

SECURITIES AND EXCHANGE COMMISSION

FORM 485BPOS

Post-effective amendments [Rule 485(b)]

Filing Date: **2005-05-02**
SEC Accession No. **0001193125-05-091540**

([HTML Version](#) on [secdatabase.com](#))

FILER

AGL SEPARATE ACCOUNT VL-R

CIK: **1051485** | IRS No.: **250598210** | State of Incorp.: **TX** | Fiscal Year End: **1231**
Type: **485BPOS** | Act: **33** | File No.: **333-65170** | Film No.: **05788820**

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CIK: **1051485** | IRS No.: **250598210** | State of Incorp.: **TX** | Fiscal Year End: **1231**
Type: **485BPOS** | Act: **40** | File No.: **811-08561** | Film No.: **05788822**

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As filed With the Securities and Exchange Commission on May 2, 2005

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-6

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933 [X]

Pre-effective Amendment No. []

Post-Effective Amendment No. [9]

and/or

REGISTRATION STATEMENT UNDER THE
INVESTMENT COMPANY ACT OF 1940 [X]

Amendment No. [45]

AMERICAN GENERAL LIFE INSURANCE COMPANY SEPARATE ACCOUNT VL-R
(Exact Name of Registrant)

AMERICAN GENERAL LIFE INSURANCE COMPANY
(Name of Depositor)

2727-A Allen Parkway
Houston, Texas 77019-2191
(Address of Depositor's Principal Executive Offices) (Zip Code)

Depositor's Telephone Number, including Area Code (713) 831-8470

Lauren W. Jones, Esq.
Deputy General Counsel
American General Life Companies, LLC
2929 Allen Parkway
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(Name and Address of Agent for Service)

Approximate Date of Proposed Public Offering: Continuous.

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

- immediately upon filing pursuant to paragraph (b)
- on May 2, 2005 pursuant to paragraph (b)
- 60 days after filing pursuant to paragraph (a)(1)
- on (date) pursuant to paragraph (a)(1) 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.

PLATINUM INVESTOR (R)
SURVIVOR II

LAST SURVIVOR FLEXIBLE PREMIUM VARIABLE LIFE INSURANCE POLICIES (the "Policies")
issued by American General Life Insurance Company ("AGL") through its Separate
Account VL-R

This Prospectus is dated
May 2, 2005

This prospectus describes Platinum Investor Survivor II last survivor flexible premium variable life insurance Policies issued by AGL. If there are any differences between this prospectus and your Policy, the provisions of your Policy will control. Platinum Investor Survivor II Policies provide life insurance coverage with flexibility in death benefits, premium payments and investment options. During the lifetimes of the contingent insures you may designate or change the beneficiary to whom Platinum Investor Survivor II pays

the death benefit upon the last surviving contingent insured's death. You choose one of two death benefit options. We guarantee a death benefit if the monthly guarantee premium is paid and your Policy has not lapsed.

For information on how to contact AGL, please see "Contact Information" page 5.

The Index of Special Words and Phrases on page 58 will refer you to pages that contain more about many of the words and phrases that we use. All of the words and phrases listed in the Index will be underlined and written in bold the first time they appear in this prospectus.

This prospectus generally describes only the variable portions of the Policy, except where the fixed account is specifically mentioned. Please read this prospectus carefully and keep it for future reference.

The AGL declared fixed interest account ("Fixed Account") is the fixed investment option for these Policies. You can also use AGL's Separate Account VL-R ("Separate Account") to invest in the Platinum Investor Survivor II variable investment options. Currently, the Platinum Investor Survivor II variable investment options each purchase shares of a corresponding Fund of:

- .. AIM Variable Insurance Funds ("AIM V.I.")
- .. The Alder American Fund ("Alder American")
- .. American Century Variable Portfolios, Inc. ("American Century VP")
- .. Credit Suisse Trust ("Credit Suisse Trust")
- .. Dreyfus Investment Portfolios ("Dreyfus IP")
- .. Dreyfus Variable Investment Fund ("Dreyfus IF")
- .. Fidelity(R) Variable Insurance Products ("Fidelity(R) VIP")
- .. Franklin Templeton Variable Insurance Products Trust ("Franklin Templeton on VIP")
- .. Janus Aspen Series ("Janus Aspen")
- .. J.P. Morgan Series Trust II ("JPMorgan ST II")
- .. MFS(R) Variable Insurance Trust (SM) ("MFS(R) VIT")
- .. Neuberger Berman Advisers Management Trust ("Neuberger Berman AMT")
- .. Oppenheimer Variable Account Funds ("Oppenheimer")
- .. PIMCO Variable Insurance Trust ("PIMCO VIT")
- .. Putnam Variable Trust ("Putnam VT")
- .. SunAmerica Series Trust ("SunAmerica ST")
- .. The Universal Institutional Funds, Inc. ("UIF")
- .. VALIC Company I ("VALIC Co. I")
- .. Van Kampen Life Investment Trust ("Van Kampen LIT")
- .. Vanguard(R) Variable Insurance Fund ("Vanguard IF")

See "Variable Investment Options" on page 19 for a complete list of the variable investment options and the respective advisers and sub-advisers of the corresponding Funds. You should also read the prospectuses of the Funds underlying the variable investment options that may interest you. You can request free copies from your AGL representative or from our Administrative Center shown under "Contact Information" on page 5.

There is no guaranteed cash surrender value for amounts allocated to the variable investment options.

If the net cash surrender value (the cash surrender value reduced by any loan balance) is insufficient to cover the charges due under the Policy, the Policy may terminate without value.

Buying this Policy might not be a good way of replacing your existing insurance or adding more insurance if you already own a flexible premium variable life insurance Policy. You may wish to consult with your insurance representative or financial adviser.

Neither the Securities and Exchange Commission ("SEC") nor any state securities commission has 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 Policies 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 life insurance policy is subject to investment risks, including possible loss of principal invested.

The Policies are not available in all states. This prospectus does not offer the Policies in any jurisdiction where they cannot be lawfully sold. You should rely only on the information contained in this prospectus, or on sales materials we have approved or that we have referred you to. We have not authorized anyone to provide you with information that is different.

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CONTACT INFORMATION

Addresses and telephone numbers: Here is how you can contact us about the Platinum Investor Survivor II Policies.

