINANCIAL STATEMENTS.

STATEMENTS OF CHANGES IN NET ASSETS

<TABLE>  
<CAPTION>

JANUS ASPEN MANAGED INTERNATIONAL GROWTH PORTFOLIO PORTFOLIO-SERVICE SHARES	OCCAT	MFS VIT	JANUS ASPEN GROWTH CAPITAL OPPORTUNITIES PORTFOLIO-SERVICE SHARES SERIES	FOR THE PERIOD FOR THE YEAR ENDED DECEMBER 31, 2000	FOR THE PERIOD FOR THE YEAR ENDED NOV. 15, 2000	FOR THE PERIOD FOR THE YEAR ENDED NOV. 15, 2000	FOR THE PERIOD FOR THE YEAR ENDED DECEMBER 31, 2000	FOR THE PERIOD FOR THE YEAR ENDED NOV. 15, 2000
-----								
FOR THE PERIOD FOR THE PERIOD FOR THE PERIOD FOR THE PERIOD FOR THE PERIOD								
YEAR ENDED DEC. 23, 1999 TO NOV. 15, 2000 NOV. 15, 2000 YEAR ENDED NOV. 15,								
2000 YEAR ENDED NOV. 15, 2000 YEAR ENDED DECEMBER 31, TO DECEMBER 31, DECEMBER 31, TO DECEMBER								
31, DECEMBER 31, TO DECEMBER 31, DECEMBER 31,								



	2000 1999	1999 2000	2000 1999	1999	2000
<S>	<C>	<C>	<C>	<C>	<C>
	<C>	<C>	<C>		
\$	(1,284)	\$ (11,603)	\$ (34)	\$	--
17	\$ (586,631)	\$ (25)	\$		\$
		927			
--	--	(8)	--	--	--
	2,412,561	--	--	--	--
--	--	--	--	--	--
	400,540	406,465	(305)	--	--
(572)	--	363	--	--	--
	2,225,186	395,789	(339)	--	--
(555)	--	330	--	--	--
	664,167	5,292	5,701	--	--
1,227	--	8,420	--	--	--
	(269,137)	--	--	--	--
--	--	--	--	--	--
	(4,608,090)	(73,230)	--	--	--
--	--	--	--	--	--
	2,005,995	67,071	7,488	--	--
7,945	--	2,925	--	--	--
	(2,086,851)	32,470,258	41,892	--	--
16,297	--	16,133	--	--	--
	(4,293,916)	32,469,391	55,081	--	--
25,469	--	27,478	--	--	--
--	--	--	--	--	--
	(4,293,916)	32,469,391	55,081	--	--
25,469	--	27,478	--	--	--
	(2,068,730)	32,865,180	54,742	--	--
24,914	--	27,808	--	--	--
	32,865,180	--	--	--	--
--	--	--	--	--	--

\$ 30,796,450	\$ 32,865,180	\$ 54,742	\$ --	\$
24,914	--	\$ 27,808	\$ --	

</TABLE>

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DECEMBER 31, December 31, 2000 1999	DECEMBER 31, December 31, 1999 2000	DECEMBER 31, December 31, 2000 1999	DECEMBER 31, 1999	December 31, 2000
1,547,167.155	1,795,074.808	3,868.000	--	
2,614.777	--	2,913.601	--	
132,410.959	153,924.441	--	--	
--	--	--	--	
121,121.033	124,375.734	2,227.725	--	
52.561	--	--	--	
1,800,699.147	2,073,374.983	6,095.725	--	
2,667.338	--	2,913.601	--	

\$ 17.567774	\$ 16.234116	\$ 8.98094	--	\$
9.340737	--	\$ 9.544203	\$ --	
17.463964	16.146220	8.980400	--	
9.340165	--	9.545933	--	
10.764003	9.957164	8.979797	--	
9.339541	--	9.545298	--	

</TABLE>

<TABLE>

<CAPTION>

II FUND-

GLOBAL GROWTH FUND-

CLASS

IB SHARES

CLASS IB SHARES

FOR THE YEAR ENDED DECEMBER 31, 1999		FOR THE PERIOD NOV. 15, 2000 TO DECEMBER 31, 2000		FOR THE YEAR ENDED DECEMBER 31, 1999		FOR THE PERIOD NOV. 15, 2000 TO DECEMBER 31, 2000	
<hr/>							
<S>							
<C>							
OPERATIONS:							
Net investment income (loss)	(37)	\$	--	\$	(4)	\$	--
Net realized gain (loss) on investments	(1)	--	--	--	--	--	--
Capital gains distributions from mutual funds	--	--	--	--	--	--	--
Net unrealized appreciation (depreciation) of investments during the period	(1,297)	--	--	(148)	--	--	--
<hr/>							
Increase (decrease) in net assets resulting from operations	(1,335)	--	--	(152)	--	--	--
<hr/>							
PRINCIPAL TRANSACTIONS:							
Contract purchase payments	--	--	--	--	--	7,986	--
Death benefit payments	--	--	--	--	--	--	--
Surrenders of accumulation units by termination and withdrawals	--	--	--	--	--	--	--
Amounts transferred from (to) the Company's general account	--	--	--	--	--	781	--
Transfers between sub-accounts, net	--	3,033	--	--	--	25,536	--
<hr/>							
Increase (decrease) in net assets resulting from							

principal transactions .....				34,303
--	3,033	--	--	
Return of capital to the Company .....				--
--	--	--	--	
Increase (decrease) in net assets from principal transactions and return of capital to the Company .....				34,303
--	3,033	--	--	
-----				
TOTAL INCREASE (DECREASE) IN NET ASSETS .....				32,968
--	2,881	--	--	
-----				
NET ASSETS:				
Beginning of period .....				--
--	--	--	--	
-----				
End of period .....				\$ 32,968
\$	--	\$ 2,881	\$	--
=====				

</TABLE>

<TABLE>  
<CAPTION>

DECEMBER 31,	DECEMBER 31,	DECEMBER 31,	DECEMBER 31,
1999	2000	1999	2000
-----			
<S>			
<C>			
UNITS OUTSTANDING, BY CLASS:			
ElitePlus Bonus Standard benefit unit .....			3,918.993
--	--	--	
ElitePlus Bonus Enhanced benefit unit .....			--
--	--	--	
ElitePlus Bonus Annual Step Up benefit unit .....			--
--	318.344	--	
One Multi-Manager Standard benefit unit .....			--
--	--	--	
-----			
Accumulation units at end of period .....			3,918.993
--	318.344	--	
-----			
ACCUMULATION VALUE PER UNIT:			
ElitePlus Bonus Standard benefit unit .....			\$ 8.412542
\$	--	\$ 9.053202	\$
--	--	--	--

ElitePlus Bonus Enhanced benefit unit .....		8.412023
--	9.052642	--
ElitePlus Bonus Annual Step Up benefit unit .....		8.411458
--	9.052035	--
One Multi-Manager Standard benefit unit .....		--
--	--	--

SEE NOTES TO FINANCIAL STATEMENTS.

26

STATEMENTS OF CHANGES IN NET ASSETS

25

<TABLE>  
<CAPTION>

STATE STREET			STATE STREET		CREDIT SUISSE	
GLOBAL ADVISORS CREDIT SUISSE			GLOBAL ADVISORS		CREDIT SUISSE	
MONEY MARKET			GROWTH EQUITY		GROWTH AND	
INTERNATIONAL EQUITY			PORTFOLIO		PORTFOLIO	
PORTFOLIO			PORTFOLIO		PORTFOLIO	
PORTFOLIO			PORTFOLIO		PORTFOLIO	
-----	-----	-----	-----	-----	-----	-----
FOR THE	FOR THE	FOR THE	FOR THE	FOR THE	FOR THE	FOR
THE	THE	THE	THE	THE	THE	YEAR
YEAR ENDED	YEAR ENDED	YEAR ENDED	YEAR ENDED	YEAR ENDED	YEAR ENDED	ENDED
ENDED	ENDED	ENDED	ENDED	ENDED	ENDED	YEAR
DECEMBER 31,	DECEMBER 31,	DECEMBER 31,	DECEMBER 31,	DECEMBER 31,	DECEMBER 31,	
DECEMBER 31,	DECEMBER 31,	DECEMBER 31,	DECEMBER 31,	DECEMBER 31,	DECEMBER 31,	
2000	1999	2000	1999	2000	2000	
1999	2000	1999				
-----	-----	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>	<C>
<C>	<C>	<C>	<C>	<C>	<C>	<C>
\$	\$	\$	\$	\$	\$	\$
87,992	177,460	33,511	--	(161,132)	--	--
--	--	--	--	4,438,936	--	--
3,398,132	--	1,264,725	--	207,995	--	--
73,271	--	--	--	(2,520,628)	--	--
--	--	--	--	--	--	--
(1,413,027)	--	181,673	--	--	--	--
-----	-----	-----	-----	-----	-----	-----
-----	-----	-----	-----	-----	-----	-----
--	177,460	--	--	1,965,171	--	--
2,146,368	--	1,479,909	--	--	--	--

325,057	15,250,331	14,173	775,588	13,809
999,212	7,415	274,873		
--	(63,009)	--	(104,277)	--
(227,683)	--	(39,388)		
7	(236,931)	275	(1,687,107)	(601)
(2,167,622)	(387)	(431,213)		
(1,846)	(1,912,588)	10,230	9,202,326	11,644
11,898,354	2,370	2,343,820		
(323,218)	(22,345,883)	(24,678)	(21,217,544)	(24,852)
(25,629,269)	(9,398)	(6,647,661)		
--	(9,308,080)	--	(13,031,014)	--
(15,127,008)	--	(4,499,569)		
--	(123,066)	--	(4,435,840)	--
(3,732,483)	--	(2,976,299)		
--	(9,431,146)	--	(17,466,854)	--
(18,859,491)	--	(7,475,868)		
--	(9,253,686)	--	(15,501,683)	--
(16,713,123)	--	(5,995,959)		
--	9,253,686	--	15,501,683	--
16,713,123	--	5,995,959		
\$ --	\$ --	\$ --	\$ --	\$ --
-- \$	-- \$	--		

</TABLE>

<TABLE>

<CAPTION>

DECEMBER 31, DECEMBER 31, 2000 1999	DECEMBER 31, DECEMBER 31, 1999 2000	DECEMBER 31, DECEMBER 31, 2000 1999	DECEMBER 31, 1999	DECEMBER 31, 2000	
<S>	<C>	<C>	<C>	<C>	<C>
<C>	<C>				

--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
-----	-----	-----	-----	-----	-----	-----	-----
-----	-----	-----	-----	-----	-----	-----	-----
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
-----	-----	-----	-----	-----	-----	-----	-----
-----	-----	-----	-----	-----	-----	-----	-----

\$	--	\$	--	\$	--	\$	--	\$	--	\$
--	\$	--	\$	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--	--	--	--

</TABLE>

26 STATEMENTS OF CHANGES IN NET ASSETS

<TABLE>  
<CAPTION>

AMERICAN GENERAL			VAN
KAMPEN		U.S. GOVERNMENT	
EMERGING GROWTH	SECURITIES		
PORTFOLIO	PORTFOLIO		
-----	-----	-----	
FOR THE	FOR THE	FOR THE	FOR THE
YEAR ENDED	YEAR ENDED	YEAR ENDED	YEAR ENDED
.....	.....	.....	.....
DECEMBER 31,	DECEMBER 31,	DECEMBER 31,	DECEMBER 31,
.....	.....	.....	.....
1999	2000	1999	2000
-----	-----	-----	-----

<S>	<C>	<C>	<C>	<C>
OPERATIONS:				
Net investment income (loss) .....	\$	--	\$	377,640
\$ (262,308)	\$	--	\$	377,640
Net realized gain (loss) on investments .....		--		(410,976)
17,471,124		--		(410,976)
Capital gains distributions from mutual funds .....		--		4,086
--		--		4,086
Net unrealized appreciation (depreciation) of investments during the period .....		--		(36,492)
(3,066,379)		--		(36,492)
-----				
Increase (decrease) in net assets resulting from operations ....		--		(65,742)
14,142,437		--		(65,742)
-----				
PRINCIPAL TRANSACTIONS:				
Contract purchase payments .....				35,796
873,517		2,156		139,738
Death benefit payments .....		--		(144,534)
(163,136)		--		(144,534)
Surrenders of accumulation units by termination and withdrawals ..				524
(1,512,915)		(178)		(1,496,390)
Amounts transferred from (to) the Company's general account .....				5,546
6,253,696		23		14,251,042
Transfers between sub-accounts, net .....				(18,924,903)
(41,866)		(29,394,754)		(2,001)
-----				
Increase (decrease) in net assets resulting from principal transactions .....		--		(6,175,047)
(23,943,592)		--		(6,175,047)
Return of capital to the Company .....		--		(2,438,402)
(1,800,228)		--		(2,438,402)
-----				
Increase (decrease) in net assets from principal transactions and return of capital to the Company .....		--		(8,613,449)
(25,743,820)		--		(8,613,449)
-----				
TOTAL INCREASE (DECREASE) IN NET ASSETS .....		--		(8,679,191)
(11,601,383)		--		(8,679,191)
NET ASSETS:				
Beginning of period .....		--		8,679,191
11,601,383		--		8,679,191



End of period .....				\$	--
\$	--	\$	--	\$	--

<TABLE>  
<CAPTION>

				DECEMBER 31,
DECEMBER 31,	DECEMBER 31,	DECEMBER 31,		2000
1999	2000	1999		

<S> <C> <C> <C> <C>

UNITS OUTSTANDING, BY CLASS:

ElitePlus Bonus Standard benefit unit .....	--	--	--	--
ElitePlus Bonus Enhanced benefit unit .....	--	--	--	--
ElitePlus Bonus Annual Step Up benefit unit .....	--	--	--	--
One Multi-Manager Standard benefit unit .....	--	--	--	--
Accumulation units at end of period .....	--	--	--	--

ACCUMULATION VALUE PER UNIT:

ElitePlus Bonus Standard benefit unit .....	\$	--	--	--
ElitePlus Bonus Enhanced benefit unit .....	--	--	--	--
ElitePlus Bonus Annual Step Up benefit unit .....	--	--	--	--
One Multi-Manager Standard benefit unit .....	--	--	--	--

</TABLE>

SEE NOTES TO FINANCIAL STATEMENTS

<TABLE>  
<CAPTION>

ELITEVALUE  
PORTFOLIO

FOR THE YEAR ENDED DECEMBER 31, 2000	FOR THE YEAR ENDED DECEMBER 31, 1999
<S>	<C>
\$ --	\$ (107,418)
--	1,534,081
--	23,975
--	(810,829)
--	639,809
13,644	1,068,366
--	(556,020)
(336)	(2,559,305)
(10,094)	15,332,287
(3,214)	(32,845,354)
--	(19,560,026)
--	(1,699,710)
--	(21,259,736)
--	(20,619,927)
--	20,619,927
\$ --	\$ --

</TABLE>

<TABLE>  
<CAPTION>

DECEMBER 31, 2000      DECEMBER 31, 1999

<S>                      <C>  
--                              --

--	--
--	--
--	--
-----	-----
--	--
-----	-----
\$	\$
--	--
--	--
--	--

</TABLE>

NOTE A -- ORGANIZATION

A.G. Separate Account A (the "Separate Account") was established by American General Annuity Insurance Company (the "Company") to fund variable annuity insurance contracts issued by the Company. The Company is an indirect wholly-owned subsidiary of American General Corporation ("AGC"). The Separate Account is registered with the Securities and Exchange Commission as a unit investment trust pursuant to the provisions of the Investment Company Act of 1940, as amended.

The assets of the Separate Account are segregated from the Company's other assets. The operations of the Separate Account are part of the Company.

The Separate Account is divided into 38 sub-accounts. Seven of the sub-accounts invest in one portfolio of North American Funds Variable Product Series I ("NAF VPS I"), formerly known as American General Series Portfolio Company, and three of the sub-accounts invest in one portfolio of North American Funds Variable Product Series II ("NAF VPS II"), formerly known as American General Series Portfolio Company 3. American General Advisers, a division of The Variable Annuity Life Insurance Company ("VALIC"), serves as investment adviser for both series. VALIC, which serves as transfer agent and accounting agent of NAF VPS I and NAF VPS II, is an indirect wholly owned subsidiary of AGC. American General Investment Management, L.P., an affiliate of the investment adviser, serves as investment sub-adviser to certain NAF VPS II mutual funds. The remaining mutual funds are managed by third-party portfolio managers. As of December 31, 2000, the mutual funds available to contract owners through the various sub-accounts are as follows:

<TABLE>

<S>	<C>
Oppenheimer Variable Account Funds	North American
Funds Variable Product Series II	
Oppenheimer Main Street Growth & Income Fund/VA	North

American -- Neuberger Berman MidCap Value Fund Oppenheimer Capital Appreciation Fund/VA	North
American -- AG High Yield Bond Fund Oppenheimer Small Cap Growth Fund/VA	North
American -- AG Strategic Bond Fund Oppenheimer High Income Fund/VA	
	One Group
Investment Trust Templeton Variable Products Series Fund	One Group
Investment Trust Diversified Equity Portfolio Templeton Developing Markets Securities Fund -- Class 2(1)	One Group
Investment Trust Equity Index Portfolio Templeton International Securities Fund -- Class 2(2)	One Group
Investment Trust Large Cap Growth Portfolio Franklin Small Cap Fund -- Class 2(3)	One Group
Investment Trust Mid Cap Value Portfolio	One Group
Investment Trust Mid Cap Growth Portfolio AIM Variable Insurance Funds, Inc. ("AIM V.I.")	One Group
Investment Trust Diversified Mid Cap Portfolio AIM V.I. Capital Appreciation Fund	One Group
Investment Trust Government Bond Portfolio AIM V.I. Diversified Income Fund	One Group
Investment Trust Bond Portfolio AIM V.I. Value Fund	One Group
Investment Trust Balanced Portfolio AIM V.I. International Equity Fund	
	OCC
Accumulation Trust ("OCCAT") Van Kampen Life Investment Trust ("Van Kampen LIT") Managed Portfolio	OCCAT
Van Kampen LIT Emerging Growth Portfolio Van Kampen LIT Enterprise Portfolio	Janus Aspen
Series Service Shares	Janus Aspen
Growth Portfolio -- Service Shares	Janus Aspen
International Growth Portfolio -- Service Shares North American Funds Variable Product Series I	
North American -- AG Stock Index Fund(4) North American -- AG Growth & Income Fund(5)	MFS Variable
Insurance Trust ("MFS VIT") North American -- AG International Equities Fund(6)	MFS VIT
Capital Opportunities Series North American -- AG Government Securities Fund(7) North American -- T. Rowe Price Science & Technology Fund	Putnam
Variable Trust ("Putnam VT") North American -- Putnam Opportunities Fund	Putnam VT
Voyager Fund II -- Class IB Shares North American -- AG Money Market Fund(8)	Putnam VT
Global Growth Fund -- Class IB Shares	

In addition to the 38 sub-accounts above, a contract owner may allocate contract funds to a fixed account, which is part of the Company's general account. Contract owners should refer to the ElitePlus Bonus Variable Annuity prospectus, ElitePlus Value Variable Annuity prospectus, and The One Multi-Manager Annuity Variable Annuity prospectus for a complete description of the available mutual funds and fixed account.