<TABLE> <CAPTION>					
ADMINISTRATIVE CENTER:		HOME OFFICE:		PREMIUM PAYMENTS:	
-----		-----		-----	
<S>	<C>	<C>	<C>	<C>	<C>
(Express Delivery)	(U.S. Mail)	2727-A Allen Parkway	2727-A Allen Parkway	(Express Delivery)	
VUL Administration	VUL Administration	Houston, Texas 77019-2191	Houston, Texas 77019-2191	Payment Processing Center	
2727-A Allen Parkway	P. O. Box 4880	1-713-831-3443	1-713-831-3443	#1 Franklin Square	
Houston, Texas 77019-2191	Houston, Texas	1-800-340-2765	1-800-340-2765	Springfield, IL 62713-0001	
1-713-831-3443, 1-800-340-2765	77210-4880			(U.S. Mail)	
(Hearing Impaired) 1-888-436-5258				Payment Processing Center	
Fax: 1-713-620-6653				P.O. Box 0842	
(Except premium payments)				Carol Stream, IL 60132-0842	
</TABLE>					

ELECTRONIC SERVICES

Now, with E-DELIVERY you can electronically receive certain documents we currently mail, including annual Policy and Fund prospectuses. You can choose E-mail or CD ROM. You can also choose E-SERVICE capabilities to access on-line services for your Policy, such as transferring values among investment options and changing allocations for future premiums. You may select or cancel E-DELIVERY and E-SERVICE at any time. For more information, see page 18 of this prospectus. To request E-DELIVERY or E-SERVICE, take the following action:

- . For E-DELIVERY, enroll at the time you complete your Policy application, or go to www.aigag.com and enroll for E-Delivery at the same time you enroll for E-Service.
- . For E-SERVICE, go to www.aigag.com and enroll by completing the information on the introductory page under "Not an E-Service Member?"

POLICY BENEFITS/RISKS SUMMARY

This summary describes the Policy's important benefits and risks. The sections in this prospectus following this summary discuss the Policy's benefits and other provisions in more detail.

POLICY BENEFITS

The Policy insures the lives of two individuals, each of whom is called a "contingent insured." During the contingent insureds' lifetimes, you may, within limits, (1) change the amount of insurance, (2) borrow or withdraw amounts you have invested, (3) choose when and how much you invest, (4) choose whether your accumulation value under your Policy, upon the last surviving contingent insured's death, will be added to the insurance proceeds we otherwise will pay to the beneficiary, and (5) add or delete certain other optional benefits that we make available by rider to your Policy. At the time of purchase, you can

decide whether your Policy will be subject to certain tax rules that maximize the cash value or rules that maximize the insurance coverage.

You may currently allocate your accumulation value among the 50 variable investment options available under the Policy, each of which invests in an underlying Fund (each available portfolio is referred to in this prospectus as a "Fund" and collectively, the "Funds"), and the Fixed Account, which credits a specified rate of interest.

Any Policy owner whose accumulation value as of December 10, 2004 was invested in whole or in part in the investment option funded by the Pioneer Fund VCT Portfolio - Class I shares (formerly Safeco RST Core Equity Portfolio) or the Pioneer Growth Opportunities VCT Portfolio - Class I shares (formerly Safeco RST Growth Opportunities Portfolio) may continue to use that certain investment option for any purpose allowed under the Policy. Any Policy owner who had accumulation value invested in the Goldman Sachs Capital Growth Fund (formerly Ayco Growth Fund) on April 30, 2003, may retain the investment but cannot use the Goldman Sachs Capital Growth Fund for any other purpose except to transfer to another investment option.

Your accumulation value will vary based on the investment performance of the variable investment options you choose and interest credited to the Fixed Account.

Your Specified Amount of Insurance

In your application to buy a Platinum Investor Survivor II Policy, you tell us how much life insurance coverage you want. We call this the "specified amount" of insurance. We will increase the death benefit by any additional specified amount under a benefit rider. Platinum Investor Survivor II is available for specified amounts of \$500,000 or more. The specified amount consists of what we refer to as "base coverage" plus any "supplemental coverage" you select. You decide how much base coverage and how much supplemental coverage you want. Base coverage must be at least 10% of the specified amount. We pay compensation to your insurance agent's broker-dealer for the sale of both base and supplemental coverages. We pay a different level of compensation based on the amounts of base and supplemental coverages you select. See "Base Coverage and Supplemental Coverage" on page 26.

Death Benefit

.. Death Benefit Proceeds: We pay the death benefit proceeds (reduced by any outstanding Policy loans and increased by any unearned loan interest we may have already charged) to the beneficiary upon the death of the last surviving contingent insured. We also provide a guarantee of a death benefit, contingent upon payment of the required premiums, equal to the specified

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amount (less any indebtedness) and any applicable benefit riders during the first 5 Policy years. This guarantee is not applicable if your Policy has lapsed.

.. Death Benefit Option 1 and Option 2: You may choose between two death benefit options under the Policy. You can choose either death benefit Option 1 or Option 2 at the time of your application or at any later time before the death of the last surviving contingent insured. You must choose one of the two Options at the time we issue your Policy.

. Death Benefit Option 1 is the specified amount on the date of the last surviving contingent insured's death; or

. Death Benefit Option 2 is the sum of (a) the specified amount on the date of the last surviving contingent insured's death and (b) the Policy's accumulation value as of the date of the last surviving contingent insured's death.

Federal tax law may require us to increase payment under either of the above death benefit Options. See "Required minimum death benefit" on page 24.

Full Surrenders, Partial Surrenders, Transfers, and Policy Loans

.. Full Surrenders: At any time while the Policy is in force, you may surrender your Policy in full. If you do, we will pay you the accumulation value, less any Policy loans, plus any unearned loan interest, and less any surrender charge that then applies. We call this amount your "cash surrender value." You cannot reinstate a surrendered Policy. A full surrender may have adverse tax consequences.

.. Partial Surrenders: You may, at any time after the first Policy year, make

a partial surrender of your Policy's cash surrender value. A partial surrender must be at least \$500. We do not allow partial surrenders that would reduce the death benefit below \$500,000. A partial surrender may have adverse tax consequences.

.. Transfers: Within certain limits, you may make transfers among the variable investment options and the Fixed Account. You may make up to twelve transfers of accumulation value among the variable investment options in each Policy year without charge. We will assess a \$25 charge for each transfer after the 12th transfer in a Policy year. There are special limits on transfers involving the Fixed Account.