Net premiums from the contracts are allocated to the sub-accounts and invested in the funds in accordance with contract owner instructions and are recorded as principal transactions in the statement of changes in net assets.

- 
- (1) formerly known as Templeton Developing Markets Fund -- Class 2
  - (2) formerly known as Templeton International Fund -- Class 2
  - (3) formerly known as Franklin Small Cap Investments Fund -- Class 2
  - (4) formerly known as AGSPC Stock Index Fund
  - (5) formerly known as AGSPC Growth and Income Fund
  - (6) formerly known as AGSPC International Equities Fund
  - (7) formerly known as AGSPC Government Securities Fund
  - (8) formerly known as AGSPC Money Market Fund

NEW PRODUCTS. On August 2, 1999, The One Multi-Manager Annuity product was first offered in the Separate Account. The One Multi-Manager Annuity product consists of 17 sub-accounts. The sub-accounts include the Oppenheimer High Income Fund/VA, Templeton Developing Markets Fund -- Class 2, Franklin Small Cap Fund -- Class 2, AIM V.I. Value Fund, AIM V.I. International Equity Fund, Van Kampen LIT Emerging Growth Portfolio, Van Kampen LIT Enterprise Portfolio, North American -- AG Money Market Fund, One Group Investment Trust Diversified Equity Portfolio, One Group Investment Trust Equity Index Portfolio, One Group Investment Trust Large Cap Growth Portfolio, One Group Investment Trust Mid Cap Value Portfolio, One Group Investment Trust Mid Cap Growth Portfolio, One Group Investment Trust Diversified Mid Cap Portfolio, One Group Investment Trust Government Bond Portfolio, One Group Investment Trust Bond Portfolio and One Group Investment Trust Balanced Portfolio.

On August 1, 2000, the ElitePlus Value product was first offered in the Separate Account; however, there were no purchases of ElitePlus Value contracts during the period ended December 31, 2000. The ElitePlus Value product consists of 15 sub-accounts. The sub-accounts include Oppenheimer Capital Appreciation

Fund/VA, Oppenheimer Main Street Growth & Income Fund/VA, Oppenheimer Small Cap Growth Fund/VA, Oppenheimer High Income Fund/VA, Templeton Developing Markets Securities Fund -- Class 2, Templeton International Securities Fund -- Class 2, AIM V.I. Capital Appreciation Fund, AIM V.I. Diversified Income Fund, Van Kampen LIT Emerging Growth Portfolio, North American -- AG Stock Index Fund, North American -- AG Growth & Income Fund, North American -- AG International Equities Fund, North American -- AG Government Securities Fund, North American -- AG Money Market Fund and OCCAT Managed Portfolio.

SUBSTITUTION. Effective December 23, 1999, the A.G. Series Trust which was a part of the Separate Account was substituted for other third party funds. The substitution occurred as follows:

<TABLE>  
<CAPTION>

REPLACED FUNDS SUBSTITUTE FUNDS ----- -----	NET ASSETS AT TIME OF SUBSTITUTION -----
<S>	<C>
<C>	
State Street Global Advisors Money Market Portfolio	\$ 5,061,161
North American -- AG Money Market Fund	
State Street Global Advisors Growth Equity Portfolio	22,469,923
North American -- AG Stock Index Fund	
Credit Suisse Growth and Income Portfolio	27,534,536
North American -- AG Growth & Income Fund	
Credit Suisse International Equity Portfolio	6,597,599
North American -- AG International Equities Fund	
Van Kampen Emerging Growth Portfolio	31,935,070
Van Kampen LIT Emerging Growth Portfolio	
American General U.S. Government Securities Portfolio	18,862,632
North American -- AG Government Securities Fund	
EliteValue Portfolio	32,948,620
OCCAT Managed Portfolio	

The substitutions are expected to result in enhanced administrative efficiency and improved investment choices for the participants. The substitution took place at relative net assets value as shown in the table above, with no change in the amount of any contract owner's contract value, cash value, death benefit or in the dollar value investment in the Separate Account. All expenses incurred in connection with the substitutions were paid by the Company.

SEED MONEY DISTRIBUTION. Total capital ("seed money") distributed back to the Company on December 23, 1999 was \$17,206,028, which was comprised of the original contribution, dividends and realized gains of \$9,600,000, \$2,377,477 and \$5,228,551, respectively.

NOTE B -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Separate Account have been prepared on the basis of accounting principles generally accepted in the United States ("GAAP"). The accounting principles followed by the Separate Account and the methods of applying those principles are presented below or in the footnotes which follow.

USE OF ESTIMATES. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of income and expenses during the period. Actual results could differ from those estimates.

INVESTMENT VALUATION. Investments in mutual funds (the "Funds") are valued at the net asset (market) value per share at the close of each business day as reported by the Funds.

INVESTMENT TRANSACTIONS AND RELATED INVESTMENT INCOME. Investment transactions are accounted for on the trade date. Dividend income and distributions of capital gains are recorded on the ex-dividend date and reinvested upon receipt. Realized gains and losses from investment transactions are reported on the basis of first-in, first-out for financial reporting and federal income tax purposes.

ANNUITY RESERVES. At December 31, 2000, the Separate Account did not have contracts in the annuity pay-out phase; therefore, no future policy benefit reserves were required.

31

30

NOTES TO FINANCIAL STATEMENTS

NOTE C -- TRANSACTIONS WITH AFFILIATES

Deductions for the administrative expenses and mortality and expense risks assumed by the Company are calculated daily, at an annual rate, on the average daily net asset value of the underlying Funds comprising the sub-accounts attributable to the contract owners and are paid to the Company. The annual rate for administrative expenses is 0.15% and the annual rate for the mortality and expense risks is 1.25% for the ElitePlus Bonus product, 0.15% and 0.70% for the ElitePlus Value product, and 0.15% and 1.00% for The One Multi-Manager Annuity product, respectively. The ElitePlus Bonus product also has optional death benefit charges of 0.05% and 0.10% for the optional Enhanced Death Benefit and the optional Annual Step Up Death Benefit, respectively. For the year ended December 31, 2000, deductions for the administrative expenses were \$20,435 and mortality and expense risk charges were \$3,434,067.

An annual maintenance charge of \$30 per contract is assessed by the Company on the contract anniversary during the accumulation period for the maintenance of the ElitePlus Bonus product and ElitePlus Value product contracts. The maintenance charges are not an expense of the Separate Account but rather are paid by redemption of units outstanding and are not assessed if the contract

value on the contract anniversary equals or exceeds \$40,000 for the ElitePlus Bonus product and \$25,000 for the ElitePlus Value product. Maintenance charges totaled \$58,739 for the year ended December 31, 2000.

A contingent deferred sales charge is applicable to certain contract withdrawals pursuant to the contract and is payable to the Company. For the year ended December 31, 2000, deferred sales charges totaled \$521,280 and are included as a component of surrenders of accumulation units by terminations and withdrawals on the statement of changes in net assets.

NOTE D -- INVESTMENTS

The cost of fund shares is the same for financial reporting and federal income tax purposes. The following is a summary of fund shares owned as of December 31, 2000:

<TABLE>  
<CAPTION>

MARKET		UNREALIZED		SHARES
UNDERLYING FUND	PRICE	COST	APPRECIATION (DEPRECIATION)	
Oppenheimer Main Street Growth & Income Fund/VA .....	\$21.26	\$15,579,778	\$16,884,440 \$(1,304,662)	732,821.168
Oppenheimer Capital Appreciation Fund/VA .....	46.63	10,747,541	10,672,986 74,555	230,485.552
Oppenheimer Small Cap Growth Fund/VA .....	11.09	3,920,599	4,319,289 (398,690)	353,525.650
Oppenheimer High Income Fund/VA .....	9.27	7,205,177	7,683,927 (478,750)	777,257.576
Templeton Developing Markets Securities Fund -- Class 2 .....	5.22	1,994,441	2,227,020 (232,579)	382,076.872
Templeton International Securities Fund -- Class 2 .....	18.67	2,816,957	2,937,797 (120,840)	150,881.487
Franklin Small Cap Fund -- Class 2 .....	21.14	3,234,325	3,834,386 (600,061)	152,995.726
AIM V.I. Capital Appreciation Fund .....	30.84	9,014,420	9,765,759 (751,339)	292,295.294
AIM V.I. Diversified Income Fund .....	9.48	3,143,317	3,390,427 (247,110)	331,573.578
AIM V.I. Value Fund .....	27.31	16,384,741	19,207,193 (2,822,452)	599,953.926
AIM V.I. International Equity Fund .....	20.12	6,678,363	8,266,205 (1,587,842)	331,926.619
Van Kampen LIT Emerging Growth Portfolio .....	41.44	41,383,887	46,559,235 (5,175,348)	998,645.966



Van Kampen LIT Enterprise Portfolio .....				84,605.303
20.28	1,715,795	2,039,738	(323,943)	
North American -- AG Stock Index Fund .....				529,983.876
38.80	20,563,374	22,920,886	(2,357,512)	
North American -- AG Growth & Income Fund .....				1,528,239.676
15.51	23,702,997	30,695,110	(6,992,113)	
North American -- AG International Equities Fund .....				562,816.792
9.90	5,571,886	7,093,054	(1,521,168)	
North American -- AG Government Securities Fund .....				2,001,301.983
10.13	20,273,189	19,191,286	1,081,903	
North American -- T. Rowe Price Science & Technology Fund ...				1,204.719
22.58	27,202	30,940	(3,738)	
North American -- Putnam Opportunities Fund .....				1,288.051
7.91	10,188	9,903	285	
North American -- AG Money Market Fund .....				5,099,890.000
1.00	5,099,890	5,099,890	--	
North American -- Neuberger Berman MidCap Value Fund .....				2,624.435
13.99	36,715	35,589	1,126	
North American -- AG High Yield Bond Fund .....				730.254
8.13	5,936	6,056	(120)	
North American -- AG Strategic Bond Fund .....				112.471
9.30	1,045	1,063	(18)	
One Group Investment Trust Diversified Equity Portfolio .....				556,829.186
16.74	9,321,320	9,824,822	(503,502)	
One Group Investment Trust Equity Index Portfolio .....				431,343.900
11.42	4,925,947	5,353,111	(427,164)	
One Group Investment Trust Large Cap Growth Portfolio .....				779,598.481
20.07	15,646,541	19,370,181	(3,723,640)	

</TABLE>

32

NOTES TO FINANCIAL STATEMENTS

31

NOTE D -- INVESTMENTS (CONTINUED)

<TABLE>

<CAPTION>

MARKET		UNREALIZED		SHARES
UNDERLYING FUND		APPRECIATION		
PRICE	MARKET	COST	(DEPRECIATION)	
-----	-----	-----	-----	-----
<S>				<C>
<C>	<C>	<C>	<C>	
One Group Investment Trust Mid Cap Value Portfolio .....				802,403.413
\$13.16	\$ 10,559,628	\$ 8,968,190	\$ 1,591,438	
One Group Investment Trust Mid Cap Growth Portfolio .....				448,319.365
21.23	9,517,820	10,193,142	(675,322)	
One Group Investment Trust Diversified Mid Cap Portfolio .....				131,803.437

17.83	2,350,055	2,229,989	120,066	
One Group Investment Trust Government Bond Portfolio .....				1,045,232.292
10.50	10,974,939	10,616,043	358,896	
One Group Investment Trust Bond Portfolio .....				1,010,083.450
10.56	10,666,481	10,300,433	366,048	
One Group Investment Trust Balanced Portfolio .....				345,647.530
15.48	5,350,623	5,448,666	(98,043)	
OCCAT Managed Portfolio .....				712,880.795
43.20	30,796,450	29,989,465	806,985	
Janus Aspen Growth Portfolio -- Service Shares .....				2,076.740
26.36	54,742	55,047	(305)	
Janus Aspen International Growth Portfolio -- Service Shares ...				813.150
30.64	24,914	25,485	(571)	
MFS VIT Capital Opportunities Series .....				1,443.851
19.26	27,808	27,442	366	
Putman VT Voyager Fund II -- Class IB Shares .....				4,591.741
7.18	32,968	34,265	(1,297)	
Putnam VT Global Growth Fund -- Class IB Shares .....				159.915
18.02	2,881	3,028	(147)	
-----				
Total .....	\$309,364,880	\$335,311,488	\$(25,946,608)	
=====				

</TABLE>

NOTE E -- FEDERAL INCOME TAXES

The Company is taxed as a life insurance company under the Internal Revenue Code and includes the operations of the Separate Account in determining its federal income tax liability. Under current federal income tax law, the investment income and capital gains from sales of investments realized by the Separate Account are not taxable. Therefore, no federal income tax provision has been made.

NOTE F -- SECURITY PURCHASES AND SALES

For the year ended December 31, 2000, the aggregate cost of purchases and proceeds from sales of investments were:

<TABLE>

<CAPTION>

UNDERLYING FUND SALES	PURCHASES
-----	-----
<S>	<C>
<C>	
Oppenheimer Main Street Growth & Income Fund/VA .....	\$10,089,127
\$ 1,134,964	
Oppenheimer Capital Appreciation Fund/VA .....	6,860,302

881,829	
Oppenheimer Small Cap Growth Fund/VA .....	3,238,189
298,072	
Oppenheimer High Income Fund/VA .....	5,988,232
447,585	
Templeton Developing Markets Securities Fund -- Class 2 ....	4,691,544
2,971,287	
Templeton International Securities Fund -- Class 2 .....	2,198,343
385,210	
Franklin Small Cap Fund -- Class 2 .....	3,687,290
40,073	
AIM V.I. Capital Appreciation Fund .....	6,359,230
751,502	
AIM V.I. Diversified Income Fund .....	2,037,866
413,137	
AIM V.I. Value Fund .....	17,424,609
128,603	
AIM V.I. International Equity Fund .....	7,660,716
21,184	
Van Kampen LIT Emerging Growth Portfolio .....	21,574,879
8,851,956	
Van Kampen LIT Enterprise Portfolio .....	1,892,532
32,815	
North American -- AG Stock Index Fund .....	3,905,092
3,487,565	
North American -- AG Growth & Income Fund .....	7,927,828
4,769,594	
North American -- AG International Equities Fund .....	3,178,547
2,529,765	
North American -- AG Government Securities Fund .....	4,993,735
4,439,428	
</TABLE>	

33

32

NOTES TO FINANCIAL STATEMENTS

NOTE F - SECURITY PURCHASES AND SALES (CONTINUED)

<TABLE>

<CAPTION>

UNDERLYING FUND	PURCHASES
SALES	
-----	
-----	
<S>	<C>
<C>	
North American - T. Rowe Price Science & Technology Fund .....	\$
30,943        \$                    3	
North American - Putnam Opportunities Fund .....	
9,909                            6	
North American - AG Money Market Fund .....	

32,729,728	32,944,854
North American - Neuberger Berman MidCap Value Fund .....	
35,629	41
North American - AG High Yield Bond Fund .....	
6,062	5
North American - AG Strategic Bond Fund .....	
1,065	2
One Group Investment Trust Diversified Equity Portfolio .....	
8,999,410	108,736
One Group Investment Trust Equity Index Portfolio .....	
4,931,590	276,742
One Group Investment Trust Large Cap Growth Portfolio .....	
17,519,713	123,463
One Group Investment Trust Mid Cap Value Portfolio .....	
8,189,984	87,828
One Group Investment Trust Mid Cap Growth Portfolio .....	
9,462,206	78,536
One Group Investment Trust Diversified Mid Cap Portfolio .....	
2,080,915	57,329
One Group Investment Trust Government Bond Portfolio .....	
9,738,148	153,926
One Group Investment Trust Bond Portfolio .....	
9,314,914	65,545
One Group Investment Trust Balanced Portfolio .....	
4,925,893	108,527
OCCAT Managed Portfolio .....	
4,496,507	6,379,146
Janus Aspen Growth Portfolio - Service Shares .....	
55,060	13
Janus Aspen International Growth Portfolio - Service Shares .....	
25,490	5
MFS VIT Capital Opportunities Series .....	
27,603	153
Putman VT Voyager Fund II- Class IB Shares .....	
34,273	7
Putnam VT Global Growth Fund- Class IB Shares .....	
3,032	4
-----	-----
TOTAL .....	
\$226,326,135	\$ 71,969,440
=====	=====

</TABLE>

34

33

[INTENTIONALLY LEFT BLANK]

35

34

NOTES TO FINANCIAL STATEMENTS

NOTE G - NET INCREASE (DECREASE) IN ACCUMULATION UNITS

The Company offers contract owners ElitePlus Bonus Standard, ElitePlus Bonus Enhanced, ElitePlus Bonus Annual Step Up and One Multi-Manager Annuity standard contracts, which differ in the calculation of death benefits and related charges. The increase (decrease) in accumulation units for the periods ended December 31, 2000 and 1999 are as follows:

<TABLE>  
<CAPTION>

		OPPENHEIMER MAIN	
		OPPENHEIMER	GROWTH &
STREET		CAPITAL APPRECIATION	FUND/VA
INCOME		FUND/VA	
-----			
			2000
1999	2000	1999	
-----			
<S>			<C>
	<C>	<C>	<C>
ElitePlus Bonus Standard benefit units:			
Outstanding at beginning of period .....			562,531.880
6,629.025	318,641.590	1,662.071	
Increase for payments received .....			77,308.023
63,900.930	41,046.060	33,516.450	
Decrease for surrendered contracts .....			(86,139.499)
(6,952.990)	(43,043.277)	(6,619.800)	
Decrease for death claims .....			(11,527.735)
(1,970.630)	(1,510.917)	--	
Change for net inter-portfolio exchanges* .....			602,968.425
500,925.545	312,870.287	290,082.869	
-----			
Outstanding at end of period .....			1,145,141.094
562,531.880	628,003.743	318,641.590	
=====			
ElitePlus Bonus Enhanced benefit units:			
Outstanding at beginning of period .....			30,779.703
792.916	22,670.387	--	
Increase for payments received .....			968.627
3,389.080	120.253	32.280	
Decrease for surrendered contracts .....			(8,392.656)
(3,508.420)	(2,513.361)	(1,656.710)	
Decrease for death claims .....			(90.005)
--	--	--	
Change for net inter-portfolio exchanges* .....			26,425.960

30,106.127	12,943.453	24,294.817	
-----	-----	-----	-----
Outstanding at end of period .....			49,691.629
30,779.703	33,220.732	22,670.387	
=====	=====	=====	=====
ElitePlus Bonus Annual Step Up benefit units:			
Outstanding at beginning of period .....			97,957.267
--	38,283.382	218.755	
Increase for payments received .....			8,317.404
3,875.910	3,399.220	2,066.600	
Decrease for surrendered contracts .....			(8,619.028)
(1,594.070)	(4,630.387)	(354.380)	
Decrease for death claims .....			(1,333.659)
--	--	--	
Change for net inter-portfolio exchanges* .....			98,131.187
95,675.427	41,991.273	36,352.407	
-----	-----	-----	-----
Outstanding at end of period .....			194,453.171
97,957.267	79,043.488	38,283.382	
=====	=====	=====	=====
One Multi-Manager Standard benefit units:			
Outstanding at beginning of period .....			--
--	--	--	
Increase for payments received .....			--
--	--	--	
Decrease for surrendered contracts .....			--
--	--	--	
Decrease for death claims .....			--
--	--	--	
Change for net inter-portfolio exchanges* .....			--
--	--	--	
-----	-----	-----	-----
Outstanding at end of period .....			--
--	--	--	
=====	=====	=====	=====

</TABLE>

\* Includes transfers from (to) the Company's general account.

<TABLE>  
<CAPTION>

OPPENHEIMER  
TEMPLETON  
SMALL CAP GROWTH  
DEVELOPING MARKETS SECURITIES  
FUND/VA  
FUND-CLASS 2

OPPENHEIMER  
HIGH INCOME  
FUND/VA

2000 2000	1999 1999	2000	1999
<S>	<C>	<C>	<C>
<C>	<C>		
94,772.287	2,972.732	125,894.163	1,791.585
46,149.782	--		
16,557.324	4,486.930	19,219.830	13,881.690
4,292.507	5,332.650		
(12,608.371)	(582.860)	(20,445.374)	(3,237.360)
(8,952.882)	(595.640)		
(6,914.733)	(880.080)	(3,224.962)	--
--	(973.570)		
152,515.327	88,775.565	81,873.090	113,458.248
45,328.851	42,386.342		
244,321.834	94,772.287	203,316.747	125,894.163
86,818.258	46,149.782		
9,065.761	4.463	12,015.075	22.316
905.798	--		
0.081	--	148.461	54.250
--	--		
(848.685)	(0.410)	(2,007.478)	(1,645.150)
(6.253)	(0.420)		
--	--	--	--
--	--		
1,490.524	9,061.708	3,184.764	13,583.659
1,508.918	906.218		
9,707.681	9,065.761	13,340.822	12,015.075
2,408.463	905.798		

14,851.701	--	33,529.480	--
5,121.446	--		
2,587.675	217.150	208.726	2.750
1,694.756	--		
(1,295.509)	(498.210)	(3,638.670)	(295.080)
(516.139)	(33.520)		
--	--	--	--
--	--		
37,827.653	15,132.761	27,413.875	33,821.810
24,958.498	5,154.966		
-----	-----	-----	-----
-----	-----		
53,971.520	14,851.701	57,513.411	33,529.480
31,258.561	5,121.446		
=====	=====	=====	=====
=====	=====		
--	--	44,465.113	--
6,718.780	--		
--	--	132,666.629	20,865.919
46,005.596	3,311.406		
--	--	(7,499.770)	(48.351)
(600.712)	--		
--	--	(2,580.750)	--
(52.421)	--		
--	--	311,058.238	23,647.545
54,456.308	3,407.374		
-----	-----	-----	-----
-----	-----		
--	--	478,109.460	44,465.113
106,527.551	6,718.780		
=====	=====	=====	=====
=====	=====		

</TABLE>

37

36

NOTES TO FINANCIAL STATEMENTS

NOTE G - NET INCREASE (DECREASE) IN ACCUMULATION UNITS (CONTINUED)

<TABLE>

<CAPTION>

		TEMPLETON
	FRANKLIN	
		INTERNATIONAL
SECURITIES	SMALL CAP	
		FUND-CLASS 2
	FUND-CLASS 2	



1999	2000	1999	2000
<S>			<C>
<C>	<C>	<C>	
ElitePlus Bonus Standard benefit units:			
Outstanding at beginning of period			88,398.245
359.871	--	--	
Increase for payments received			24,360.364
10,034.630	--	--	
Decrease for surrendered contracts			(15,582.327)
(699.080)	--	--	
Decrease for death claims			(1,067.915)
--	--	--	
Change for net inter-portfolio exchanges*			93,187.548
78,702.824	--	--	
Outstanding at end of period			189,295.915
88,398.245	--	--	
ElitePlus Bonus Enhanced benefit units:			
Outstanding at beginning of period			4,792.566
--	--	--	
Increase for payments received			41.408
--	--	--	
Decrease for surrendered contracts			(222.010)
(0.270)	--	--	
Decrease for death claims			--
--	--	--	
Change for net inter-portfolio exchanges*			3,362.572
4,792.836	--	--	
Outstanding at end of period			7,974.536
4,792.566	--	--	
ElitePlus Bonus Annual Step Up benefit units:			
Outstanding at beginning of period			9,687.474
--	--	--	
Increase for payments received			2,272.198
386.890	--	--	
Decrease for surrendered contracts			(2,919.484)
(132.230)	--	--	
Decrease for death claims			--

--	--	--	
Change for net inter-portfolio exchanges* .....			32,282.149
9,432.814	--	--	
-----			
Outstanding at end of period .....			41,322.337
9,687.474	--	--	
=====			

One Multi-Manager Standard benefit units:

Outstanding at beginning of period .....			--
--	14,168.957	--	
Increase for payments received .....			--
--	100,178.726	7,824.166	
Decrease for surrendered contracts .....			--
--	(1,438.220)	--	
Decrease for death claims .....			--
--	(42.351)	--	
Change for net inter-portfolio exchanges* .....			--
--	151,136.028	6,344.791	
-----			
Outstanding at end of period .....			--
--	264,003.140	14,168.957	
=====			

</TABLE>

\* Includes transfers from (to) the Company's general account.

NOTES TO FINANCIAL STATEMENTS

<TABLE>

<CAPTION>

AIM V.I.		AIM V.I.	
CAPITAL APPRECIATION		DIVERSIFIED INCOME	
VALUE			
FUND	FUND	FUND	FUND
-----		-----	
-----		-----	
2000	1999	2000	1999
2000	1999		
-----		-----	
-----		-----	
<S>	<C>	<C>	<C>
	<C>		<C>

263,916.198	2,550.092	143,977.018	2,249.186
--	--		
37,046.025	26,486.700	37,650.043	12,865.930
--	--		
(27,618.320)	(5,417.440)	(34,882.824)	(6,291.160)
--	--		
(3,487.766)	(1,523.720)	(3,619.590)	(901.160)
--	--		
263,405.845	241,820.566	130,121.402	136,054.222
--	--		
-----	-----	-----	-----
-----	-----		
533,261.982	263,916.198	273,246.049	143,977.018
--	--		
=====	=====	=====	=====
=====	=====		
14,174.291	--	8,261.067	546.004
--	--		
647.244	234.750	0.126	--
--	--		
(3,248.463)	(1,744.170)	(1,840.161)	(205.750)
--	--		
(112.067)	--	--	--
--	--		
5,240.341	15,683.711	1,913.451	7,920.813
--	--		
-----	-----	-----	-----
-----	-----		
16,701.346	14,174.291	8,334.483	8,261.067
--	--		
=====	=====	=====	=====
=====	=====		
49,307.880	--	23,273.690	236.187
--	--		
3,229.766	4,958.560	815.152	420.780
--	--		
(2,105.782)	(771.570)	(1,257.101)	(724.420)
--	--		
(1,192.373)	--	(1,021.322)	--
--	--		
61,893.368	45,120.890	25,062.010	23,341.143
--	--		
-----	-----	-----	-----
-----	-----		
111,132.859	49,307.880	46,872.429	23,273.690
--	--		
=====	=====	=====	=====
=====	=====		



Decrease for surrendered contracts .....		--
-- (100,545.789) (549.130)		
Decrease for death claims .....		--
-- (5,344.732) --		
Change for net inter-portfolio exchanges* .....		--
-- 146,792.571 813,391.529		

-----  
 -----  
 -----

Outstanding at end of period .....		--
-- 887,930.452 814,201.839		

ElitePlus Bonus Enhanced benefit units:

Outstanding at beginning of period .....		--
-- 77,567.805 --		
Increase for payments received .....		--
-- 1,347.706 --		
Decrease for surrendered contracts .....		--
-- (4,714.247) (903.030)		
Decrease for death claims .....		--
-- (2,410.573) --		
Change for net inter-portfolio exchanges* .....		--
-- 1,955.977 78,470.835		

-----  
 -----  
 -----

Outstanding at end of period .....		--
-- 73,746.668 77,567.805		

ElitePlus Bonus Annual Step Up benefit units:

Outstanding at beginning of period .....		--
-- 69,893.161 --		
Increase for payments received .....		--
-- 5,718.174 --		
Decrease for surrendered contracts .....		--
-- (11,804.160) (34.390)		
Decrease for death claims .....		--
-- (490.664) --		
Change for net inter-portfolio exchanges* .....		--
-- 28,332.967 69,927.551		

-----  
 -----  
 -----

Outstanding at end of period .....		--
-- 91,649.478 69,893.161		

One Multi-Manager Standard benefit units:

Outstanding at beginning of period .....		51,103.010
-- 58,594.702 --		

Increase for payments received .....			213,484.871
24,358.586	242,760.576	35,837.242	
Decrease for surrendered contracts .....			(7,362.360)
(45.603)	(6,194.188)	(30.619)	
Decrease for death claims .....			(2,026.836)
--	(1,432.785)	--	
Change for net inter-portfolio exchanges* .....			375,449.185
26,790.027	293,564.829	22,788.079	
-----			
Outstanding at end of period .....			630,647.870
51,103.010	587,293.134	58,594.702	
-----			

</TABLE>

\* Includes transfers from (to) the Company's general account.

40

NOTES TO FINANCIAL STATEMENTS

39

<TABLE>

<CAPTION>

VAN KAMPEN LIT NORTH AMERICAN-AG ENTERPRISE GROWTH & INCOME PORTFOLIO FUND		NORTH AMERICAN-AG STOCK INDEX FUND		
2000	1999	2000	1999	
2000	1999			
<S>	<C>	<C>	<C>	<C>
<C>				
--	--	948,596.476	--	
1,317,110.227	--	--	--	
--	--	32,434.961	3,366.130	
46,583.925	4,191.830	--	--	
--	--	(106,486.393)	(1,146.900)	
(134,934.264)	(2,105.000)	--	--	
--	--	(4,659.880)	--	
(8,096.484)	--	--	--	
--	--	53,500.955	946,377.246	
41,598.525	1,315,023.397			

1,262,261.929	1,317,110.227	923,386.119	948,596.476
134,452.763		74,328.160	
2,248.457		1,859.240	
(23,076.225)	(1,230.790)	(13,903.071)	(61.380)
(3,481.522)		(1,838.907)	
260.392	135,683.553	8,535.870	74,389.540
110,403.865	134,452.763	68,981.292	74,328.160
188,391.481		93,705.041	
2,819.367	12.820	1,831.313	25.190
(15,582.162)	(508.670)	(4,416.377)	(69.470)
(1,279.164)			
16,988.250	188,887.331	53,474.033	93,749.321
191,337.772	188,391.481	144,594.010	93,705.041
15,986.696			
71,399.986	13,220.803		
(123.616)			
(1,897.481)			
82,782.229	2,765.893		

168,147.814	15,986.696	--	--
--	--		

41

40 NOTES TO FINANCIAL STATEMENTS

NOTE G - NET INCREASE (DECREASE) IN ACCUMULATION UNITS (CONTINUED)

<TABLE>  
<CAPTION>

			NORTH AMERICAN-AG INTERNATIONAL EQUITIES FUND
	NORTH AMERICAN-AG GOVERNMENT SECURITIES FUND		

	1999	2000	1999	2000
ElitePlus Bonus Standard benefit units:				
Outstanding at beginning of period				405,200.438
-- 1,390,590.751			--	
Increase for payments received				11,041.090
403.900 68,413.495			179.000	
Decrease for surrendered contracts				(51,695.793)
(1,095.910) (130,619.305)			(19,701.980)	
Decrease for death claims				(1,422.411)
-- (14,550.505)			--	
Change for net inter-portfolio exchanges*				36,211.665
405,892.448 58,803.475			1,410,113.731	
Outstanding at end of period				399,334.989
405,200.438 1,372,637.911			1,390,590.751	



ElitePlus Bonus Enhanced benefit units:			
Outstanding at beginning of period .....			37,660.485
--	120,781.826	--	
Increase for payments received .....			488.059
--	1,022.325	--	
Decrease for surrendered contracts .....			(3,231.093)
--	(23,907.540)	(3,802.960)	
Decrease for death claims .....			(271.475)
--	(657.649)	--	
Change for net inter-portfolio exchanges* .....			6,517.961
37,660.485	10,365.211	124,584.786	

-----	-----	-----	
Outstanding at end of period .....			41,163.937
37,660.485	107,604.173	120,781.826	
-----	-----	-----	

ElitePlus Bonus Annual Step Up benefit units:			
Outstanding at beginning of period .....			23,149.213
--	116,793.186	--	
Increase for payments received .....			347.288
--	2,584.222	--	
Decrease for surrendered contracts .....			(993.802)
(54.420)	(10,113.875)	(888.960)	
Decrease for death claims .....			(941.551)
--	(956.326)	--	
Change for net inter-portfolio exchanges* .....			5,667.911
23,203.633	12,671.854	117,682.146	

-----	-----	-----	
Outstanding at end of period .....			27,229.059
23,149.213	120,979.061	116,793.186	
-----	-----	-----	

One Multi-Manager Standard benefit units:			
Outstanding at beginning of period .....			--
--	--	--	
Increase for payments received .....			--
--	--	--	
Decrease for surrendered contracts .....			--
--	--	--	
Decrease for death claims .....			--
--	--	--	
Change for net inter-portfolio exchanges* .....			--
--	--	--	
-----	-----	-----	
Outstanding at end of period .....			--
--	--	--	
-----	-----	-----	

</TABLE>

(1) Units offered November 15, 2000.

\* Includes transfers from (to) the Company's general account.

42

NOTES TO FINANCIAL STATEMENTS

41

<TABLE>

<CAPTION>

NORTH AMERICAN-T. ROWE PRICE

NORTH AMERICAN-PUTNAM

NORTH AMERICAN-AG

SCIENCE & TECHNOLOGY

OPPORTUNITIES

MONEY MARKET

FUND (1)

FUND (1)

FUND

2000		1999		2000		1999		2000
1999								

<S>                      <C>                      <C>                      <C>                      <C>

                                 <C>

	--		--		--		--	
367,474.733			--		--		--	
694.710			--		--		--	
836,323.341		9,380.370						
	--		--		--		--	
(135,646.077)		(12,826.110)						
	--		--		--		--	
(3,285.359)			--					
2,637.334			--	1,179.330			--	
(831,152.577)		370,920.473						
	--		--		--		--	
3,332.044			--	1,179.330			--	
233,714.061		367,474.733						

19,385.078	--	--	--	--
9,840.697	--	--	--	--
(592.604)	--	--	--	--
--	--	--	--	--
11,887.119	--	--	--	--
-----	-----	-----	-----	-----
40,520.290	--	--	--	--
-----	-----	-----	-----	-----
35,804.348	--	--	--	--
151,195.167	--	--	--	--
(788.833)	--	--	--	--
--	--	--	--	--
(162,909.054)	--	--	--	--
-----	-----	-----	-----	-----
23,301.628	--	--	--	--
-----	-----	-----	-----	-----
42,400.138	--	--	--	--
2,643,042.421	--	--	--	--
--	--	--	--	--
--	--	--	--	--
(2,544,024.075)	--	--	--	--
-----	-----	-----	-----	-----
141,418.484	--	--	--	--
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</TABLE>

NOTE G - NET INCREASE (DECREASE) IN ACCUMULATION UNITS (CONTINUED)

<TABLE>  
<CAPTION>

NORTH AMERICAN-AG HIGH YIELD BOND FUND (1)		NORTH AMERICAN- NEUBERGER BERMAN MIDCAP VALUE FUND (1)	
2000	1999	2000	1999
ElitePlus Bonus Standard benefit units:			
Outstanding at beginning of period		--	
Increase for payments received		627.870	
Decrease for surrendered contracts		--	
Decrease for death claims		--	
Change for net inter-portfolio exchanges*		2,797.400	
616.964			
Outstanding at end of period		3,425.270	
616.964			
ElitePlus Bonus Enhanced benefit units:			
Outstanding at beginning of period		--	
Increase for payments received		--	
Decrease for surrendered contracts		--	

--	--	--	
Decrease for death claims .....			--
--	--	--	
Change for net inter-portfolio exchanges* .....			--
--	--	--	
-----	-----	-----	-----
Outstanding at end of period .....			--
--	--	--	
-----	-----	-----	-----
ElitePlus Bonus Annual Step Up benefit units:			
Outstanding at beginning of period .....			--
--	--	--	
Increase for payments received .....			--
--	--	--	
Decrease for surrendered contracts .....			--
--	--	--	
Decrease for death claims .....			--
--	--	--	
Change for net inter-portfolio exchanges* .....			--
--	--	--	
-----	-----	-----	-----
Outstanding at end of period .....			--
--	--	--	
-----	-----	-----	-----
One Multi-Manager Standard benefit units:			
Outstanding at beginning of period .....			--
--	--	--	
Increase for payments received .....			--
--	--	--	
Decrease for surrendered contracts .....			--
--	--	--	
Decrease for death claims .....			--
--	--	--	
Change for net inter-portfolio exchanges* .....			--
--	--	--	
-----	-----	-----	-----
Outstanding at end of period .....			--
--	--	--	
-----	-----	-----	-----

</TABLE>

(1) Units offered November 15, 2000.

\* Includes transfers from (to) the Company's general account.