.. Policy Loans: You may take a loan from your Policy at any time. The maximum loan amount you may take is equal to your Policy's cash surrender value less the loan interest that will be payable on your loan to your next Policy anniversary. The minimum loan you may take is \$500 or, if less, an amount equal to your Policy's cash surrender value less the loan interest payable through your next Policy anniversary. We charge you interest on your loan at an annual effective rate of 4.75%. We credit interest on loaned amounts; we guarantee an annual effective interest rate of 4%. After the tenth Policy year, you may take a preferred loan from your Policy. You may increase your risk of lapse if you take a loan. Loans may have adverse tax consequences.

Premiums

.. Flexibility of Premiums: After you pay the initial premium, you can pay premiums at any time (prior to the Policy's maturity) and in any amount (but not less than \$25). You can select a premium payment plan to pay "planned periodic premiums" quarterly, semiannually, or annually. You are not required to pay premiums according to the plan. After payment of your initial premium, you need only invest enough to ensure your Policy's cash surrender value stays above zero or that the first 5 Policy year benefit (described under "Monthly guarantee premiums")

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on page 28) remains in effect. You may also choose to have premiums automatically deducted monthly from your bank account or other source under our automatic payment plan. Under certain circumstances, we may limit the amount of a premium payment or reject a premium payment.

.. Free Look: When you receive your Policy, the free look period begins. You may return your Policy during this period and receive a refund. We will refund the greater of (i) any premium payments received by us or (ii) your accumulation value plus any charges that have been deducted prior to allocation to your specified investment options. The free look period generally expires 10 days after you receive the Policy.

The Policy

.. Ownership Rights: While the contingent insureds are living, you, as the owner of the Policy, may exercise all of the rights and options described in the Policy. These rights include selecting and changing the beneficiary, changing the owner, and assigning the Policy.

.. Separate Account: You may direct the money in your Policy to any of the variable investment options of the Separate Account. Each variable investment option invests exclusively in one of the Funds listed in this prospectus.

.. Fixed Account: You may place amounts in the Fixed Account where it earns interest at the rate of 4% annually. We may declare higher rates of interest, but are not obligated to do so.

.. Accumulation Value: Your accumulation value is the sum of your amounts in the variable investment options and the Fixed Account. Accumulation value varies from day to day, depending on the investment performance of the variable investment options you choose, interest we credit to the Fixed Account, charges we deduct, and any other transactions (e.g., transfers, partial surrenders and loans).

.. Payment Options: There are several ways of receiving proceeds under the death benefit, surrender, and maturity provisions of the Policy, other than in a lump sum. More detailed information concerning these payment options is available on request from our Administrative Center shown under "Contact Information" on page 5.

.. Tax Benefits: The Policy is designed to afford the tax treatment normally accorded life insurance contracts under federal tax law. Generally, under federal tax law, the death benefit under a qualifying life insurance policy

is excludable from the gross income of the beneficiary. This means that under a qualifying life insurance policy, cash value builds up on a tax deferred basis and transfers of cash value among the available investment options under the policy may be made tax free. Under a qualifying life insurance policy that is not a modified endowment contract ("MEC"), the proceeds from Policy loans would not be taxed. If the Policy is not a MEC, distributions after the 15th Policy year generally will be treated first as a return of basis or investment in the Policy and then as taxable income. Moreover, loans will generally not be treated as distributions. Finally, neither distributions nor loans from a Policy that is not a MEC are subject to the 10% penalty tax.

Supplemental Benefits and Riders

We offer several riders that provide supplemental benefits under the Policy, such as the Return of Premium Death Benefit Rider, which provides additional term life insurance coverage on the life of the last surviving contingent insured. If you select the Maturity Extension Rider or the Single Life Annually Renewable Term Insurance Rider, a charge, which is shown on page 3 of your Policy, will be deducted from your accumulation value on each monthly deduction date. There is no charge if you select the

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Return of Premium Death Benefit Rider. Eligibility for and changes in these benefits are subject to our rules and procedures as in effect from time to time. Not all riders are available in all states.

POLICY RISKS

Investment Risk

The Policy is not suitable as a short-term investment. We designed the Policy to meet long-term financial goals. In the Policy's early years, if the total charges exceed total premiums paid or if your investment choices perform poorly, your Policy may not have any cash surrender value. The surrender charge is large enough in the Policy's early years so that if you fully surrender your Policy you may receive no cash surrender value. If you take multiple partial surrenders, your accumulation value may not cover required charges and your Policy would lapse.

If you invest your accumulation value in one or more variable investment options, then you will be subject to the risk that investment performance will be unfavorable. You will also be subject to the risk that the accumulation value will decrease because of the unfavorable performance and the resulting higher insurance charges. You could lose everything you invest. You will also be subject to the risk that the investment performance of the variable investment options you choose may be less favorable than that of other variable investment options, and in order to keep the Policy in force may be required to pay more premiums than originally planned. We do not guarantee a minimum accumulation value.

If you allocate net premiums to the Fixed Account, then we credit your accumulation value (in the Fixed Account) with a declared rate of interest, but you assume the risk that the rate may decrease, although it will never be lower than a guaranteed minimum annual effective rate of 4%.

Risk of Lapse

During the first 5 Policy year benefit period discussed on page 28, your Policy will not enter a grace period or terminate if the Monthly Guarantee Premium has been met. After expiration of this benefit, if your cash surrender value is not enough to pay the charges deducted against your accumulation value each month, your Policy may enter a 61-day grace period. We will notify you that the Policy will lapse (terminate without value) at the end of the grace period unless you make a sufficient payment. Your Policy may also lapse if outstanding Policy loans plus any accrued interest payable exceeds the cash surrender value. If the first 5 Policy year benefit is applicable to your Policy and you pay the monthly guarantee premium, your Policy will not lapse and we will provide at least an Option 1 death benefit.

Tax Risks

We anticipate that the Policy should generally be deemed a life insurance contract under federal tax law. However, due to limited guidance under the federal tax law, there is some uncertainty about the application of the federal tax law to the Policy, particularly if you pay the full amount of premiums permitted under the Policy. Although AGL believes that the Policies are in compliance with Section 7702 of the Internal Revenue Code of 1986, as amended (the "Code"), the manner in which Section 7702 should be applied to certain features of a last survivor life insurance policy is not directly addressed by

Section 7702. In the absence of final regulations or other guidance issued under Section 7702 there is necessarily some uncertainty whether survivor life insurance policies, like the Platinum Investor Survivor II Policies will meet the Section 7702 definitions of a life insurance contract. Please consult a tax adviser about these consequences.

Depending on the total amount of premiums you pay, the Policy may be treated as a MEC under federal tax laws. If a Policy is treated as a MEC, then surrenders, partial surrenders, and loans under the Policy will be taxable as ordinary income to the extent there are earnings in the Policy. In addition, a

10% penalty tax may be imposed on surrenders, partial surrenders, and loans taken before you reach age 59 1/2.

See "Federal Tax Considerations" on page 50. You should consult a qualified tax adviser for assistance in all Policy-related tax matters.

Partial Surrender and Full Surrender Risks

The surrender charge under the Policy applies for the first 14 Policy years (and for a maximum of the first 14 Policy years after any requested increase in the Policy's base coverage) in the event you surrender the Policy or decrease the base coverage. The surrender charge may be considerable. We will apply the surrender charge only to the base coverage portion of the specified amount. Any outstanding loan balance reduces the amount available to you upon a partial or full surrender. The surrender charge period depends on the age of the younger of the contingent insureds. It is possible that you will receive no cash surrender value if you surrender your Policy in the first few Policy years. You should purchase the Policy only if you have the financial ability to keep it in force for a substantial period of time. You should not purchase the Policy if you intend to surrender all or part of the accumulation value in the near future. We designed the Policy to meet long-term financial goals.

A partial surrender or full surrender may have adverse tax consequences.

Policy Loan Risks

A Policy loan, whether or not repaid, will affect accumulation value over time because we subtract the amount of the loan and any accrued interest from the variable investment options and/or Fixed Account as collateral, and this loan collateral does not participate in the investment performance of the variable investment options or receive any excess interest credited to the Fixed Account.

We reduce the amount we pay on the last surviving contingent insured's death by the amount of any Policy loan and any accrued interest. Your Policy may lapse (terminate without value) if outstanding Policy loans plus any accrued interest payable reduces the cash surrender value to zero.

If you surrender the Policy or allow it to lapse while a Policy loan remains outstanding, the amount of the loan, to the extent it has not been previously taxed, is treated as a distribution from the Policy and may be subject to federal income taxation.

PORTFOLIO RISKS

A discussion of the risks of each Fund may be found in its prospectus. Please refer to the Funds' prospectuses for more information. You may request a copy of any or all of the Fund prospectuses by contacting your AGL representative or the Administrative Center shown under "Contact Information" on page 5.

There is no assurance that any of the Funds will achieve its stated investment objective.

TABLES OF CHARGES

The following tables describe the fees and expenses that are payable, when buying, owning and surrendering a Policy. No Policy owner will be charged more than the amount we show under the "Maximum Guaranteed Charge" columns.

The first table describes the fees and expenses that are payable at the time that you (1) buy a Policy, (2) surrender a Policy during the first 14

Policy years and the first 14 Policy years following an increase in the Policy's base coverage, (3) change a Policy's specified amount, or (4) transfer accumulation value between investment options.

<TABLE>
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Transaction Fees			
Charge	When Charge is Deducted	Maximum Guaranteed Charge	Current Charge
<S> Premium Tax Charge	<C> Upon receipt of each premium payment	<C> 3.5%/1/ of each premium payment (tax charge back if you purchase the Policy in Oregon)/2/	<C> 3.5%/1/ of each premium payment (tax charge back if you purchase the Policy in Oregon)/2/
Premium Expense Charge	Upon receipt of each premium payment	5% of the premium payment remaining after deduction of the premium tax charge	5% of the premium payment remaining after deduction of the premium tax charge

</TABLE>

/1/ Premium tax rates vary by state. For example, the highest premium tax rate, 3.5%, is in the state of Nevada, while the lowest premium tax rate, 0.75%, is in the state of Wyoming.

/2/ Instead of a premium tax charge, we assess a tax charge back of 2% of each premium payment for Policy owners residing in the state of Oregon. See "Tax charge back" on page 45.

<TABLE>
<CAPTION>

Transaction Fees			
Charge	When Charge is Deducted	Maximum Guaranteed Charge	Current Charge
<S> Surrender Charge/1/ Maximum Charge - for a 72 year old female, preferred non-tobacco and a 72 year old female, preferred non-tobacco with a specified amount of \$500,000, of which \$400,000 is base coverage and \$100,000 is supplemental coverage	<C> Upon a partial surrender or a full surrender of your Policy during the first 14 Policy years and during the first 14 Policy years following an increase in the Policy's base coverage	<C> \$31.95 per \$1,000 of base coverage	<C> \$31.95 per \$1,000 of base coverage
Minimum Charge - for a 90 year old male, standard tobacco and a 20 year old female, preferred non-tobacco with a specified amount of \$500,000, of which \$400,000 is base coverage and \$100,000 is supplemental coverage	Upon a partial surrender or a full surrender of your Policy during the first 14 Policy years and during the first 14 Policy years following an increase in the Policy's base coverage	\$1.39 per \$1,000 of base coverage	\$1.39 per \$1,000 of base coverage
Example Charge - for a 60 year old male, preferred non-tobacco and a 60 year old female, preferred non-tobacco with a specified amount of \$500,000, of which \$400,000 is base coverage and \$100,000 is supplemental coverage	Upon a partial surrender or a full surrender of your Policy during the first 14 Policy years and during the first 14 Policy years following an increase in the Policy's base coverage	\$19.88 per \$1,000 of base coverage	\$19.88 per \$1,000 of base coverage
Partial Surrender Processing Fee	Upon a partial surrender of your Policy	The lesser of \$25 or 2% of the partial surrender fee	\$10

Transfer Fee	Upon a transfer of accumulation value	\$25 for each transfer/2/	\$25 for each transfer/2/
Policy Loan Interest Charge	Annually (on your Policy anniversary)	4.75% of the loan balance	4.75% of the loan balance
Policy Owner Additional Illustration Charge	Upon each request for a Policy illustration after the first in a Policy year	\$25	\$0

</TABLE>

/1/ The Surrender Charge will vary based on the contingent insureds' sex, ages, premium classes, Policy year and amount of base coverage. See "Base Coverage and Supplemental Coverage" on page 26. The Surrender Charges shown in the table may not be typical of the charges you will pay. Page 4C of your Policy will indicate the guaranteed Surrender Charges applicable to your Policy. More detailed information concerning your Surrender Charge is available on request from our Administrative Center shown under "Contact Information" on page 5 of this prospectus.

/2/ The first 12 transfers in a Policy year are free of charge.

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The next table describes the fees and expenses that you will pay periodically during the time that you own the Policy, not including Fund fees and expenses.