NOTES TO FINANCIAL STATEMENTS

<TABLE>

<CAPTION>

NORTH AMERICAN-AG INVESTMENT TRUST STRATEGIC BOND EQUITY INDEX FUND (1) PORTFOLIO	ONE GROUP INVESTMENT TRUST DIVERSIFIED EQUITY PORTFOLIO	ONE GROUP
--	---	-----------

2000	1999	2000	1999	2000
1999				

<S>	<C>	<C>	<C>	<C>
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104.162	--	--	--	--
--	--	--	--	--
104.162	--	--	--	--
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-----	-----	-----	-----	-----
-----	-----	-----	-----	-----
--	--	--	--	--
65,763.834	--	86,671.205	--	--
--	--	284,375.201	36,420.039	--
191,197.092	21,871.793	(12,513.235)	(87.008)	--
(5,182.937)	(11.015)	(2,807.372)	--	--
--	--	584,410.496	50,338.174	--
(8,083.602)	--	940,136.295	86,671.205	--
254,711.105	43,903.056	-----	-----	-----
-----	-----	-----	-----	-----
-----	-----	-----	-----	-----
--	--	-----	-----	-----
498,405.492	65,763.834	-----	-----	-----
=====	=====	=====	=====	=====
=====	=====	=====	=====	=====

</TABLE>

<TABLE>





ElitePlus Bonus Annual Step Up benefit units:		
Outstanding at beginning of period .....		--
--	--	--
Increase for payments received .....		--
--	--	--
Decrease for surrendered contracts .....		--
--	--	--
Decrease for death claims .....		--
--	--	--
Change for net inter-portfolio exchanges*....		--
--	--	--
-----		
Outstanding at end of period .....		--
--	--	--
-----		

One Multi-Manager Standard benefit units:		
Outstanding at beginning of period .....		165,757.532
--	90,703.969	--
Increase for payments received .....		539,267.059
73,778.985	249,541.934	40,034.068
Decrease for surrendered contracts .....		(27,434.920)
(102.504)	(11,683.114)	(84.072)
Decrease for death claims .....		(10,940.838)
--	(2,615.305)	--
Change for net inter-portfolio exchanges*....		1,062,256.709
92,081.051	524,002.343	50,753.973
-----		
Outstanding at end of period .....		1,728,905.542
165,757.532	849,949.827	90,703.969
-----		

</TABLE>

\* Includes transfers from (to) the Company's general account.

<TABLE>

<CAPTION>

ONE GROUP INVESTMENT TRUST	ONE GROUP INVESTMENT TRUST	ONE GROUP
INVESTMENT TRUST		
MID CAP GROWTH	DIVERSIFIED MID CAP	
GOVERNMENT BOND		
PORTFOLIO	PORTFOLIO	
PORTFOLIO		



--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
-----	-----	-----	-----	-----
-----	-----	-----	-----	-----
--	--	--	--	--
--	--	--	--	--
-----	-----	-----	-----	-----
-----	-----	-----	-----	-----
64,305.328	--	18,757.630	--	101,010.476
--	--	--	--	--
303,743.487	23,088.878	61,035.734	9,191.142	275,347.755
43,371.119				
(9,374.412)	(34.370)	(2,240.195)	(10.632)	(13,249.193)
(219.541)				
(1,987.588)	--	(397.758)	--	(6,998.595)
--	--	--	--	--
381,879.860	41,250.820	109,968.212	9,577.120	632,476.753
57,858.898				
-----	-----	-----	-----	-----
-----	-----	-----	-----	-----
738,566.675	64,305.328	187,123.623	18,757.630	988,587.196
101,010.476				
-----	-----	-----	-----	-----
-----	-----	-----	-----	-----

</TABLE>

47

46 NOTES TO FINANCIAL STATEMENTS

NOTE G - NET INCREASE (DECREASE) IN ACCUMULATION UNITS (CONTINUED)

<TABLE>  
<CAPTION>

TRUST	ONE GROUP INVESTMENT TRUST	ONE GROUP INVESTMENT TRUST	ONE GROUP INVESTMENT TRUST
	BALANCED		BOND
	PORTFOLIO		PORTFOLIO
-----	-----	-----	-----
1999	2000	1999	2000
-----	-----	-----	-----

<S>	<C>	<C>	<C>	<C>
ElitePlus Bonus Standard benefit units:				
Outstanding at beginning of period .....				--
--	--	--		
Increase for payments received .....				--
--	--	--		
Decrease for surrendered contracts .....				--
--	--	--		
Decrease for death claims .....				--
--	--	--		
Change for net inter-portfolio exchanges* .....				--
--	--	--		
-----				
Outstanding at end of period .....				--
--	--	--		
=====				
ElitePlus Bonus Enhanced benefit units:				
Outstanding at beginning of period .....				--
--	--	--		
Increase for payments received .....				--
--	--	--		
Decrease for surrendered contracts .....				--
--	--	--		
Decrease for death claims .....				--
--	--	--		
Change for net inter-portfolio exchanges* .....				--
--	--	--		
-----				
Outstanding at end of period .....				--
--	--	--		
=====				
ElitePlus Bonus Annual Step Up benefit units:				
Outstanding at beginning of period .....				--
--	--	--		
Increase for payments received .....				--
--	--	--		
Decrease for surrendered contracts .....				--
--	--	--		
Decrease for death claims .....				--
--	--	--		
Change for net inter-portfolio exchanges* .....				--
--	--	--		
-----				

Outstanding at end of period .....			--
--	--	--	
=====	=====	=====	=====
One Multi-Manager Standard benefit units:			
Outstanding at beginning of period .....			103,548.700
-- 60,756.200	--		
Increase for payments received .....			248,539.950
43,915.180 172,041.721 22,607.679			
Decrease for surrendered contracts .....			(14,895.291)
(214.974) (5,733.845) (43.598)			
Decrease for death claims .....			(6,868.078)
-- (8,718.294)	--		
Change for net inter-portfolio exchanges* .....			633,708.154
59,848.494 293,365.274 38,192.119			
-----	-----	-----	-----
Outstanding at end of period .....			964,033.435
103,548.700 511,711.056 60,756.200			
=====	=====	=====	=====

</TABLE>

(1) Units offered November 15, 2000.

\* Includes transfers from (to) the Company's general account.

48

NOTES TO FINANCIAL STATEMENTS

47

<TABLE>

<CAPTION>

OCCAT		JANUS ASPEN	
JANUS ASPEN		GROWTH	
MANAGED		GROWTH	
INTERNATIONAL GROWTH		PORTFOLIO-SERVICE SHARES (1)	
PORTFOLIO		PORTFOLIO-SERVICE SHARES (1)	
PORTFOLIO-SERVICE SHARES (1)		PORTFOLIO-SERVICE SHARES (1)	
-----		-----	
-----		-----	
2000	1999	2000	1999
2000	1999	2000	1999
-----	-----	-----	-----
-----	-----	-----	-----
<S>	<C>	<C>	<C>
<C>			<C>
1,795,074.808	--	--	--

--	--		
39,095.848	347.840	633.177	--
130.249	--		
(260,541.915)	(3,203.820)	--	--
--	--		
(13,480.143)	--	--	--
--	--		
(12,981.443)	1,797,930.788	3,234.823	--
2,484.528	--		
-----	-----	-----	-----
-----	-----		
1,547,167.155	1,795,074.808	3,868.000	--
2,614.777	--		
=====	=====	=====	=====
=====	=====		
153,924.441	--	--	--
--	--		
1,965.884	--	--	--
--	--		
(17,624.326)	(1,324.050)	--	--
--	--		
(2,874.089)	--	--	--
--	--		
(2,980.951)	155,248.491	--	--
--	--		
-----	-----	-----	-----
-----	-----		
132,410.959	153,924.441	--	--
--	--		
=====	=====	=====	=====
=====	=====		
124,375.734	--	--	--
--	--		
1,704.286	--	--	--
--	--		
(15,964.199)	(52.830)	--	--
--	--		
(1,435.275)	--	--	--
--	--		
12,440.487	124,428.564	2,227.725	--
52.561	--		
-----	-----	-----	-----
-----	-----		
121,121.033	124,375.734	2,227.725	--
52.561	--		
=====	=====	=====	=====
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=====	=====	=====	=====	=====	=====
=====	=====	=====	=====	=====	=====

</TABLE>

48 NOTES TO FINANCIAL STATEMENTS

NOTE G - NET INCREASE (DECREASE) IN ACCUMULATION UNITS (CONTINUED)

<TABLE>  
<CAPTION>

PUTNAM VT		MFS VIT	
VOYAGER FUND II-		CAPITAL OPPORTUNITIES	
CLASS IB SHARES (1)		SERIES (1)	
2000	1999	2000	1999

<S> <C> <C> <C> <C>

ElitePlus Bonus Standard benefit units:			
Outstanding at beginning of period .....	--	--	--
Increase for payments received .....	921.875	--	--
979.774	--	--	--
Decrease for surrendered contracts .....	--	--	--
Decrease for death claims .....	--	--	--
Change for net inter-portfolio exchanges* .....	1,991.726	--	--

--	2,939.219	--	
-----	-----	-----	-----
	Outstanding at end of period .....		2,913.601
--	3,918.993	--	
=====	=====	=====	=====

ElitePlus Bonus Enhanced benefit units:

	Outstanding at beginning of period .....	--	
--	--	--	
	Increase for payments received .....	--	
--	--	--	
	Decrease for surrendered contracts .....	--	
--	--	--	
	Decrease for death claims .....	--	
--	--	--	
	Change for net inter-portfolio exchanges* .....	--	
--	--	--	
-----	-----	-----	-----
	Outstanding at end of period .....	--	
--	--	--	
=====	=====	=====	=====

ElitePlus Bonus Annual Step Up benefit units:

	Outstanding at beginning of period .....	--	
--	--	--	
	Increase for payments received .....	--	
--	--	--	
	Decrease for surrendered contracts .....	--	
--	--	--	
	Decrease for death claims .....	--	
--	--	--	
	Change for net inter-portfolio exchanges* .....	--	
--	--	--	
-----	-----	-----	-----
	Outstanding at end of period .....	--	
--	--	--	
=====	=====	=====	=====

One Multi-Manager Standard benefit units:

	Outstanding at beginning of period .....	--	
--	--	--	
	Increase for payments received .....	--	
--	--	--	
	Decrease for surrendered contracts .....	--	
--	--	--	
	Decrease for death claims .....	--	



--	--	--	--
Change for net inter-portfolio exchanges* .....			--
--	--	--	
-----			
Outstanding at end of period .....			--
--	--	--	
=====			

(1) Units offered November 15, 2000.

\* Includes transfers from (to) the Company's general account.

50

NOTES TO FINANCIAL STATEMENTS

<TABLE>  
<CAPTION>

STATE STREET PUTNAM VT GLOBAL ADVISORS GLOBAL GROWTH FUND- GROWTH EQUITY CLASS IB SHARES (1) PORTFOLIO		STATE STREET GLOBAL ADVISORS MONEY MARKET PORTFOLIO	
2000	1999	2000	1999
542,282.250			669,177.195
31,264.090			1,080,353.858
(66,623.950)			1,228.374
(5,211.800)			(5,515.120)
(501,710.590)			(1,745,244.307)

-----	-----	-----	-----
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--	--	--	--
=====	=====	=====	=====
=====	=====	=====	=====
--	--	--	71,388.927
--	45,199.956	--	--
--	--	--	113,005.870
--	629.570	--	--
--	--	--	(16,401.040)
--	(17,130.060)	--	--
--	--	--	--
--	--	--	(167,993.757)
--	(28,699.466)	--	--
-----	-----	-----	-----
-----	-----	-----	-----
--	--	--	--
--	--	--	--
=====	=====	=====	=====
=====	=====	=====	=====
--	--	--	76,341.784
--	17,008.926	--	--
--	--	--	172,664.070
--	5,471.700	--	--
--	--	--	196.250
--	(1,011.170)	--	--
--	--	--	--
--	318.344	--	(249,202.104)
--	(21,469.456)	--	--
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318.344	--	--	--
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</TABLE>

51

50

NOTES TO FINANCIAL STATEMENTS

NOTE G - NET INCREASE (DECREASE) IN ACCUMULATION UNITS (CONTINUED)

<TABLE>

<CAPTION>

CREDIT SUISSE		CREDIT SUISSE	
INTERNATIONAL EQUITY		GROWTH AND INCOME	
PORTFOLIO		PORTFOLIO	
2000	1999	2000	1999
<S>	<C>	<C>	<C>
ElitePlus Bonus Standard benefit units:			
Outstanding at beginning of period			--
712,462.456	--	262,854.312	
Increase for payments received			--
49,825.360	--	18,967.800	
Decrease for surrendered contracts			--
(100,128.250)	--	(26,715.650)	
Decrease for death claims			--
(13,372.440)	--	(3,012.850)	
Change for net inter-portfolio exchanges*			--
(648,787.126)	--	(252,093.612)	
Outstanding at end of period			--
--	--	--	

ElitePlus Bonus Enhanced benefit units:

Outstanding at beginning of period

94,362.916	--	27,231.843	
Increase for payments received .....			--
(291.130)	--	331.650	
Decrease for surrendered contracts .....			--
(24,814.070)	--	(7,012.110)	
Decrease for death claims .....			--
--	--	--	
Change for net inter-portfolio exchanges* .....			--
(69,257.716)	--	(20,551.383)	
-----	-----	-----	
Outstanding at end of period .....			--
--	--	--	
=====	=====	=====	=====

ElitePlus Bonus Annual Step Up benefit units:			
Outstanding at beginning of period .....			--
25,644.192	--	2,471.687	
Increase for payments received .....			--
14,437.260	--	3,302.710	
Decrease for surrendered contracts .....			--
(5,284.690)	--	(513.300)	
Decrease for death claims .....			--
--	--	--	
Change for net inter-portfolio exchanges* .....			--
(34,796.762)	--	(5,261.097)	
-----	-----	-----	
Outstanding at end of period .....			--
--	--	--	
=====	=====	=====	=====

One Multi-Manager Standard benefit units:			
Outstanding at beginning of period .....			--
--	--	--	
Increase for payments received .....			--
--	--	--	
Decrease for surrendered contracts .....			--
--	--	--	
Decrease for death claims .....			--
--	--	--	
Change for net inter-portfolio exchanges* .....			--
--	--	--	
-----	-----	-----	
Outstanding at end of period .....			--
--	--	--	
=====	=====	=====	=====

</TABLE>

\* Includes transfers from (to) the Company's general account.

<TABLE>  
<CAPTION>

VAN KAMPEN EMERGING GROWTH ELITEVALUE PORTFOLIO PORTFOLIO		AMERICAN GENERAL U.S. GOVERNMENT SECURITIES PORTFOLIO	
2000	1999	2000	1999
2000	1999		
<S>	<C>	<C>	<C>
<C>			
--	501,049.913	--	461,727.241
--	1,100,459.217		
--	31,034.090	--	13,095.280
--	59,030.900		
--	(49,637.840)	--	(98,144.240)
--	(131,616.620)		
--	(7,366.120)	--	(12,546.040)
--	(34,588.470)		
--	(475,080.043)	--	(364,132.241)
--	(993,285.027)		
-----	-----	-----	-----
-----	-----	-----	-----
--	--	--	--
--	--		
=====	=====	=====	=====
=====	=====	=====	=====
--	58,826.233	--	69,900.862
--	99,776.317		
--	3,499.420	--	(502.840)
--	3,098.020		
--	(12,162.090)	--	(17,250.670)
--	(26,388.350)		
--	--	--	--
--	--		

--	(50,163.563)	--	(52,147.352)
--	(76,485.987)		
-----	-----	-----	-----
-----	-----	-----	-----
--	--	--	--
--	--	--	--
=====	=====	=====	=====
=====	=====	=====	=====
--	12,267.803	--	11,095.044
--	23,358.578		
--	3,627.910	--	504.450
--	7,594.640		
--	(3,110.700)	--	(17,163.410)
--	(2,783.950)		
--	--	--	--
--	--	--	--
--	(12,785.013)	--	5,563.916
--	(28,169.268)		
-----	-----	-----	-----
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</TABLE>

TABLE OF CONTENTS

<Table>	
<S>	<C>
Report of Independent Auditors.....	1
Balance Sheets.....	2
Statements of Income.....	3
Statements of Changes in Stockholder's Equity.....	4
Statements of Comprehensive Income.....	4
Statements of Cash Flows.....	5
Notes to Financial Statements.....	6
</Table>	

AMERICAN GENERAL ANNUITY INSURANCE COMPANY

-----  
REPORT OF INDEPENDENT AUDITORS

To the Board of Directors  
American General Annuity Insurance Company

We have audited the accompanying balance sheets of American General Annuity Insurance Company as of December 31, 2000 and 1999, and the related statements of income, changes in stockholder's equity, comprehensive income (loss), and cash flows for the years ended December 31, 2000 and 1999, the ten months ended December 31, 1998 and the two months ended February 28, 1998. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of American General Annuity Insurance Company at December 31, 2000 and 1999, and the results of its operations and its cash flows for the years ended December 31, 2000 and 1999, the ten months ended December 31, 1998 and the two months ended February 28, 1998, in conformity with accounting principles generally accepted in the United States.

/s/ ERNST & YOUNG LLP

Houston, Texas  
January 23, 2001

1

83

AMERICAN GENERAL ANNUITY INSURANCE COMPANY

-----  
BALANCE SHEETS

At December 31  
In millions, except share data

<Table>  
<Caption>

2000	1999
-----	-----
<S>	
<C>	<C>
ASSETS	Investments
	Fixed maturity securities
	(amortized cost: \$18,482 in 2000 and \$15,692 in 1999)



\$ 18,221	\$ 14,953	
311	205	Equity securities (cost: \$316 in 2000 and \$209 in 1999)
362	294	Mortgage loans on real estate
77	80	Policy loans
19	68	Other long-term invested assets
-----	-----	
18,990	15,600	Total investments
-----	-----	
284	239	Investment income receivable
173	160	Cash and cash equivalents
865	569	Deferred policy acquisition costs
367	419	Cost of insurance purchased
844	867	Goodwill
403	303	Other assets
309	204	Assets held in separate accounts
-----	-----	
\$ 22,235	\$ 18,361	Total assets
-----	-----	
LIABILITIES		Policy reserves for fixed annuity investment contracts
\$ 19,161	\$ 16,273	Other liabilities
144	100	Income tax liabilities
182	80	Liabilities related to separate accounts
309	204	
-----	-----	
19,796	16,657	Total liabilities
-----	-----	
STOCKHOLDER'S		Common stock par value \$50 per share, 100,000 shares
EQUITY		authorized and 50,000 issued and outstanding in 2000
		and 1999

3	3	
		Additional paid-in capital
2,188	2,057	
		Retained earnings
457	330	
		Accumulated other comprehensive loss
(209)	(686)	
-----	-----	
		Total stockholder's equity
2,439	1,704	
-----	-----	
		Total liabilities and stockholder's equity
\$ 22,235	\$ 18,361	
-----	-----	

See notes to financial statements.

2

84

AMERICAN GENERAL ANNUITY INSURANCE COMPANY

STATEMENTS OF INCOME

<Table>

<Caption>

For the periods ended

In millions

Predecessor

Basis

				YEAR
				ENDED
				DECEMBER
				2000
Year	Ten Months	Two Months		
Ended	Ended	Ended		
31, December 31,	December 31,	February 28,		
1999	1998	1998		

<S>

<C>

<C>

<C>

<C>

REVENUES		Premiums and other considerations	\$
330	\$	343 \$ 151 \$ 14	
		Net investment income	
1,328		1,079 761 133	
		Investment losses	
(35)		(32) (27) (5)	
-----			
		Total revenues	
1,623		1,390 885 142	
-----			
BENEFITS AND EXPENSES		Policy benefits:	
		Interest credited on investment contracts	
801		661 467 73	
		Insurance policy benefits	
168		128 112 21	
		Change in future policy benefits	
267		303 117 7	
-----			
		Total policy benefits	
1,236		1,092 696 101	
-----			
		Expenses:	
		Change in deferred policy acquisition costs and cost of insurance purchased	
(194)		(208) (100) (12)	
		Goodwill amortization	
23		23 20 --	
		Other expenses	
360		309 165 24	
-----			
		Total expenses	
189		124 85 12	
-----			
		Total policy benefits and expenses	
1,425		1,216 781 113	
-----			
EARNINGS		Income before income tax expense	
198		174 104 29	
		Income tax expense	
70		61 38 10	
-----			
		Net income	\$
128	\$	113 \$ 66 \$ 19	

</Table>

See notes to financial statements.

AMERICAN GENERAL ANNUITY INSURANCE COMPANY

STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY

<Table>

<Caption>

For the periods ended

In millions				Predecessor	
				Basis	
Year	Ten Months	Two Months			YEAR
Ended	Ended	Ended			ENDED
31, December	31, December	28, February			DECEMBER
1999	1998	1998			2000

<S>

<C>

COMMON STOCK	Balance at beginning	and end of year			\$
3	3	3	3	3	

ADDITIONAL	Balance at beginning of year			
2,057	1,952	1,781	444	
PAID-IN-CAPITAL	Adjustment for the acquisition		1,337	
--	--	--		
	Capital contribution from stockholder			
131	105	171	--	
	Balance at end of year			
2,188	2,057	1,952	1,781	

RETAINED		Balance at beginning of year	
330	217	151	715
EARNINGS			
		Net income	
128	113	66	19
		Adjustment for the acquisition	
--	--	--	(583)
		Dividends paid to stockholder	
(1)	--	--	--
		Balance at end of year	
457	330	217	151
ACCUMULATED OTHER		Balance at beginning of year	
(686)	164	61	130
COMPREHENSIVE		Adjustment for the acquisition	
--	--	--	(65)
INCOME (LOSS)		Change in net unrealized	
		gains (losses) on securities	
477	(850)	103	(4)
		Balance at end of year	
(209)	(686)	164	61
STOCKHOLDER'S		Balance at end of year	
2,439	\$ 1,704	\$ 2,336	\$ 1,996
EQUITY			

</Table>

STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

<Table>

<Caption>

For the periods ended

In millions

Predecessor

Basis

Year	Ten Months	Two Months	YEAR
Ended	Ended	Ended	ENDED
			DECEMBER

	1999	1998	1998	
<S>				<C>
	<C>	<C>	<C>	
COMPREHENSIVE		Net income		\$
128 \$	113 \$	66 \$	19 \$	
INCOME (LOSS)		Other comprehensive income (loss)		
		Gross change in unrealized		
		gains (losses) on securities (pretax:		
		\$534, (\$957), \$131, (\$11))		
454	(871)	85	(7)	
		Less: losses realized in		
		net income		
(23)	(21)	(18)	(3)	
		Change in net unrealized gains		
		(losses) on securities (pretax:		
		\$511, (\$934), \$160, (\$6))		
477	(850)	103	(4)	
		Adjustment for the acquisition		
--	--	--	(65)	
		Comprehensive income (loss)		\$
605 \$	(737) \$	169 \$	(50) \$	

</Table>

See notes to financial statements.

4

86

AMERICAN GENERAL ANNUITY INSURANCE COMPANY

STATEMENTS OF CASH FLOWS

<Table>

<Caption>

For the periods ended

Predecessor

In millions

Basis

Year Ended December 31, 1999	Ten Months Ended December 31, 1998	Two Months Ended February 28, 1998	Year Ended December 31, 2000
<S> <C>	<C>	<C>	<C>
OPERATING \$ 113	Net income \$ 66	\$ 19	\$ 128
ACTIVITIES	Reconciling adjustments to net cash provided by operating activities:		
	Insurance and annuity liabilities		1,438
1,047	2,414	84	
	Deferred policy acquisition costs and cost of insurance purchased		(324)
(275)	(147)	(22)	
	Other, net		148
139	135	39	
	Net cash provided by operating activities		1,390
1,024	2,468	120	
INVESTING (7,310)	Investment purchases (7,914)	(462)	(8,901)
ACTIVITIES	Investment dispositions and repayments		5,920
4,530	4,391	289	
	Net cash used for investing activities		(2,981)
(2,780)	(3,523)	(173)	
FINANCING 3,347	Policyholder account deposits 2,187	345	3,859
ACTIVITIES	Policyholder account withdrawals		(2,385)
(1,682)	(1,303)	(199)	
	Net investment borrowings (repayments)		--
--	(421)	1	
	Capital contribution from stockholder		131
105	171	--	
	Dividends paid to stockholder		(1)





## 1.1 ORGANIZATION AND NATURE OF OPERATIONS

American General Annuity Insurance Company (the Company) is a State of Texas domiciled life insurance company that was founded in 1944. The Company is a wholly-owned subsidiary of Western National Corporation (Western National). On December 23, 1994, AGC Life Insurance Company (AGC Life), a Missouri-domiciled life insurer, purchased a 40% ownership interest in Western National's common stock. AGC Life is a wholly-owned subsidiary of American General Corporation (AGC), a Texas corporation. References to "American General" are references to AGC and its direct and indirect majority controlled subsidiaries. As of December 31, 1996, American General owned approximately a 46% equity interest in Western National. The increase in American General's equity interest was the result of Western National issuing preferred stock to American General in September 1996. On February 25, 1998, with the approval of the Texas Department of Insurance and the shareholders of Western National, American General acquired the remaining 54% of the outstanding common stock of Western National for consideration valued at approximately \$1.2 billion. For accounting purposes, the acquisition was effective as of February 28, 1998 and was accounted for using the purchase method of accounting in accordance with the provisions of Accounting Principles Board Opinion 16, "Business Combinations," and other existing accounting literature pertaining to purchase accounting. Under purchase accounting, the total purchase cost was allocated to the assets and liabilities acquired based on a determination of their fair value as of the effective date of the acquisition, and resulted in goodwill of \$918.5 million, which is being amortized on a straight line basis over 40 years. The Company regularly reviews goodwill for indicators of impairment in value which it believes are other than temporary, including unexpected or adverse changes in the following: (1) the economic or competitive environments in which the Company operates, (2) profitability analyses, and (3) cash flow analyses. The Company's balance sheets at December 31, 2000 and 1999, and the related statements of operations, shareholder's equity, comprehensive income (loss), and cash flows for the years ended December 31, 2000 and 1999, and the ten month period ended December 31, 1998, are reported under the purchase method of accounting and, accordingly, are not consistent with the basis of presentation of the previous periods' financial statements (Predecessor Basis).

The Company develops, markets, and issues annuity products through niche distribution channels. The Company sells deferred annuities, including its proprietary fixed annuities, to the savings and retirement markets through financial institutions (primarily banks and thrifts), and sells deferred annuities to both tax-qualified and nonqualified retirement markets through personal producing general agents (PPGAs). The Company also sells deferred annuities through its direct sales operations; single premium immediate annuities (SPIAs), other than structured settlement SPIAs, through its financial institution and PGA distribution channels; and variable annuity products.

## 1.2 PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States (GAAP).

The preparation of financial statements requires management to make

estimates and assumptions that affect amounts reported in the financial statements and disclosures of contingent assets and liabilities. Ultimate results could differ from these estimates.

Prior year amounts have been restated to conform with the current year presentation.

### 1.3 ACCOUNTING CHANGES

Derivatives. On January 1, 2001, the Company adopted Statement of Financial Accounting Standards (SFAS) 133, "Accounting for Derivative Instruments and Hedging Activities," which requires all derivative instruments to be recognized at fair value in the balance sheet. Changes in the fair value of a derivative instrument are reported in net income or other comprehensive income, depending upon the intended use of the derivative instrument.

The adoption of SFAS 133 did not have a material impact on the Company's results of operations and financial position. The impact of the fair value adjustments on derivatives which do not qualify for hedge accounting and any ineffectiveness resulting from hedging activities are recorded in investment gains (losses).

### 1.4 INVESTMENTS

Fixed Maturity and Equity Securities. At December 31, 2000 and 1999, all fixed maturity and equity securities are classified as available-for-sale and recorded at fair value. After adjusting related balance sheet accounts as if the unrealized gains (losses) had been realized, the net adjustment is recorded in accumulated other comprehensive income (loss) within stockholder's equity. If the fair value of a security classified as available-for-sale declines below its cost and this decline is considered to be other than temporary, the security is reduced to its fair value, and the reduction is recorded as a realized loss.

At various times, the Company holds trading securities and reports them at fair value. The Company held no trading securities at December 31, 2000 or 1999. Unrealized gains (losses), as well as realized gains (losses), are included in net investment income; however, trading securities did not have a material effect on net investment income in 2000, 1999 or 1998.

6

88

AMERICAN GENERAL ANNUITY INSURANCE COMPANY

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NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2000

All dollar amounts in millions, except share data

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Equity partnerships, which are reported in equity securities, are accounted for under the equity method of accounting. For those partnerships that report changes in the fair value of underlying equity investments in earnings, the Company records its proportionate interest in investment gains (losses).

MORTGAGE LOANS. Mortgage loans are reported at amortized cost, net of an allowance for losses. The allowance for losses covers all non-performing loans and loans for which management has a concern based on its assessment of risk factors, such as potential non-payment or non-monetary default. The allowance is based on a loan-specific review and a formula that reflects past results and current trends.

The Company considers loans to be impaired when collection of all amounts due under the contractual terms is not probable. The Company generally looks to the underlying collateral for repayment of impaired loans. Therefore, impaired loans are reported at the lower of amortized cost or fair value of the underlying collateral, less estimated costs to sell.

POLICY LOANS. Policy loans are reported at unpaid principal balance.

INVESTMENT INCOME (LOSS). Interest on fixed maturity securities and performing mortgage loans is recorded as income when earned and is adjusted for any amortization of premium or discount. Interest on delinquent mortgage loans is recorded as income when received. Dividends are recorded as income on ex-dividend dates.

Income on mortgage-backed securities is recognized using a constant effective yield based on estimated prepayments of the underlying mortgages. If actual prepayments differ from estimated prepayments, a new effective yield is calculated and the net investment in the security is adjusted accordingly. The adjustment is recognized in net investment income.

INVESTMENT GAINS (LOSSES). Investment gains (losses) are recognized using the specific identification method.

## 1.5 DERIVATIVE FINANCIAL INSTRUMENTS

USE OF DERIVATIVES. The Company's use of derivative financial instruments is generally limited to interest rate and currency swap agreements, and options to enter into interest rate swap agreements (call and put swaptions). The Company accounts for its derivative financial instruments as hedges. Hedge accounting requires a high correlation between changes in fair values or cash flows of the derivative financial instrument and the specific item being hedged, both at inception and throughout the life of the hedge.

INTEREST RATE AND CURRENCY SWAP AGREEMENTS. Interest rate swap agreements convert specific investment securities from a floating-rate to a fixed-rate basis, or vice versa and hedge against the risk of declining interest rates on anticipated security purchases. Currency swap agreements convert cash flows from specific investment securities denominated in foreign currencies into U.S.

dollars at specified exchange rates and hedge against currency rate fluctuations on anticipated security purchases.

The difference between amounts paid and received on swap agreements is recorded as an adjustment to investment income or interest expense, as appropriate, on an accrual basis over the periods covered by the agreements. The related amount payable to or receivable from counterparties is included in other liabilities or other assets.

The fair values of swap agreements are recognized in the balance sheet if they hedge investments carried at fair value or if they hedge anticipated purchases of such investments. In this event, changes in the fair value of these swap agreements are reported in accumulated other comprehensive income (loss) included in stockholder's equity, consistent with the treatment of the related investment security.

For swap agreements hedging anticipated investment purchases, the Company defers the net swap settlement amount or unrealized gain (loss) and includes it in the recorded amount of the anticipated transaction when it occurs.

Swap agreements generally have terms of two to ten years. Gains (losses) from early termination of a swap agreement are deferred and amortized into income over the remaining term of the related investment. If the underlying investment is extinguished or sold, any related gain (loss) on swap agreements is recognized in income.

SWAPTIONS. Options to enter into interest rate swap agreements limit the Company's exposure to reduced spreads between investment yields and interest rates credited to policyholders should interest rates decrease or increase significantly over prolonged periods.

During prolonged periods of decreasing interest rates, the spread between investment yields and interest crediting rates may be reduced as a result of minimum rate guarantees on certain insurance and annuity contracts, which limit the Company's ability to reduce interest crediting rates. Call swaptions, which allow the Company to enter into interest rate swap agreements to receive fixed rates and pay lower floating rates, effectively maintain the spread between investment yields and interest crediting rates during such periods.

During prolonged periods of increasing interest rates, the spread between investment yields and interest crediting rates may be reduced as a result of the Company's decision to increase interest crediting rates to limit surrenders. Put swaptions, which allow the Company to enter into interest rate swap agreements to pay fixed rates and receive higher floating rates, effectively maintain the spread between investment yields and interest crediting rates during such periods.

Premiums paid to purchase swaptions are included in other long-term invested assets and are amortized to net investment income over the exercise period of the swaptions. If a swaption is terminated, any gain or loss is reported as investment income. If a swaption ceases to be an effective hedge, any gain or loss is recognized in income.

## AMERICAN GENERAL ANNUITY INSURANCE COMPANY

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NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2000

All dollar amounts in millions, except share data  
-----

## 1.6 DEFERRED POLICY ACQUISITION COSTS (DPAC)

Certain costs of writing an insurance policy, including commissions, underwriting, and marketing expenses, are deferred and reported as DPAC. DPAC is charged to expense in relation to the estimated gross profits of the insurance contracts, including realized gains (losses). If the estimate of future gross profits changes significantly, the Company recalculates DPAC balances using the new assumptions. Any resulting adjustment is included in current earnings as an adjustment to DPAC amortization.

DPAC is adjusted for the impact on estimated future gross profits as if net unrealized gains (losses) on securities had been realized at the balance sheet date. The impact of this adjustment is included in accumulated other comprehensive income (loss) within stockholder's equity.

The Company reviews the carrying value of DPAC on at least an annual basis. Management considers estimated future gross profit margins as well as expected mortality, interest earned and credited rates, persistency, and expenses in determining whether the carrying amount is recoverable. Any amounts deemed unrecoverable are charged to expense.

## 1.7 COST OF INSURANCE PURCHASED (CIP)

The cost assigned to certain acquired insurance contracts in force at the acquisition date is reported as CIP. Interest is accreted on the unamortized balance of CIP at rates ranging from 4.0% to 7.9%. CIP is charged to expense and adjusted for the impact of net unrealized gains (losses) on securities in the same manner as DPAC. Management reviews the carrying amount of CIP on at least an annual basis using the same methods used to evaluate DPAC.

## 1.8 SEPARATE ACCOUNTS

Separate accounts are assets and liabilities associated with certain contracts, principally annuities, for which the investment risk lies predominantly with the holder of the contract. The liability for these accounts equals the value of the account assets. Investment income, realized investment

gains (losses), and policyholder account deposits and withdrawals related to separate accounts are excluded from the statements of income and cash flows. Assets held in the separate accounts are primarily shares in mutual funds, which are carried at fair value, based on the mutual funds' quoted net asset value per share. Management fees and other charges assessed against the contracts are included in other income.

#### 1.9 CASH EQUIVALENTS

Cash equivalents include all investments in highly liquid debt instruments with a maturity of three months or less from the date of purchase.

#### 1.10 POLICY RESERVES

Reserves for investment-type contracts are based on the contract account balance, if future benefit payments in excess of the account balance are not guaranteed, or on the present value of future benefit payments when such payments are guaranteed.

For investment contracts without mortality risk (such as deferred annuities and immediate annuities with benefits paid for a period certain), premium deposits and benefit payments are recorded as increases or decreases in a liability account rather than as revenue and expense. Amounts charged against the liability account for the cost of insurance, policy administration and surrender penalties are recorded as revenues. Interest credited to the liability account and benefit payments made in excess of the contract liability account balance are charged to expense.

Reserves for traditional and limited-payment contracts are generally calculated using the net level premium method and assumptions as to investment yields, mortality, withdrawals, and dividends. The assumptions are based on projections of past experience and include provisions for possible adverse deviation. These assumptions are made at the time the contract is issued or, in the case of contracts acquired by purchase, at the purchase date.

#### 1.11 RECOGNITION OF REVENUES AND COSTS

For traditional insurance contracts, premiums are recognized as income when due. Benefits and expenses are associated with earned premiums so as to result in their recognition over the premium-paying period of the contracts. Such recognition is accomplished through the provision for future policy benefits and the amortization of deferred policy acquisition costs.

For contracts with mortality risk, but with premiums paid for only a limited period (such as SPIAs with benefits paid for the life of the annuitant), the accounting treatment is similar to traditional contracts. However, the excess of the gross premium over the net premium is deferred and recognized in relation to the present value of expected future benefit payments.

#### 1.12 INCOME TAXES

The Company files a separate life insurance tax return. Deferred income

taxes are provided for the future tax effects of temporary differences between the tax basis of assets and liabilities and their financial reporting amounts, measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. The Company provides a valuation allowance, if necessary, to reduce deferred tax assets, if any, to their estimated realizable value.

A valuation allowance for deferred tax assets is provided if it is more likely than not that some portion of the deferred tax asset may not be realized. Any increase or decrease in a valuation allowance that results from a change in circumstances that causes a change in judgement above the realizability of the related deferred tax asset is included in income. A change related to fluctuations in fair value of available-for-sale securities is included in accumulated other comprehensive income (loss) in shareholder's equity.

8

90

AMERICAN GENERAL ANNUITY INSURANCE COMPANY

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NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2000

All dollar amounts in millions, except share data

1.13 STATUTORY ACCOUNTING

Effective January 1, 2001, insurance companies are required to prepare statutory financial statements in accordance with the National Association of Insurance Commissioners' Codification of Statutory Accounting Principles. The adoption of codification did not have a material impact on the Company's statutory net income or capital and surplus.