<TABLE>
<CAPTION>

Periodic Charges (other than Fund fees and expenses)			
Charge	When Charge is Deducted	Maximum Guaranteed Charge	Current Charge
<S> Flat Monthly Charge	<C> Monthly, at the beginning of each Policy month	<C> \$10	<C> \$10
Cost of Insurance Charge/1/			
Maximum Charge for the first Policy year - for a 90 year old male, standard tobacco, and a 90 year old male, standard tobacco, with a Specified Amount of \$500,000, of which \$400,000 is base coverage and \$100,000 is supplemental coverage	Monthly, at the beginning of each Policy month	\$4.56 per \$1,000 of net amount at risk attributable to base coverage; and \$4.56 per \$1,000 of net amount at risk attributable to supplemental coverage	\$0.28 per \$1,000 of net amount at risk attributable to base coverage; and \$0.28 per \$1,000 of net amount at risk attributable to supplemental coverage
Minimum Charge for the first Policy year - for a 20 year old female, preferred non-tobacco, and a 20 year old female, preferred non-tobacco, with a Specified Amount of \$500,000, of which \$400,000 is base coverage and \$100,000 is supplemental coverage	Monthly, at the beginning of each Policy month	\$0.01 per \$1,000 of net amount at risk/2/ attributable to base coverage; and \$0.01 per \$1,000 of net amount at risk attributable to supplemental coverage	\$0.01 per \$1,000 of net amount at risk attributable to base coverage; and \$0.01 per \$1,000 of net amount at risk attributable to supplemental coverage
Example Charge for the first Policy year - for a 60 year old male, preferred non-tobacco, and a 60 year old female, preferred non-tobacco, with a Specified Amount of \$500,000, of which \$400,000 is base coverage and \$100,000 is supplemental coverage	Monthly, at the beginning of each Policy month	\$0.01 per \$1,000 of net amount at risk attributable to base coverage; and \$0.01 per \$1,000 of net amount at risk attributable to supplemental coverage	\$0.01 per \$1,000 of net amount at risk attributable to base coverage; and \$0.01 per \$1,000 of net amount at risk attributable to supplemental coverage

</TABLE>

 /1/ The Cost of Insurance Charge will vary based on the contingent insures' sex, ages, premium classes, Policy year and specified amount. See "Base Coverage and Supplemental Coverage" on page 26. The Cost of Insurance Charges shown in the table may not be typical of the charges you will pay. Page 4B of your Policy will indicate the maximum guaranteed Cost of Insurance Charge applicable to your Policy. More detailed information concerning your Cost of Insurance Charge is available free of charge on request from our Administrative Center shown under "Contact Information" on page 5 of this prospectus. Policy illustrations, which show the impact of cost of insurance charges on Policy values, are free until you purchase a Policy. Thereafter, we reserve the right to charge \$25 for each illustration after the first in each Policy year.

/2/ The net amount at risk is the difference between the current death benefit under your Policy and your accumulation value under the Policy.

<TABLE>
 <CAPTION>

Periodic Charges (other than Fund fees and expenses)			
Charge	When Charge is Deducted	Maximum Guaranteed Charge	Current Charge
<S>	<C>	<C>	<C>
Monthly Expense Charge (per \$1,000 of base coverage)/1/			
Maximum Charge - for a 90 year old male, standard tobacco and a 90 year old male, standard tobacco with a specified amount of \$500,000, of which \$400,000 is base coverage and \$100,000 is supplemental coverage	Monthly, at the beginning of each Policy month. This charge is imposed during the first 4 Policy years and the first 4 Policy years following an increase in base coverage/2/	\$2.12 for each \$1,000 of base coverage	\$2.12 for each \$1,000 of base coverage
Minimum Charge - for a 20 year old female, preferred non-tobacco and a 20 year old female, preferred non-tobacco with a specified amount of \$500,000, of which \$400,000 is base coverage and \$100,000 is supplemental coverage	Monthly, at the beginning of each Policy month. This charge is imposed during the first 4 Policy years and the first 4 Policy years following an increase in base coverage/2/	\$0.09 for each \$1,000 of base coverage	\$0.09 for each \$1,000 of base coverage
Example Charge - for a 60 year old male, preferred non-tobacco and a 60 year old female, preferred non-tobacco with a specified amount of \$500,000, of which \$400,000 is base coverage and \$100,000 is supplemental coverage	Monthly, at the beginning of each Policy month. This charge is imposed during the first 4 Policy years and the first 4 Policy years following an increase in base coverage/2/	\$0.58 for each \$1,000 of base coverage	\$0.58 for each \$1,000 of base coverage
Daily Charge (mortality and expense risk fee)			
Policy years 1-15/3,4/	Daily	annual effective rate of 0.75%/4/	annual effective rate of 0.75%/4/

</TABLE>

 /1/ The monthly expense charge is applied only against each \$1,000 of base coverage, and not against the Policy's supplemental coverage. The monthly expense charge per \$1,000 of base coverage will vary based on the amount of base coverage and each of the contingent insured's sex, age and premium class. See "Base Coverage and Supplemental Coverage" on page 26. The monthly expense charge per \$1,000 of base coverage shown in the table may not be typical of the charges you will pay. Page 4 of your Policy will indicate the initial monthly expense charge per \$1,000 of base coverage applicable to your Policy. More detailed information concerning your Monthly Charge per \$1,000 of base coverage is available on request from our Administrative Center, shown under "Contact Information" on page 5 of this prospectus, or your insurance representative. There is no additional charge for any illustrations which may show various amounts of base and supplemental coverage.

/2/ The charge assessed during the first 4 Policy years following an increase in base coverage is only upon the amount of the increase in base

coverage.

/3/ After the 15th Policy year, the daily charge will be as follows:

Policy years 16-30	annual effective rate of 0.50%
Policy years 31+	annual effective rate of 0.15%

These reductions in the amount of the daily charge are guaranteed.

/4/ All percentages are calculated as a percent of accumulation value invested in the variable investment options.

The next table describes the fees and expenses that you will pay periodically, if you choose an optional benefit rider during the time that you own the Policy.