State insurance laws and regulations prescribe accounting practices for calculating statutory net income and equity (capital and surplus) that differ from GAAP. Significant differences were as follows:

<Table>

<Caption>

Pre-

decessor

Basis

-----

YEAR

Year

10 Months

2

Months

	ENDED	Ended	Ended	
Ended	DEC. 31,	Dec. 31,	Dec. 31,	
Feb. 28,	2000	1999	1998	
1998	-----	-----	-----	
<S>	<C>	<C>	<C>	<C>
Net income:				
Statutory net income	\$ 25	\$ 72	\$ 70	\$
24				
DPAC and CIP	212	222	157	
(36)				
Deferred income taxes	(53)	(55)	(5)	
(3)				
Policy reserves adjustment	(3)	(69)	(58)	
(13)				
Goodwill amortization	(23)	(23)	(20)	
--				
Investment gains	(33)	(35)	(34)	
(1)				
Other, net	3	1	(44)	
48				
	-----	-----	-----	
GAAP net income	\$ 128	\$ 113	\$ 66	\$
19				
	-----	-----	-----	
Stockholder's equity:				
Statutory capital & surplus	\$ 1,081	\$ 973	\$ 823	\$
663				
DPAC and CIP	1,232	988	624	
426				
Deferred income taxes	(188)	(98)	(129)	
(155)				
Policy reserves adjustment	(790)	(563)	(484)	
(207)				
Acquisition-related goodwill	844	867	890	
--				
Asset valuation reserve	136	159	136	
116				
Interest maintenance reserve	43	79	100	
105				
Investments	(175)	(667)	435	
357				
Adjustments for acquisition	--	--	--	
689				



Other, net	256	(34)	(59)
2			
-----			
GAAP stockholder's equity	\$ 2,439	\$ 1,704	\$ 2,336
1,996			
-----			

</Table>

#### 1.14 COINSURANCE TRANSACTION

On May 21, 1998, the Company acquired the in-force individual and tax sheltered annuity business of Provident Companies, Inc., a Delaware corporation, for approximately \$27 million. Under the agreement, approximately \$1.7 billion of assets and insurance liabilities were assumed by the Company under a coinsurance arrangement and resulted in cost of insurance purchased of \$59.8 million. This transaction was effective as of April 30, 1998. In addition, the results of operations associated with this transaction have been included in the accompanying financial statements from the effective date through December 31, 1998 and for the years ended December 31, 2000 and 1999.

### 2 INVESTMENTS

#### 2.1 NET INVESTMENT INCOME

Income by type of investment was as follows:

<Table>  
<Caption>

	YEAR	Year	Ten Months	2
Months	ENDED	Ended	Ended	Ended
28,	DEC. 31,	Dec. 31,	Dec. 31,	Feb.
	2000	1999	1998	1998
	-----	-----	-----	
<S>	<C>	<C>	<C>	<C>
Fixed maturity securities	\$ 1,238	\$ 1,020	\$ 706	\$
122				
Mortgage loans on				
real estate	25	21	15	

3				
Equity securities	17	16	13	
3				
Other	65	36	38	
6				
	-----	-----	-----	
	-----			
Gross investment income	1,345	1,093	772	
134				
Investment expenses	(17)	(14)	(11)	
(1)				
	-----	-----	-----	
	-----			
Net investment income	\$ 1,328	\$ 1,079	\$ 761	\$
133				
	-----	-----	-----	
	-----			

</Table>

The Company had non-performing investments of less than .01% for 2000 and 1999, and had no non-performing investments in 1998.

Derivative financial instruments related to investment securities did not have a material effect on net investment income in any of the periods.

## 2.2 INVESTMENT GAINS (LOSSES)

Investment gains (losses) were as follows:

<Table>

<Caption>

	YEAR	Year	Ten Months	Pre- decessor Basis
	ENDED	Ended	Ended	2 Months
	DEC. 31,	Dec. 31,	Dec. 31,	Ended
	2000	1999	1998	Feb. 28,
				1998
	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
Fixed maturity securities:				
Gross gains	\$ 33	\$ 22	\$ 20	\$ 6
Gross losses	(101)	(70)	(38)	(10)
	-----	-----	-----	-----
Total fixed maturity securities	(68)	(48)	(18)	(4)
	-----	-----	-----	-----
Equity securities:				
Gross gains	20	6	--	--
Gross losses	--	--	--	--
	-----	-----	-----	-----

Total equity securities	20	6	--	--
DPAC/CIP amortization and investment expenses, net	13	10	(9)	(1)
Investment losses	\$ (35)	\$ (32)	\$ (27)	\$ (5)

</Table>

AMERICAN GENERAL ANNUITY INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2000

All dollar amounts in millions, except share data

2.3 CASH FLOWS FROM INVESTING ACTIVITIES

Uses of cash for investment purchases were as follows:

<Table>

<Caption>

	YEAR ENDED DEC. 31, 2000	Year Ended Dec. 31, 1999	Ten Months Ended Dec. 31, 1998	Pre-decessor Basis 2 Months Ended Feb. 28, 1998
Fixed maturity securities	\$ 8,670	\$ 7,177	\$ 6,108	\$ 440
Provident	--	--	1,621	--
Other	231	133	185	22
Total	\$ 8,901	\$ 7,310	\$ 7,914	\$ 462

</Table>

Sources of cash from investment dispositions and repayments were as follows:

<Table>

<Caption>

Pre-  
decessor  
Basis

	YEAR ENDED DEC. 31, 2000	Year Ended Dec. 31, 1999	Ten Months Ended Dec. 31, 1998	2 Months Ended Feb. 28, 1998
Fixed maturity securities 286	\$ 5,831	\$ 4,453	\$ 4,357	\$
Other 3	89	77	34	
Total 289	\$ 5,920	\$ 4,530	\$ 4,391	\$

</Table>

#### 2.4 FIXED MATURITY AND EQUITY SECURITIES

Maturities. The contractual maturities of fixed maturity securities at December 31, 2000 were as follows:

<Table>

<Caption>

	Amortized Cost	Fair Value
Fixed maturity securities, excluding mortgage-backed securities, due		
In one year or less	\$ 161	\$ 154
In years two through five	2,784	2,752
In years six through ten	6,261	6,122
After ten years	5,201	5,081
Mortgage-backed securities	4,075	4,112
Total fixed maturity securities	\$ 18,482	\$ 18,221

</Table>

Actual maturities may differ from contractual maturities since borrowers may have the right to call or prepay obligations. The Company may sell investments before maturity to achieve corporate requirements and investment



## AMERICAN GENERAL ANNUITY INSURANCE COMPANY

## NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2000

All dollar amounts in millions, except share data

Net Unrealized Gains (Losses). Net unrealized gains (losses) on fixed maturity and equity securities included in accumulated other comprehensive income (loss) at December 31 were as follows:

&lt;Table&gt;

&lt;Caption&gt;

	2000	1999
	-----	-----
<S>	<C>	<C>
Gross unrealized gains	\$ 311	\$ 32
Gross unrealized losses	(577)	(775)
DPAC/CIP adjustments	94	61
Deferred federal income taxes	(37)	(4)
	-----	-----
Net unrealized losses on securities	\$ (209)	\$ (686)
	-----	-----

&lt;/Table&gt;

## 2.5 MORTGAGE LOANS ON REAL ESTATE

Diversification. Diversification of the geographic location and type of property collateralizing mortgage loans reduces the concentration of credit risk. For new loans, the Company generally requires loan-to-value ratios of 75% or less, based on management's credit assessment of the borrower.

At December 31, the mortgage loan portfolio was distributed as follows:

&lt;Table&gt;

&lt;Caption&gt;

	2000	1999
	-----	-----
<S>	<C>	<C>
Geographic distribution:		
Atlantic	43%	54%
Central	34	26
Pacific and Mountain	23	20
	-----	-----
Total mortgage loans	100%	100%
	-----	-----
Property type:		
Retail	60%	76%

Office	36	18
Industrial	4	6
	-----	-----
Total mortgage loans	100%	100%
	-----	-----

</Table>

There were no impaired loans and the allowance was immaterial for both 2000 and 1999.

3

### TRANSACTIONS WITH AFFILIATED COMPANIES

In the ordinary course of business, the Company is occasionally involved in transactions with affiliated companies. Transactions involving the purchase or disposal of securities are consummated at the market value of the security on the date of the transaction. Transactions with affiliated companies during each of the three years in the period ended December 31, 2000 were as follows:

Other considerations include \$0.4 million in 2000 for shared management fees and for providing administrative services for affiliated companies. There were no payments in prior years as these arrangements were not initiated until 2000.

Operating expenses include \$11.6 million in 2000, \$4.4 million in 1999 and \$2.0 million in 1998, for amounts paid to AGC or its subsidiaries primarily for rent, legal services, data processing services and use of facilities.

Net investment income includes investment expenses of \$13.4 million in 2000, \$12.3 million in 1999 and \$10.4 million in 1998 for the performance of various services by American General Investment Management, L.P.

Other expenses include \$8.5 million in 2000 and \$0.8 million in 1999 for payments to affiliated companies for the "cross-selling" of the Company's products. There were no payments in 1998, as these efforts were not initiated until 1999. Other expenses also include \$12.9 million, \$7.7 million and \$8.8 million for 2000, 1999 and 1998, respectively, for payments made to American General Distributors, Inc., an affiliated broker-dealer, for distributing the Company's variable products.

The accounts payables processing function for the Company is being performed by The Variable Annuity Life Insurance Company (VALIC), an American General affiliated company.

The Company received a \$100.0 million variable rate senior promissory note issued by AGC in September 1998. Interest was received at a rate per annum equal to the sum of 1-month LIBOR plus 0.2%. Interest earned totaled \$3.2 million in 1999 and \$1.4 million in 1998. The note was paid off in 1999.

The Company holds 190,000 shares of preferred stock in American General Annuity Investment Advisory Services (AGAIAS) with a cost of \$190 million. The Company received preferred stock dividends from AGAIAS of \$14.3 million in 2000,

1999, and 1998.

The Company paid a dividend of \$1 million to Western National in 2000. No dividends were paid to Western National in 1999 and 1998.

The Company received capital contributions of \$130.0 million in 2000, \$100.0 million in 1999 and \$158.8 million in 1998 from AGC Life. Additionally, the Company received capital contributions of \$1.2 million in 2000, \$5.0 million in 1999 and \$12.0 million in 1998 from Western National.

11

93

AMERICAN GENERAL ANNUITY INSURANCE COMPANY

-----  
NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2000

All dollar amounts in millions, except share data

4

DEFERRED POLICY ACQUISITION COSTS (DPAC)

Activity in DPAC was as follows:

<Table>

<Caption>

				Pre- decessor Basis
	Year Ended Dec. 31, 2000	Year Ended Dec. 31, 1999	Ten Months Ended Dec. 31, 1998	2 Months Ended Feb. 28, 1998
	-----	-----	-----	
<S>	<C>	<C>	<C>	<C>
Balance at beginning of period	\$ 569	\$ 248	\$ 147	\$
517				
Deferrals:				
Acquisition costs incurred	325	275	147	
22				
Accretion of interest	43	24	11	
5				
Amortization:				



Adjustment for the acquisition(a) (385)	--	--	--
Operating earnings(b) (13)	(115)	(48)	(24)
Effect of investment (gains) losses on securities 1	10	5	(1)
Effect of net unrealized (gains) losses on securities --	33	65	(32)
-----	-----	-----	-----
Balance at end of period 147	\$ 865	\$ 569	\$ 248
-----	-----	-----	-----

</Table>

(a) Represents the necessary elimination of the historical DPAC asset required by purchase accounting.

(b) An adjustment was recorded to DPAC amortization in 2000 to reflect revisions to underlying interest spread and surrender assumptions to more closely approximate expected future experience.

5

COST OF INSURANCE PURCHASED (CIP)

Activity in CIP was as follows:

<Table>

<Caption>

Pre-

decessor

Basis

-----

Months	Year Ended Dec. 31,	Year Ended Dec. 31,	Ten Months Ended Dec. 31,	2 Ended Feb.
28,	2000	1999	1998	1998
-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>

Balance at beginning of period	\$ 419	\$ 376	\$ 401	\$
--------------------------------	--------	--------	--------	----

8

Additions from acquisitions	--	--	60
--			
Adjustment for the acquisition(a)	--	--	--
335			
Accretion of interest	19	22	18
1			
Amortization(b)	(78)	(65)	(52)
(3)			
Effect of investment (gains) losses on securities	7	9	(2)
1			
Effect of net unrealized (gains) losses on securities	--	77	(49)
(63)			
-----			
Balance at end of period	\$ 367	\$ 419	\$ 376
279			\$
-----			

</Table>

(a) Represents the incremental amount necessary to recognize the new CIP asset attributable to the 1998 acquisition.

(b) An adjustment was recorded to CIP amortization in 2000 to reflect revisions to underlying interest spread and surrender assumptions to more closely approximate expected future experience.

CIP amortization, net of accretion, expected to be recorded in each of the next five years is \$40.1 million, \$34.8 million, \$30.7 million, \$27.9 million, and \$24.9 million.

12

94

AMERICAN GENERAL ANNUITY INSURANCE COMPANY

-----  
NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2000

All dollar amounts in millions, except share data

-----

6  
INCOME TAXES

## 6.1 TAX LIABILITIES

Components of income tax liabilities and assets at December 31 were as follows:

<Table>  
<Caption>

	2000	1999
	-----	-----
<S>	<C>	<C>
Current tax assets	\$ (6)	\$ (18)
	-----	-----
Deferred tax liabilities, applicable to:		
DPAC and CIP	370	287
Other	14	--
	-----	-----
Total deferred tax liabilities	384	287
	-----	-----
Deferred tax assets, applicable to:		
Basis differential of investments	40	216
Policy reserves	253	214
Other	--	1
	-----	-----
Gross deferred tax assets	293	431
	-----	-----
Valuation allowance	97	242
Net deferred tax liabilities	188	98
	-----	-----
Total income tax liabilities	\$ 182	\$ 80
	-----	-----

</Table>

The deferred tax assets applicable to basis differential of investments at year end 2000 and 1999 were due to recognition of unrealized losses on available-for-sale-securities on the balance sheet. Since a portion of these deferred tax assets may not be realized, management established valuation allowances of \$97 million in 2000 and \$242 million in 1999. These balance sheet adjustments had no income statement impact.

## 6.2 TAX EXPENSE

Components of income tax expense were as follows:

<Table>  
<Caption>

			Pre- decessor Basis
	Year	Year	-----
	Ended	Ended	2 Months
	Dec. 31,	Dec. 31,	Ended
		Ten Months	Feb. 28,
		Ended	
		Dec. 31,	

	2000	1999	1998	1998
<S>	<C>	<C>	<C>	<C>
Current income tax expense:				
Federal	\$ 16	\$ 6	\$ 32	\$ 7
State	1	--	1	--
	-----	-----	-----	-----
Total current income tax expense	17	6	33	7
	-----	-----	-----	-----
Deferred income tax expense	53	55	5	3
	-----	-----	-----	-----
Income tax expense	\$ 70	\$ 61	\$ 38	\$ 10
	-----	-----	-----	-----

</Table>

A reconciliation between the federal income tax rate and the effective tax rate follows:

<Table>  
<Caption>

	Year Ended Dec. 31, 2000	Year Ended Dec. 31, 1999	Ten Months Ended Dec. 31, 1998	Pre-decessor Basis 2 Months Ended Feb. 28, 1998
<S>	<C>	<C>	<C>	<C>
Federal income tax rate	35%	35%	35%	35%
Income tax expense at applicable rate	\$ 69	\$ 63	\$ 31	\$ 10
Amortization of goodwill	8	8	7	--
State income taxes	1	--	1	--
Other items	(8)	(10)	(1)	--
	-----	-----	-----	-----
Income tax expense	\$ 70	\$ 61	\$ 38	\$ 10
	-----	-----	-----	-----

</Table>

7  
CAPITAL STOCK

The Company has one class of capital stock: common stock (\$50.00 par value with 100,000 shares authorized and 50,000 shares issued and outstanding).

The Company is restricted by state insurance laws as to the amount it may pay as dividends without prior approval from the Texas Department of Insurance.

AMERICAN GENERAL ANNUITY INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2000

All dollar amounts in millions, except share data

8

DERIVATIVE FINANCIAL INSTRUMENTS

8.1 INTEREST RATE SWAP AGREEMENTS

Interest rate swap agreements related to investment securities at December 31 were as follows:

<Table>

<Caption>

	2000	1999
	-----	-----
<S>	<C>	<C>
Interest rate swap agreements to pay fixed rate:		
Notional amount	\$ 50	\$ 55
Average receive rate	8.50%	7.64%
Average pay rate	7.01%	6.88%
	-----	-----

</Table>

8.2 SWAPTIONS

Swaptions at December 31 were as follows:

<Table>

<Caption>

	2000	1999
	-----	-----
<S>	<C>	<C>
Call swaptions		
Notional amount	\$ 780	\$ 2,100
Average strike rate	5.00%	4.59%
	-----	-----

Put swaptions

Notional amount	\$	584	\$	1,500
Average strike rate		8.75%		8.86%
		-----		-----

</Table>

The swaptions outstanding at December 31, 2000 expire in 2001. Should the strike prices remain below market rates for call swaptions and above market rates for put swaptions, the swaptions will expire, and the Company's exposure would be limited to the premiums paid. These premiums were immaterial.

### 8.3 CREDIT AND MARKET RISK

Derivative financial instruments expose the Company to credit risk in the event of nonperformance by counter-parties. The Company limits this exposure by entering into agreements with counterparties having high credit ratings and by regularly monitoring the ratings. The Company does not expect any counterparty to fail to meet its obligation; however, nonperformance would not have a material impact on the Company's results of operations and financial position.

The Company's exposure to market risk is mitigated by the offsetting effects of changes in the value of the agreements and the related items being hedged.

9

### FAIR VALUE OF FINANCIAL INSTRUMENTS

Carrying amounts and fair values for certain of the Company's financial instruments at December 31 are presented below. Care should be exercised in drawing conclusions based on fair value, since (1) the fair values presented do not include the value associated with all of the Company's assets and liabilities, and (2) the reporting of investments at fair value without a corresponding revaluation of related policyholder liabilities can be misinterpreted.

<Table>

<Caption>

	2000		1999	
	Fair Value	Carrying Amount	Fair Value	Carrying Amount
	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
Assets				
Fixed maturity securities(*)	\$ 18,221	\$ 18,482	\$ 14,953	\$ 14,953
Equity securities	311	316	205	205
Mortgage loans on real estate	365	362	281	294
Policy loans	75	77	69	80
Assets related to separate accounts	309	309	204	204
Liabilities				

Insurance investment contracts	\$ 17,324	\$ 16,626	\$ 13,277	\$ 14,095
Liabilities related to separate accounts	309	309	204	204
	-----	-----	-----	-----

</Table>

(\*) Includes derivative financial instruments with a fair value of \$2 million in 2000 and \$4.9 million in 1999.