<TABLE>
<CAPTION>

Periodic Charges (optional benefit riders only)			
Optional Benefit Rider Charges	When Charge is Deducted	Maximum Guaranteed Charge	Current Charge
<S>	<C>	<C>	<C>
Single Life Annually Renewable Term Insurance			
Maximum Charge - for a 75 year old male, standard tobacco	Monthly, at the beginning of each Policy month	\$7.31 for each \$1,000 of coverage	\$4.61 for each \$1,000 of coverage
Minimum Charge - for a 20 year old female, preferred non-tobacco	Monthly, at the beginning of each Policy month	\$0.08 for each \$1,000 of coverage	\$0.07 for each \$1,000 of coverage
Example Charge - for a 60 year old female, preferred non-tobacco	Monthly, at the beginning of each Policy month	\$0.71 for each \$1,000 of coverage	\$0.55 for each \$1,000 of coverage
Maturity Extension Accumulation Value Version	Monthly, at the beginning of the Policy month which follows your original maturity date	\$10	\$0
Maturity Extension Death Benefit Version/1/			
Initial Charge	Monthly beginning 9 years before your original maturity date	\$30 per \$1,000 of net amount at risk attributable to the Policy (without any riders)	\$5 per \$1,000 of net amount at risk attributable to the Policy (without any riders)
Administrative Charge	Monthly, at the beginning of the Policy month which follows your original maturity date	\$10	\$0

</TABLE>

/1/ Please ask your insurance representative if this version of the Maturity Extension Rider is available at the time you apply for a Policy.

The next table describes the Fund fees and expenses that you will pay periodically during the time that you own the Policy. The table shows the maximum and minimum Total Annual Fund Operating Expenses before contractual waiver or reimbursement for any of the Funds for the fiscal year ended December 31, 2004. Current and future expenses for the Funds may be higher or lower than those shown.

Annual Fund Fees and Expenses
(expenses that are deducted from the Fund assets)

Charge	Maximum	Minimum

Total Annual Fund Operating Expenses for all of the Funds (expenses that are deducted from portfolio assets include management fees, distribution (12b-1) fees, and other expenses)/1/	1.43%	0.24%

Details concerning each Fund's specific fees and expenses are contained in the Funds' prospectuses.

/1/ Currently 15 of the Funds have contractual reimbursements or fee waivers. These reimbursements or waivers expire on April 30, 2006. The impact of contractual reimbursements or fee waivers is as follows:

Charge	Maximum	Minimum

Total Annual Fund Operating Expenses for all of the Funds After Contractual Reimbursement or Fee Waiver	1.26%	0.24%

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GENERAL INFORMATION

American General Life Insurance Company

We are American General Life Insurance Company ("AGL"). AGL is a stock life insurance company organized under the laws of Texas. AGL's home office is 2727-A Allen Parkway, Houston, Texas 77019-2282. AGL is a successor in interest to a company originally organized under the laws of Delaware on January 10, 1917. AGL is an indirect, wholly-owned subsidiary of American International Group, Inc. ("AIG"). AIG, a Delaware corporation, is a holding company which through its subsidiaries is primarily engaged in a broad range of insurance and insurance-related activities and financial services in the United States and abroad. AIG American General is a marketing name for AGL and its affiliates. The commitments under the Policies are AGL's, and AIG has no legal obligation to back those commitments.

AGL 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 life insurance and annuity products. AGL's membership in IMSA applies only to AGL and not its products.

Separate Account VL-R

We hold the Fund shares in which any of your accumulation value is invested in the Separate Account. The Separate Account is registered as a unit investment trust with the SEC under the Investment Company Act of 1940. We created the Separate Account on May 6, 1997 under Texas law.

For record keeping and financial reporting purposes, the Separate Account is divided into 63 separate "divisions," 53 of which correspond to the 53 variable "investment options" under the Policy. The remaining 10 divisions, and all of these 53 divisions, represent investment options available under other variable life policies we offer. Three of these 53 divisions are not available to all Policy owners. We hold the Fund shares in which we invest your accumulation value for an investment option in the division that corresponds to that investment option. Income, gains and losses credited to, or charged against, the Separate Account reflect the Separate Account's own investment experience and not the investment experience of the Separate Account's other assets.

The assets in the Separate Account are our property. The assets in the Separate Account may not be used to pay any liabilities of AGL other than those arising from the Policies. AGL is obligated to pay all amounts under the Policies due the Policy owners.

Additional Information

We have filed a Statement of Additional Information (the "SAI") with the SEC which includes more information about your Policy. The back cover page to this prospectus describes how you can obtain a copy of the SAI.

Communication with AGL

When we refer to "you," we mean the person who is authorized to take any action with respect to a Policy. Generally, this is the owner named in the Policy. Where a Policy has more than one owner, each owner generally must join in any requested action, except for transfers and changes in the allocation of future premiums or changes among the investment options.

Administrative Center. The Administrative Center provides service to all Policy owners. See "Contact Information" on page 5 of this prospectus. For applicants, your AGL representative will tell you if you should use an address other than the Administrative Center address. All premium payments, requests, directions and other communications should be directed to the appropriate location. You should mail or express premium payments and loan repayments directly to the appropriate address shown on your billing statement. If you do not receive a billing statement, send your premium directly to the address for premium payments shown under "Contact Information" on page 5. You should communicate notice of the last surviving contingent insured's death, including any related documentation, to our Administrative Center address.

E-Delivery, E-Service, telephone transactions and written transactions. There are several different ways to request and receive Policy services.

E-Delivery. Instead of receiving paper copies by mail of certain documents we are required to provide to you, including annual Policy and Fund prospectuses, you may select E-Delivery. E-Delivery allows you to receive notification by E-mail when new or updated documents are available that pertain to your Policy. You may then follow the link contained within the E-mail to view these documents on-line. Alternatively, you may choose to receive these documents via CD ROM. You may find electronically received documents easier to review and retain than paper documents. To enroll for E-Delivery, you can complete certain information at the time of your Policy application (with one required extra signature). If you prefer, you can go to www.aigag.com and at the same time you enroll for E-Service, enroll for E-Delivery. You do not have to enroll for E-Service to enroll for E-Delivery unless you enroll on-line. You may select or cancel E-Delivery at any time. There is no charge for E-Delivery.

E-Service. You may enroll for E-Service to have access to on-line services for your Policy. These services include transferring values among investment options and changing allocations for future premiums. You can also view Policy statements. If you have elected E-Service, you may choose to handle certain Policy requests by E-Service, in writing or by telephone. We expect to expand the list of available E-Service transactions in the future. To enroll for E-Service, go to www.aigag.com and complete the information on the introductory page under "Not an E-Service Member?" You may select or cancel the use of E-Service at any time. There is no charge for E-Service.

Telephone transactions and written transactions. Certain transaction requests currently must be made in writing. You must make the following requests in writing (unless you are permitted to make the requests by E-Service or by telephone. See "Telephone transactions" on page 19).

- . transfer of accumulation value; *
- . change of allocation percentages for premium payments; *
- . change of allocation percentages for Policy deductions; *
- . telephone transaction privileges; *
- . loan;

- . full surrender;
- . partial surrender;
- . change of beneficiary or contingent beneficiary;
- . loan repayments or loan interest payments;
- . change of death benefit option or manner of death benefit payment;
- . change in specified amount;
- . addition or cancellation of, or other action with respect to any benefit riders;
- . election of a payment option for Policy proceeds; and
- . tax withholding elections.

* These transactions are permitted by E-Service, by telephone or in writing.

We have special forms which should be used for loans, assignments, partial and full surrenders, changes of owner or beneficiary, and all other contractual changes. You will be asked to return your Policy when you request a full surrender. You may obtain these forms from our Administrative Center, shown under "Contact Information" on page 5, or from your AGL representative. Each communication must include your name, Policy number and the contingent insureds' names. We cannot process any requested action that does not include all required information.

Telephone transactions. If you have a completed telephone authorization form on file with us, you may make transfers, or change the allocation of future premium payments or deduction of charges, by telephone, subject to the terms of the form. We will honor telephone instructions from any person who provides the correct information, so there is a risk of possible loss to you if unauthorized persons use this service in your name. Our current procedure is that only the owner or your AGL representative may make a transfer request by phone. We are not liable for any acts or omissions based upon instructions that we reasonably believe to be genuine. Our procedures include verification of the Policy number, the identity of the caller, both the contingent insured's and owner's names, and a form of personal identification from the caller. We will promptly mail a written confirmation of the transaction. If (a) many people seek to make telephone requests at or about the same time, or (b) our recording equipment malfunctions, it may be impossible for you to make a telephone request at the time you wish. You should submit a written request if you cannot make a telephone request. Also, if due to malfunction or other circumstances your telephone request is incomplete or not fully comprehensible, we will not process the transaction. The phone number for telephone requests is 1-800-340-2765.

Variable Investment Options

We divided the Separate Account into variable investment options, each of which invests in shares of a corresponding Fund. Currently, you may invest premium payments in variable investment options investing in the Funds listed in the following table. The name of each Fund or a footnote for the Fund describes its type (for example, money market fund, growth fund, equity fund, etc.). Fund sub-advisers are shown in parenthesis.

<TABLE>
<CAPTION>

Variable Investment Options	Investment Adviser (sub-adviser, if applicable)
<S>	<C>
AIM V.I. International Growth Fund - Series I Shares	A I M Advisors, Inc.
AIM V.I. Premier Equity Fund - Series I Shares	A I M Advisors, Inc.
Alder American Leveraged AllCap Portfolio - Class O Shares/1/	Fred Alder Management, Inc.
Alder American MidCap Growth Portfolio - Class O Shares	Fred Alder Management, Inc.
American Century VP Value Fund	American Century Investment Management, Inc.
Credit Suisse Trust Small Cap Growth Portfolio	Credit Suisse Asset Management, LLC
Dreyfus IP MidCap Stock Portfolio - Initial Shares	The Dreyfus Corporation

</TABLE>

19 (See footnotes starting on page 21.)

<TABLE>
<CAPTION>

Variable Investment Options	Investment Adviser (sub-adviser, if applicable)
<S>	<C>
Dreyfus IF Developing Leaders Portfolio - Initial Shares/2/	The Dreyfus Corporation
Dreyfus IF Quality Bond Portfolio - Initial Shares	The Dreyfus Corporation
Fidelity(R) VIP Asset Manager(SM) Portfolio - Service Class 2/3/	Fidelity Management & Research Company (FMR Co., Inc.) (Fidelity International Investment Advisors) (Fidelity International Investment Advisors (U.K.) Limited) (Fidelity Investments Japan Limited) (Fidelity Investments Money Management, Inc.) (Fidelity Management & Research (Far East) Inc.) (Fidelity Management & Research (U.K.) Inc.)
Fidelity(R) VIP Contrafund(R) Portfolio - Service Class 2/4/	Fidelity Management & Research Company (FMR Co., Inc.) (Fidelity International Investment Advisors)

	(Fidelity International Investment Advisors (U.K.) Limited) (Fidelity Investments Japan Limited) (Fidelity Management & Research (Far East) Inc.) (Fidelity Management & Research (U.K.) Inc.)
Fidelity(R) VIP Equity-Income Portfolio - Service Class 2	Fidelity Management & Research Company (FMR Co., Inc.)
Fidelity(R) VIP Growth Portfolio - Service Class 2	Fidelity Management & Research Company (FMR Co., Inc.)
Fidelity(R) VIP Mid Cap Portfolio - Service Class 2	Fidelity Management & Research Company (FMR Co., Inc.) (Fidelity International Investment Advisors) (Fidelity International Investment Advisors (U.K.) Limited) (Fidelity Investments Japan Limited) (Fidelity Management & Research (Far East) Inc.) (Fidelity Management & Research (U.K.) Inc.)
Franklin Templet on VIP Franklin Small Cap Value Securities Fund - Class 2	Franklin Advisory Services, LLC
Franklin Templet on VIP Franklin U.S. Government Fund - Class 2	Franklin Advisers, Inc.
Franklin Templet on VIP Mutual Shares Securities Fund - Class 2/5/	Franklin Mutual Advisers, LLC
Franklin Templet on VIP Templet on Foreign Securities Fund - Class 2	Templet on Investment Counsel, LLC
Goldman Sachs Capital Growth Fund*	Goldman Sachs Asset Management, L.P.
Janus Aspen International Growth Portfolio - Service Shares	Janus Capital Management LLC
Janus Aspen Mid Cap Growth Portfolio - Service Shares	Janus Capital Management LLC
Janus Aspen Worldwide Growth Portfolio - Service Shares	Janus Capital Management LLC
JPMorgan ST II Mid Cap Value Portfolio	J.P. Morgan Investment Management Inc.
JPMorgan ST II Small Company Portfolio	J.P. Morgan Investment Management Inc.
MFS(R)VIT Capital Opportunities Series - Initial Class/6/	Massachusetts Financial Services Company
MFS(R) VIT Emerging Growth Series - Initial Class	Massachusetts Financial Services Company
MFS(R) VIT New Discovery Series - Initial Class/7/	Massachusetts Financial Services Company
MFS(R) VIT Research Series - Initial Class/8/	Massachusetts Financial Services Company
Neuberger Berman AMT Mid-Cap Growth Portfolio	Neuberger Berman Management Inc.
Oppenheimer Balanced Fund/VA - Non-Service Shares/9/	OppenheimerFunds, Inc.
Oppenheimer Global Securities Fund/VA - Non-Service Shares	OppenheimerFunds, Inc.
PIMCO VIT Real Return Portfolio - Administrative Class/10/	Pacific Investment Management Company LLC
PIMCO VIT Short-Term Portfolio - Administrative Class	Pacific Investment Management Company LLC
PIMCO VIT Total Return Portfolio - Administrative Class	Pacific Investment Management Company LLC
Pioneer Fund VCT Portfolio - Class I Shares/11/, *	Pioneer Investment Management, Inc.
Pioneer Growth Opportunities VCT Portfolio - Class I Shares *	Pioneer Investment Management, Inc.
Putnam VT Diversified Income Fund - Class IB	Putnam Investment Management, LLC
Putnam VT Growth and Income Fund - Class IB	Putnam Investment Management, LLC
Putnam VT International Growth and Income Fund - Class IB	Putnam Investment Management, LLC
SunAmerica ST Aggressive Growth Portfolio - Class 1 Shares	AIG SunAmerica Asset Management Corp.
SunAmerica ST SunAmerica Balanced Portfolio - Class 1 Shares	AIG SunAmerica Asset Management Corp.
UIF Equity Growth Portfolio - Class I Shares	Morgan Stanley Investment Management Inc. (d/b/a Van Kampen)