The following methods and assumptions were used to estimate the fair values of financial instruments.

FIXED MATURITY AND EQUITY SECURITIES. Fair values of fixed maturity and equity securities were based on quoted market prices, where available. For investments not actively traded, fair values were estimated using values obtained from independent pricing services or, in the case of some private placements, by discounting expected future cash flows using a current market rate applicable to yield, credit quality and average life of the investments.

MORTGAGE LOANS ON REAL ESTATE. Fair value of mortgage loans was estimated primarily using discounted cash flows, based on contractual maturities and risk-adjusted discount rates.

POLICY LOANS. Fair value of policy loans was estimated using discounted cash flows and actuarially-determined assumptions, incorporating market rates.

ASSETS AND LIABILITIES RELATED TO SEPARATE ACCOUNTS. Fair values of assets and liabilities related to separate accounts were based on quoted net asset value per share of the underlying mutual funds.

INSURANCE INVESTMENT CONTRACTS. Fair value of insurance investment contracts was estimated using cash flows discounted at market interest rates.

14

96

AMERICAN GENERAL ANNUITY INSURANCE COMPANY

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NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2000

All dollar amounts in millions, except share data

10  
REINSURANCE

In the normal course of business, the Company seeks to limit its exposure

to loss on any single policy and to recover a portion of benefits paid by ceding reinsurance to other insurance enterprises or reinsurers under excess coverage contracts. The Company has set its retention limit for acceptance of risk on life insurance policies at various levels up to \$0.8 million. To the extent that reinsuring companies are unable to meet obligations under these agreements, the Company remains contingently liable. The Company evaluates the financial condition of its reinsurers to minimize its exposure to significant losses from reinsurer insolvencies. Assets and liabilities relating to reinsurance contracts are reported gross of the effects of reinsurance. Reinsurance receivables and prepaid reinsurance premiums, including amounts related to insurance liabilities, are reported as assets.

Direct and assumed life insurance in force totaled \$363.5 million, \$403.2 million, and \$444.5 million at December 31, 2000, 1999, and 1998, respectively, and ceded life insurance in force totaled \$144.9 million, \$168.3 million, and \$195.6 million at December 31, 2000, 1999, and 1998, respectively. The percentage of assumed to net is less than 1% for all periods presented.

The insurance cost of ceded policies containing mortality risks totaled \$1.1 million in 2000, \$1.1 million in 1999, and \$1.3 million in 1998, and was deducted from insurance premium revenue. Reinsurance recoveries netted against insurance policy benefits totaled \$0.5 million, \$0.2 million, and \$0.4 million in 2000, 1999, and 1998, respectively.

In October 1995, the Company and American General Life Insurance Company (AG Life) entered into a modified coinsurance agreement. Under the agreement, AG Life issues SPIAs, and 50% of each risk is reinsured to the Company. Under this arrangement, the Company reports its pro rata share of premiums and shares in its pro rata portion of the gain or loss on policies sold. Pursuant to this arrangement, the Company assumed premiums of \$2.2 million and \$51.7 million for the years ended December 31, 1999 and 1998, respectively. There were no assumed premiums for the year ended December 31, 2000. The arrangement resulted in \$2.9 million, \$2.3 million, and \$52.0 million of revenues for the Company in 2000, 1999, and 1998, respectively. As of December 31, 2000, 1999, and 1998, the funds held by the Company and the insurance liabilities resulting from this agreement were \$273.8 million, \$272.7 million, and \$269.4 million, respectively. Effective May 1998, the Company began writing all new structured settlement business under its own name rather than through the modified coinsurance agreement.

#### COMMITMENTS AND CONTINGENCIES

The Company is a defendant in various lawsuits arising in the ordinary course of business. The Company believes it has valid defenses in these lawsuits and is defending the cases vigorously. Based upon information presently available, the Company believes that the total amounts that may ultimately have to be paid arising from these lawsuits will not have a material adverse effect on its results of operations and financial position. However, it should be noted that the frequency of large damage awards, including large punitive damage awards that bear little or no relation to actual economic damages incurred by plaintiffs in some jurisdictions, continues to create the potential for an unpredictable judgment in any given suit.



All 50 states have laws requiring solvent life insurance companies to pay assessments to state guaranty associations to protect the interests of policyholders of insolvent life insurance companies. The accrued liability for anticipated assessments was \$14.8 million, \$14.6 million, and \$11.2 million at December 31, 2000, 1999, and 1998, respectively. The 2000 liability was estimated by the Company using the latest information available from the National Organization of Life and Health Insurance Guaranty Associations. Although the amount accrued represents the Company's best estimate of its liability, this estimate may change in the future. Additionally, changes in state laws could decrease amounts recoverable against future premium taxes.

12

#### EMPLOYEE BENEFIT PLANS

The Company participates in several American General employee benefit plans which together cover substantially all of its employees. The amounts related to the benefit plans were not significant to the Company's operations.

13

#### SUBSEQUENT EVENTS

On March 11, 2001, AGC entered into a definitive merger agreement with Prudential plc. Under the agreement, AGC's shareholders will exchange shares of AGC's common stock for 3.6622 shares of Prudential plc common stock. The transaction, which is subject to shareholder and regulatory approvals, is expected to be completed in third quarter 2001.

15

97

#### PART C OTHER INFORMATION

#### ITEM 24. FINANCIAL STATEMENTS AND EXHIBITS

(a) Financial Statements

PART A: None

PART B:

- (1) Financial Statements of A. G. Separate Account A:  
Report of Ernst & Young LLP, Independent Auditors  
Summary of Financial Statements  
Statement of Net Assets as of December 31, 2000

Statement of Operations for the year ended December 31, 2000

Statement of Changes in Net Assets for the year ended December 31, 2000

Notes to Financial Statements

- (2) Consolidated Financial Statements of American General Annuity Insurance Company:

Report of Ernst & Young LLP, Independent Auditors

Balance Sheets as of December 31, 2000 and 1999

Statements of Income for the years ended December 31, 2000 and December 31, 1999, the ten months ended December 31, 1998 and the two months ended February 28, 1998.

Statements of Changes in Stockholder's Equity for the years ended December 31, 2000 and December 31, 1999, the ten months ended December 31, 1998 and the two months ended February 28, 1998.

Statements of Comprehensive Income for the years ended December 31, 2000 and December 31, 1999, the ten months ended December 31, 1998 and the two months ended February 28, 1998.

Statements of Cash Flows for the years ended December 31, 2000 and December 31, 1999, the ten months ended December 31, 1998 and the two months ended February 28, 1998.

Notes to Financial Statements

PART C: None

(b) Exhibits

C-1

- (1) American General Annuity Insurance Company Board of Directors resolution authorizing the establishment of A. G. Separate Account A. (1)

- (2) None
- (3)
  - Principal Underwriter's Agreement. (1)
- (4) (i) Individual Fixed and Variable Deferred Annuity Contract. (1)
  - (ii) Annual Step-Up Death Benefit. (1)
  - (iii) Persistency Bonus Endorsement. (2)
  - (iv) Guaranteed Minimum Income Benefit Rider. (10)
  - (v) Gain Preservation Death Benefit Rider. (10)
  - (vi) Extended Care Waiver Endorsement. (10)
  - (vii) Market Value Adjustment Endorsement. (10)
  - (viii) Tax Sheltered Annuity Endorsement. (10)
- (5) (i) Application Form. (3)
  - (ii) Investor Allocation Form. (3)
- (6) (i) Amended and Restated Articles of Incorporation of American General Annuity Insurance Company. (4)
  - (ii) Restated Bylaws of American General Annuity Insurance Company. (4)
- (7) None
- (8) (i) (A) Participation Agreement by and among A I M Variable Insurance Funds, Inc., A I M Distributors, Inc. American General Annuity Insurance Company and AGA Brokerage Services, Inc. dated November 23, 1998. (6)

- (B) Form of Administrative Services Agreement between American General Annuity Insurance Company and A I M Advisors, Inc. (5)
  - (C) Form of Amendment No. 1 to Participation Agreement between A I M Variable Insurance Funds, Inc., A I M Distributors, Inc, American General Annuity Insurance Company and A.G. Distributors, Inc. (formerly known as AGA Brokerage Services, Inc.) (6)
  - (D) Form of Amendment No. 2 to Participation Agreement between A I M Variable Insurance Funds, Inc., A I M Distributors, Inc., American General Annuity Insurance Company and American General Distributors, Inc. (formerly known as A.G. Distributors, Inc. and AGA Brokerage Services, Inc.). (9)
- (ii)
- (A) Participation Agreement between Oppenheimer Variable Account Funds, OppenheimerFunds, Inc. and American General Annuity Insurance Company. (1)
  - (B) First Amendment to Participation Agreement among Oppenheimer Variable Account Funds, OppenheimerFunds, Inc. and American General Annuity Insurance Company. (1)
  - (C) Form of Administrative Services Agreement between American General Annuity Insurance Company and OppenheimerFunds, Inc. (5)
- (iii)
- (A) Form of Participation Agreement between Franklin Templeton Variable Insurance Products Trust, Franklin Templeton Distributors, Inc. and American General Annuity Insurance Company, dated May 1, 2000. (5)
  - (B) Form of Administrative Services Agreement between American General Annuity Insurance Company and Franklin Templeton Services, Inc. (5)
  - (C) Form of First Amendment to Administrative Services Agreement

between American General Annuity Insurance Company and Franklin Templeton Services, Inc. (9)

- (iv) (A) Participation Agreement between American General Annuity Insurance Company, Van Kampen Life Investment

C-3

100

Trust, Van Kampen Funds Inc. and Van Kampen Asset Management Inc. dated November 23, 1998. (6)

- (B) Form of Amendment No. 1 to Participation Agreement between American General Annuity Insurance Company, Van Kampen Life Investment Trust, Van Kampen Funds Inc. and Van Kampen Asset Management Inc. (6)
- (C) Form of Administrative Services Agreement between American General Annuity Insurance Company and Van Kampen Asset Management Inc. (5)
- (v) (A) Form of Participation Agreement between American General Annuity Insurance Company, American General Series Portfolio Company and The Variable Annuity Life Insurance Company. (6)
- (B) Form of Amendment No. 1 to Participation Agreement between American General Annuity Insurance Company, American General Series Portfolio Company and The Variable Annuity Life Insurance Company. (3)
- (vi) Form of Participation Agreement among American General Annuity Insurance Company, OpCap Advisors and OCC Accumulation Trust. (7)
- (vii) Form of Participation Agreement among MFS Variable Insurance Trust, American General Annuity Insurance Company and Massachusetts Financial Services

Company, dated November 15, 2000. (3)

- (viii) Form of Participation Agreement among Putnam Variable Trust, Putnam Mutual Funds, Corp. and American General Annuity Insurance Company, dated November 15, 2000. (3)
- (ix) Form of Participation Agreement among North American Funds Variable Product Series II, The Variable Annuity Life Insurance Company and American General Insurance Company, dated November 15, 2000. (3)
- (x) (A) Form of Distribution and Shareholder Services Agreement by and between Janus Distributors, Inc. and American General Annuity Insurance Company, dated October 2, 2000. (3)

C-4

101

- (B) Form of Fund Participation Agreement between Janus Aspen Series, Janus Distributors, Inc. and American General Annuity Insurance Company, dated October 2, 2000. (3)
- (9) Not applicable.
- (10) Consent of Independent Auditors. (Filed herewith)
- (11) None
- (12) None
- (13) Calculation of Performance Information. (8)
- (14) Not applicable.
- (15) Company Organizational Chart. (8)

-----  
1. Incorporated by reference to Post-Effective Amendment No. 7 to Form N-4

Registration Statement (File No. 033-86464) of A. G. Separate Account A filed on April 29, 1999.

2. Incorporated by reference to Post-Effective Amendment No. 3 to Form N-4 Registration Statement (File No. 033-86464) of A. G. Separate Account A filed on March 2, 1998.
3. Incorporated by reference to Post-Effective Amendment No. 10 to Form N-4 Registration Statement (File No. 033-86464) of A. G. Separate Account A filed on November 3, 2000.
4. Incorporated by reference to Post-Effective Amendment No. 5 to Form N-4 Registration Statement (File No. 033-86464) of A. G. Separate Account A filed on May 26, 1998.
5. Incorporated by reference to Post-Effective Amendment No. 1 to Form N-4 Registration Statement (File No. 333-70801) of A. G. Separate Account A filed on April 18, 2000.
6. Incorporated by reference to Pre-Effective Amendment No. 2 to Form N-4 Registration Statement (File No. 333-70801) of A. G. Separate Account A filed on July 16, 1999.
7. Incorporated by reference to Post-Effective Amendment No. 8 to Form N-4 Registration Statement (File No. 033-86464) of A. G. Separate Account A filed on December 22, 1999.
8. Incorporated by reference to Post-Effective Amendment No. 6 to Form N-4 Registration Statement (File No. 033-86464) of A. G. Separate Account A filed on September 29, 1998.

C-5

102

9. Incorporated by reference to Pre-Effective Amendment No. 2 to Form N-4 Registration Statement (File No. 333-67605) of A.G. Separate Account A filed on June 29, 2000.
10. Incorporated by reference to Post-Effective Amendment No. 12 to Form N-4 Registration Statement (File No. 033-86464) of A. G. Separate Account A filed on June 5, 2001.

ITEM 25. DIRECTORS AND OFFICERS OF THE DEPOSITOR

The directors, executive officers, and, to the extent responsible for variable annuity operations, other officers of the depositor are listed below.

<Table>

<Caption>  
NAME AND PRINCIPAL  
OFFICES  
BUSINESS ADDRESS  
-----  
-----

POSITIONS AND  
WITH THE DEPOSITOR

<S>  
John A. Graf  
and Chief Executive Officer  
2929 Allen Parkway  
Houston, Texas 77019

<C>  
Director, Chairman

Bruce R. Abrams  
President  
2929 Allen Parkway  
Houston, Texas 77019

Director and

M. Kathleen Adamson  
Executive Vice President -  
2929 Allen Parkway  
Administration  
Houston, Texas 77019

Director and  
Operations

Michael J. Akers  
Vice President and Chief  
2929 Allen Parkway  
Houston, Texas 77019

Director, Senior  
Actuary

Rebecca G. Campbell  
Vice President - Human  
2929 Allen Parkway  
Houston, Texas 77019

Director and Senior  
Resources

Mary L. Cavanaugh  
Vice President, General  
2929 Allen Parkway  
Secretary  
Houston, Texas 77019

Director, Executive  
Counsel and

Robert P. Condon  
2929 Allen Parkway  
Houston, Texas 77019

Director

</Table>

<Table>



<p>&lt;S&gt;  Terry Eleftheriou  Vice President - Finance  2919 Allen Parkway  Houston, Texas 77019</p>	<p>&lt;C&gt;  Director and Senior</p>
<p>David W. Entrekin  Vice President &amp;  2929 Allen Parkway  Officer  Houston, Texas 77019</p>	<p>Director, Executive  Chief Financial</p>
<p>John V. LaGrasse  President - Technology  2929 Allen Parkway  Houston, Texas 77019</p>	<p>Executive Vice</p>
<p>Richard L. Bailey  President - Planning and Expense  2919 Allen Parkway  Houston, Texas 77019</p>	<p>Senior Vice  Management</p>
<p>David H. den Boer  President and Chief Compliance  2929 Allen Parkway  Houston, Texas 77019</p>	<p>Senior Vice  Officer</p>
<p>Sharla A. Jackson  President - Customer Service  205 E. 10th Street  Amarillo, Texas 79101</p>	<p>Senior Vice  Amarillo</p>
<p>Thomas G. Norwood  President - Broker/Dealer Operations  2929 Allen Parkway  Houston, Texas 77019</p>	<p>Senior Vice</p>
<p>Robert E. Steele  President - Specialty Products  205 E. 10th Street  Amarillo, Texas 79101</p>	<p>Senior Vice</p>
<p>Neil J. Davidson  Actuarial  2919 Allen Parkway  Houston, Texas 77019</p>	<p>Vice President -</p>
<p>Terry B. Festervand  Treasurer  2929 Allen Parkway  Houston, Texas 77019</p>	<p>Vice President and</p>

Edward P. Millay  
Controller  
2929 Allen Parkway  
Houston, Texas 77019  
</Table>

Vice President and

C-7

104

<Table>

<S>  
Richard W. Scott  
Chief Investment Officer  
2929 Allen Parkway  
Houston, Texas 77019

<C>  
Vice President and

Paula K. Snyder  
AGRS Marketing Communications  
2929 Allen Parkway  
Houston, Texas 77019

Vice President -

Krien Verberkmoes  
Sales Compliance  
2929 Allen Parkway  
Houston, Texas 77019

Vice President -

Connie E. Pritchett  
2929 Allen Parkway  
Houston, Texas 77019  
</Table>

Assistant Secretary

ITEM 26. PERSONS CONTROLLED BY OR UNDER COMMON CONTROL WITH THE DEPOSITOR OR REGISTRANT

The following is a list of American General Corporation's subsidiaries as of June 30, 2001. All subsidiaries listed are corporations, unless otherwise indicated. Subsidiaries of subsidiaries are indicated by indentations and unless otherwise indicated, all subsidiaries are wholly owned. Inactive subsidiaries are denoted by an asterisk (\*).

<Table>  
<Caption>

JURISDICTION OF INCORPORATION	NAME
-----	----
-----	

<S>

<C>	
AGC Life Insurance Company.....	Missouri
American General Property Insurance Company(15) .....	Tennessee
American General Property Insurance Company of Florida.....	Florida
American General Life and Accident Insurance Company(6) .....	Tennessee
American General Life Insurance Company(7) .....	Texas
American General Annuity Service Corporation .....	Texas
American General International Investments, Inc.(5) .....	Delaware
American General Life Companies .....	Delaware
American General Life Insurance Company of New York .....	New York
The Winchester Agency Ltd. ....	New York
The Variable Annuity Life Insurance Company .....	Texas
Parkway 1999 Trust(16) .....	Maryland
PESCO Plus, Inc.(13) .....	Delaware
American General Gateway Services, L.L.C.(14) .....	Delaware
The Variable Annuity Marketing Company .....	Texas
American General Financial Advisors, Inc.....	Texas
American General Retirement Services Company .....	Texas
VALIC Trust Company .....	Texas
American General Assignment Corporation of New York .....	New York
American General Life of Bermuda, Ltd.....	Bermuda

</Table>

<Table>

<S>

<C>

The Franklin Life Insurance Company .....  
 Illinois  
 The American Franklin Life Insurance Company .....  
 Illinois  
 Franklin Financial Services Corporation .....  
 Delaware  
 HBC Development Corporation .....  
 Virginia  
 Western National Corporation.....  
 Delaware  
 WNL Holding Corp.....  
 Delaware  
 American General Annuity Insurance Company.....  
 Texas  
 American General Assignment Corporation.....  
 Texas  
 American General Distributors, Inc. ....  
 Delaware  
 A.G. Investment Advisory Services, Inc. ....  
 Delaware  
 American General Financial Institution Group, Inc.....  
 Delaware  
 WNL Insurance Services, Inc.....  
 Delaware  
 American General Asset Management Corp. ....  
 Delaware  
 American General International, Inc. ....  
 Delaware  
 American General Enterprise Services, Inc. ....  
 Delaware  
 American General Corporation\* .....  
 Delaware  
 American General Delaware Management Corporation(1) .....  
 Delaware  
 American General Finance, Inc. ....  
 Indiana  
 HSA Residential Mortgage Services of Texas, Inc. ....  
 Delaware  
 AGF Investment Corp. ....  
 Indiana  
 American General Auto Finance, Inc. ....  
 Delaware  
 American General Finance Corporation(8) .....  
 Indiana  
 American General Finance Group, Inc. ....  
 Delaware  
 American General Financial Services, Inc.(9) .....  
 Delaware  
 The National Life and Accident Insurance Company .....  
 Texas  
 Merit Life Insurance Co. ....  
 Indiana

Yosemite Insurance Company .....	Indiana
American General Finance, Inc.....	Alabama
A.G. Financial Service Center, Inc. ....	Utah
American General Bank, FSB .....	Utah
American General Financial Center, Inc.* .....	Indiana
American General Financial Center, Incorporated* .....	Indiana
American General Financial Center Thrift Company* .....	California
Thrift, Incorporated* .....	Indiana
American General Funds Distributors, Inc. ....	Delaware
American General Investment Advisory Services, Inc.* .....	Texas
American General Investment Holding Corporation(10) .....	Delaware
American General Investment Management, L.P.(10) .....	Delaware
American General Investment Management Corporation(10) .....	Delaware
American General Realty Investment Corporation .....	Texas
AGLL Corporation(11).....	Delaware
American General Land Holding Company .....	Delaware
AG Land Associates, LLC(11) .....	California
GDI Holding, Inc.*(12) .....	California
Pebble Creek Service Corporation .....	Florida

</Table>

<Table>

<S>

<C>

SR/HP/CM Corporation .....	Texas
Green Hills Corporation .....	

	Delaware	
Knickerbocker Corporation .....		
	Texas	
2929 Allen Parkway Venture, L.P.(18) .....		
	Texas	
American Athletic Club, Inc. ....		
	Texas	
Pavilions Corporation.....		
	Delaware	
USLIFE Corporation.....		
	Delaware	
All American Life Insurance Company.....		
	Illinois	
American General Assurance Company.....		
	Illinois	
American General Indemnity Company.....		
	Nebraska	
USLIFE Credit Life Insurance Company of Arizona.....		
	Arizona	
American General Life Insurance Company of Pennsylvania.....		
	Pennsylvania	
I.C. Cal* .....		
	California	
North Central Administrators, Inc.....		
	Minnesota	
North Central Life Insurance Company.....		
	Minnesota	
North Central Caribbean Life, Ltd.....		
	Nevis	
The Old Line Life Insurance Company of America.....		
	Wisconsin	
The United States Life Insurance Company in the City of New York.....		
	New York	
American General Bancassurance Services, Inc.....		
	Illinois	
USMRP, Ltd.....		
	Turks & Caicos	
The Huntington National Life Insurance Company(17) .....		
	Arizona	
USLIFE Realty Corporation.....		
	Texas	
USLIFE Real Estate Services Corporation.....		
	Texas	
USLIFE Systems Corporation.....		
	Delaware	

</Table>

American General Finance Foundation, Inc. is not included on this list. It is a non-profit corporation.

COMPANY ABBREVIATIONS AS USED IN ITEM 26:

<Table>  
<Caption>

ABB.	STATE/JUR. OF DOMICILE	COMPANY
----	-----	-----
<S>	<C>	
	<C>	
AAL	All American Life Insurance	
Company.....		IL
AAth	American Athletic Club, Inc.	
.....		TX
AFLI	The American Franklin Life Insurance Company	
.....		IL
AGAIC	American General Annuity Insurance Company	
.....		TX
AGAMC	American General Asset Management Corp.	
.....		DE
ASGN-NY	American General Assignment Corporation of New York	
.....		NY
AGAC	American General Assurance	
Company.....		IL
AGAS	American General Annuity Service Corporation	
.....		TX
AGBS	American General Distributors, Inc.	
.....		DE
AGB	American General Bank, FSB	
.....		UT
AGC	American General Corporation	
.....		TX
AGCL	AGC Life Insurance Company	
.....		MO
AGDMC	American General Delaware Management Corporation	
.....		DE
AGES	American General Enterprise Services, Inc.	
.....		DE
AGF	American General Finance, Inc.	
.....		IN
AGFA	American General Financial Advisors,	
Inc.....		TX

</Table>

<Table>

<S> <C>  
<C>

AGFC	American General Finance Corporation	IN
AGFCI	American General Financial Center, Incorporated	IN
AGFCT	American General Financial Center Thrift Company	CA
AGFG	American General Finance Group, Inc.	DE
AGFDI	American General Funds Distributors, Inc.	DE
AGF Inv	AGF Investment Corp.	IN
AGFn	A.G. Financial Service Center, Inc.	UT
AGFnC	American General Financial Center, Inc.	IN
AGFS	American General Financial Services, Inc.	DE
AGFA	American General Financial Advisors, Inc.	TX
AGFIG	American General Financial Institutions Group, Inc.	DE
AGGS	American General Gateway Services, L.L.C.	DE
AGIA	American General Insurance Agency, Inc.	MO
AGIAH	American General Insurance Agency of Hawaii, Inc.	HI
AGIAM	American General Insurance Agency of Massachusetts, Inc.	MA
AGIAO	American General Insurance Agency of Ohio, Inc.	OH
AGIAOK	American General Insurance Agency of Oklahoma, Inc.	OK
AGIAS	A.G. Investment Advisory Services, Inc.	DE
AGIAT	American General Insurance Agency of Texas, Inc.	TX
AGII	American General International, Inc.	DE
AGIII	American General International Investments, Inc.	DE
AGIHC	American General Investment Holding Corporation	DE
AGIM	American General Investment Management, L.P.	DE
AGIMC	American General Investment Management Corporation	DE
AGIND	American General Indemnity Company	NE
AGL	American General Life Insurance Company	TX



AGLA	American General Life and Accident Insurance Company.....	TN	
AGLB	American General Life of Bermuda, Ltd. .....	Bermuda	
AGLC	American General Life Companies.....		DE
AGLH	American General Land Holding Company .....	DE	
AGLL	AGLL Corporation.....		DE
AGNY	American General Life Insurance Company of New York .....	NY	
AGPA	American General Life Insurance Company of Pennsylvania.....	PA	
AGPIC	American General Property Insurance Company .....	TN	
AGRI	American General Realty Investment Corporation .....	TX	
AGRSC	American General Retirement Services Company.....	TX	
AGSI	American General Securities Incorporated .....	TX	
AGX	American General Exchange, Inc. .....		TN
APV	2929 Allen Parkway Venture, L.P.....		TX
ASGN	American General Assignment Corporation.....		TX
FFSC	Franklin Financial Services Corporation .....	DE	
FL	The Franklin Life Insurance Company .....	IL	
GHC	Green Hills Corporation .....		DE
HBDC	HBC Development Corporation.....		VA
KC	Knickerbocker Corporation .....		TX
ML	Merit Life Insurance Co. .....		IN
NLA	The National Life and Accident Insurance Company .....	TX	
NCA	North Central Administrators, Inc. .....		MN
NCL	North Central Life Insurance Company.....		MN
NCCL	North Central Caribbean Life, Ltd.....		T&C
OLL	The Old Line Life Insurance Company of America.....	WI	
PKWY	Parkway 1999		

Trust.....		MD
PAV Pavilions Corporation.....		DE

C-11

108		
<Table>		
<S>	<C>	
	<C>	
PCSC	Pebble Creek Service Corporation	
.....		FL
PIFLA	American General Property Insurance Company of Florida.....	FL
PPI	PESCO Plus, Inc.....	DE
RMST	HSA Residential Mortgage Services of Texas, Inc.....	DE
SRHP	SR/HP/CM Corporation	
.....		TX
TI	Thrift, Incorporated	
.....		IN
UAS	American General Bancassurance Services, Inc.....	IL
UC	USLIFE Corporation.....	
DE		
UCLA	USLIFE Credit Life Insurance Company of Arizona	
.....		AZ
URC	USLIFE Realty Corporation.....	TX
URSC	USLIFE Real Estate Service Corporation.....	TX
USC	USLIFE Systems Corporation.....	DE
USL	The United States Life Insurance Company in the City of York.....	
NY		
USMRP	USMRP, Ltd.....	
T&C		
HNLIC	The Huntington National Life Insurance Company.....	AZ
VALIC	The Variable Annuity Life Insurance Company	
.....		TX
VAMCO	The Variable Annuity Marketing Company	
.....		TX
VTC	VALIC Trust Company.....	TX

WA	The Winchester Agency Ltd.	
.....		NY
WIS	WNL Insurance Services,	
Inc.....		DE
WNC	Western National Corporation	
.....		DE
WNLH	WNL Holding	
Corp.....		DE
YIC	Yosemite Insurance Company	
.....		IN

ITEM 27. NUMBER OF CONTRACT OWNERS

As of May 31, 2001, there were 3,437 owners of Qualified Contracts offered by this Registration Statement and 3,603 owners of Non-Qualified Contracts offered by this Registration Statement.

ITEM 28. INDEMNIFICATION

The Bylaws (Article VI - Section 1) of the Company provide that:

The Corporation shall indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that he is or was a director or officer of the corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise (collectively, "Agent") against expenses (including attorneys, fees), judgments, fines, penalties, court costs and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement (whether with or without court approval), conviction or upon a plea of NOLO CONTENDERE or its equivalent, shall not, of itself, create a presumption that the Agent did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to

believe that his conduct was unlawful. If several claims, issues or matters are involved, an Agent may be entitled to indemnification as to some matters even though he is not entitled as to other matters. Any director or officer of the Corporation serving in any capacity of another corporation, of which a majority

of the shares entitled to vote in the election of its directors is held, directly or indirectly, by the Corporation, shall be deemed to be doing so at the request of the Corporation.

Insofar as indemnification for liability arising under the Securities Act of 1933 may be permitted directors and officers or controlling persons of the Company pursuant to the foregoing, or otherwise, the Company has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Company of expenses incurred or paid by a director, officer or controlling person of the Company in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Company will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

ITEM 29. PRINCIPAL UNDERWRITERS

- (a) Registrant's principal underwriter, American General Distributors, Inc., also acts as principal underwriter for affiliated entities of American General Annuity Insurance Company.
- (b) The directors and principal officers of the principal underwriter are:

<Table>  
<Caption>

OFFICES	POSITION AND
UNDERWRITER	WITH
NAME AND PRINCIPAL	AMERICAN
GENERAL	DISTRIBUTORS,
BUSINESS ADDRESS	INC.
-----	-----
<p>&lt;S&gt; Robert P. Condon Chairman, 2929 Allen Parkway Officer and Houston, TX 77019</p>	<p>&lt;C&gt; Director and  Chief Executive  President</p>
<p>Mary L. Cavanaugh Assistant Secretary</p>	<p>Director and</p>

2929 Allen Parkway  
Houston, TX 77019

David H. den Boer  
Senior Vice President  
2929 Allen Parkway  
Houston, TX 77019  
</Table>

Director,  
and Secretary

C-13

110

<Table>

<S>  
Jennifer D. Cobbs  
President  
2929 Allen Parkway  
Houston, Texas 77019

<C>  
Executive Vice

Krien VerBerkmoes  
Compliance Officer  
2929 Allen Parkway  
Houston, Texas 77019

Chief

John Reiner  
Officer and  
2929 Allen Parkway  
Houston, Texas 77019

Chief Financial  
Treasurer

Robyn Galerston  
President-Sales  
2919 Allen Parkway  
Review  
Houston, TX 77019

Assistant Vice  
Literature

D. Lynne Walters  
2929 Allen Parkway  
Houston, TX 77019

Tax Officer

Pauletta P. Cohn  
Secretary  
2929 Allen Parkway  
Houston, TX 77019

Assistant

Lauren W. Jones  
Secretary  
2929 Allen Parkway  
Houston, TX 77019

Assistant

Daniel R. Cricks  
Officer  
2929 Allen Parkway  
Houston, TX 77019

Assistant Tax

James D. Bonsall  
Treasurer  
2929 Allen Parkway  
Houston, TX 77019  
</Table>

Assistant

- (c) American General Distributors, Inc. is the principal underwriter for A. G. Separate Account A. The licensed agents who sell the Flexible Payment Variable and Fixed Individual Deferred Annuity Contracts are compensated for such sales by commissions paid by American General Annuity Insurance Company. These commissions do not result in any charge to A. G. Separate Account A or to Contract Owners, Annuitants or Beneficiaries, as those terms are defined in Flexible Payment Variable and Fixed Individual Deferred Annuity Contracts, in addition to the charges described in the prospectuses for such Contracts.

C-14

111

#### ITEM 30. LOCATION OF RECORDS

All records referenced under Section 31(a) of the Investment Company Act of 1940 and the rules promulgated thereunder are maintained and are in the custody of American General Annuity Insurance Company at its principal executive office located at 2929 Allen Parkway, Houston, Texas 77019.

#### ITEM 31. MANAGEMENT SERVICES

Not Applicable.

#### ITEM 32. UNDERTAKINGS

a. Registrant hereby undertakes to file a post-effective amendment to this registration statement as frequently as is necessary to ensure that the audited financial statements in the registration statement are never more than sixteen (16) months old for so long as payments under the variable annuity contracts may be accepted.

b. Registrant hereby undertakes to include either (1) as part of any application to purchase a contract offered by the Prospectus, a space that an applicant can check to request a Statement of Additional Information, or (2) a postcard or similar written communication affixed to or included in the

Prospectus that the applicant can remove to send for a Statement of Additional Information.

c. Registrant hereby undertakes to deliver any Statement of Additional Information and any financial statement required to be made available under this Form promptly upon written or oral request.

d. American General Annuity Insurance Company ("Company"), hereby represents that the fees and charges deducted under the Contract described in the Prospectus, in the aggregate, are reasonable in relation to the services rendered, the expenses to be incurred and the risks assumed by the Company.

#### REPRESENTATIONS

(1) The Company hereby represents that it is relying upon Investment Company Act Rule 6c-7. The Company further represents that paragraphs (a) - (d) of Rule 6c-7 have been complied with.

(2) The Company hereby represents that it is relying upon a No-Action Letter issued to the American Council of Life Insurance dated November 28, 1988 (Commission ref. IP-6-88) and that the following provisions have been complied with:

C-15

112

1. Include appropriate disclosure regarding the redemption restrictions imposed by Section 403(b) (11) in each registration statement, including the prospectus, used in connection with the offer of the contract;

2. Include appropriate disclosure regarding the redemption restrictions imposed by Section 403(b) (11) in any sales literature used in connection with the offer of the contract;

3. Instruct sales representatives who solicit participants to purchase the contract specifically to bring the redemption restrictions imposed by Section 403(b) (11) to the attention of the potential participants; and

4. Obtain from each plan participant who purchases a Section 403(b) annuity contract, prior to or at the time of such purchase, a signed statement acknowledging the participant's understanding of (1) the restrictions on redemption imposed by Section 403(b) (11), and (2) other investment alternatives available under the employer's Section 403(b) arrangement to which the participant may elect to transfer his contract value.

C-16

## POWERS OF ATTORNEY

Each person whose signature appears below hereby appoints Terry Eleftheriou, Mary L. Cavanaugh and Pauletta P. Cohn and each of them, any one of whom may act without the joinder of the others, as his/her attorney-in-fact to sign on his/her behalf and in the capacity stated below and to file all amendments to this Registration Statement, which amendment or amendments may make such changes and additions to this Registration Statement as such attorney-in-fact may deem necessary or appropriate.

## SIGNATURES

As required by the Securities Act of 1933 and the Investment Company Act of 1940, the Registrant, A.G. Separate Account A, certifies that it meets the requirements of Securities Act Rule 485(a) for effectiveness of this amended Registration Statement and has caused this amended Registration Statement to be signed on its behalf, in the City of Houston, and State of Texas on this 2nd day of August 2001.

A.G. SEPARATE ACCOUNT A  
(Registrant)

BY: AMERICAN GENERAL ANNUITY INSURANCE  
COMPANY  
(On behalf of the Registrant and itself)

BY: /s/ MARY L. CAVANAUGH

-----  
Mary L. Cavanaugh  
Executive Vice President, General  
Counsel and Secretary

[SEAL]

ATTEST: /s/ PAULETTA P. COHN

-----  
Pauletta P. Cohn  
Assistant Secretary



As required by the Securities Act of 1933, this amended Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

<Table>

<Caption>

Signature

Title

Date

-----

-----

----

<S>

<C>

<C>

August \_\_, 2001

Director, Chairman and

Chief Executive Officer

-----  
John A. Graf

/s/ TERRY ELEFThERIOU

Director, Senior Vice

August 2, 2001

President - Finance and

-----  
Terry Eleftheriou

Principal Accounting Officer

/s/ BRUCE R. ABRAMS

Director

August 2, 2001

-----  
Bruce R. Abrams

/s/ M. KATHLEEN ADAMSON

Director

August 2, 2001

-----  
M. Kathleen Adamson

/s/ MICHAEL J. AKERS

Director

August 2, 2001

-----  
Michael J. Akers

/s/ REBECCA G. CAMPBELL

Director

August 2, 2001

/s/ MARY L. CAVANAUGH Director  
August 2, 2001

-----  
Mary L. Cavanaugh

/s/ ROBERT P. CONDON Director  
August 2, 2001

-----  
Robert P. Condon

/s/ DAVID W. ENTREKIN Director  
August 2, 2001

-----  
David W. Entrekin

</Table>

115

EXHIBIT INDEX

<Table>	
<Caption>	
EXHIBIT	
NUMBER	DESCRIPTION
-----	-----
<S>	<C>
(10)	Consent of Independent Auditors

</Table>

## Consent of Independent Auditors

We consent to the reference to our firm under the caption "Experts" and to the use of our reports dated January 23, 2001 with respect to the financial statements of American General Annuity Insurance Company, and March 21, 2001 with respect to the financial statements of A.G. Separate Account A (formerly AGA Separate Account A) included in Post-Effective Amendment No. 13 to the Registration Statement (Form N-4, Nos. 033-86464/811-08862) of A.G. Separate Account A.

/s/ ERNST & YOUNG LLP  
-----

Houston, Texas  
August 2, 2001