</TABLE>

<TABLE>
<CAPTION>

Variable Investment Options	Investment Adviser (sub-adviser, if applicable)
<S> UIF High Yield Portfolio - Class I Shares	<C> Morgan Stanley Investment Management Inc. (d/b/a Van Kampen)
VALIC Co. I International Equities Fund	VALIC** (AIG Global Investment Corp.)
VALIC Co. I Mid Cap Index Fund	VALIC** (AIG Global Investment Corp.)
VALIC Co. I Money Market I Fund	VALIC** (AIG SunAmerica Asset Management Corp.)
VALIC Co. I Nasdaq-100(R) Index Fund	VALIC** (AIG Global Investment Corp.)
VALIC Co. I Science & Technology Fund/13/	VALIC** (T. Rowe Price Associates, Inc.)
VALIC Co. I Small Cap Index Fund	VALIC** (AIG Global Investment Corp.)
VALIC Co. I Stock Index Fund	VALIC** (AIG Global Investment Corp.)
Van Kampen LIT Growth and Income Portfolio - Class I Shares	Van Kampen Asset Management
Vanguard IF High Yield Bond Portfolio	Wellington Management Company, LLP
Vanguard IF REIT Index Portfolio	The Vanguard Group

</TABLE>

- /1/ The Fund type for Alder American Leveraged AllCap Portfolio - Class O Shares is equity growth.
- /2/ The Fund type for Dreyfus IF Developing Leaders Portfolio - Initial Shares is small cap.
- /3/ The Fund type for Fidelity(R) VIP Asset Manager(SM) Portfolio - Service Class 2 is high return.
- /4/ The Fund type for Fidelity(R) VIP Contrafund(R) Portfolio - Service Class 2 is capital appreciation.
- /5/ The Fund type for Franklin Templet on VIP Mutual Shares Securities Fund - Class 2 is capital appreciation.
- /6/ The Fund type for MFS(R) VIT Capital Opportunities Series - Initial Class is capital appreciation.
- /7/ The Fund type for MFS(R) VIT New Discovery Series - Initial Class is small cap growth.
- /8/ The Fund type for MFS(R) VIT Research Series - Initial Class is long-term growth.
- /9/ The Fund type for Oppenheimer Balanced Fund/VA - Non-Service Shares is total return.
- /10/ The Fund type for PIMCO VIT Real Return Portfolio - Administrative Class is maximum real return.
- /11/ The Fund type for Pioneer Fund VCT Portfolio - Class I shares is income and growth.
- /12/ The Fund type for SunAmerica ST SunAmerica Balanced Portfolio - Class 1 Shares is capital appreciation.
- /13/ The Fund type for VALIC Co. I Science & Technology Fund is capital appreciation. This Fund is a sector fund.

* This investment option is not available to all Policy owners. See "Policy Benefits" on page 6.

** "VALIC" means The Variable Annuity Life Insurance Company.

From time to time, certain Fund names are changed. When we are notified of a name change, we will make changes so that the new name is properly shown. However, until we complete the changes, we may provide you with various forms, reports and confirmations that reflect a Fund's prior name.

You can learn more about the Funds, their investment policies, risks, expenses and all other aspects of their operations by reading their prospectuses. You should carefully read the Funds' prospectuses before you select any variable investment option. We do not guarantee that any Fund will achieve its objective. In addition, no single Fund or investment option, by itself, constitutes a balanced investment plan.

We have entered into various services agreements with most of the advisers or administrators for the Funds. We receive payments for the administrative services we perform such as proxy mailing and tabulation, mailing of Fund related information and responding to Policy owners' inquiries about the Funds. Currently, these payments range from 0.15% to 0.35% of the market value of the assets invested in the underlying Fund as of a certain date, usually paid at the end of each calendar quarter. From time to time some of these arrangements may be renegotiated so that we receive a greater payment than previously paid depending on our determination that the expenses that we are incurring are greater than we anticipated. These payments do not result in any additional charges under the Policies that are not described under "Charges Under the

We have entered into a services agreement with PIMCO Variable Insurance Trust ("PIMCO VIT") under which we receive fees of up to 0.15% of the daily market value of the assets invested in the underlying Fund, paid directly by PIMCO VIT for services we perform.

We also receive what is referred to as "12b-1 fees" from some of the Funds themselves. These fees are designed to help pay for our direct and indirect distribution costs for the Policies. These fees are generally equal to 0.25% of the daily market value of the assets invested in the underlying Fund.

Voting Privileges

We are the legal owner of the Funds' shares held in the Separate Account. However, you may be asked to instruct us how to vote the Fund shares held in the various Funds that are attributable to your Policy at meetings of shareholders of the Funds. The number of votes for which you may give directions will be determined as of the record date for the meeting. The number of votes that you may direct related to a particular Fund is equal to (a) your accumulation value invested in that Fund divided by (b) the net asset value of one share of that Fund. Fractional votes will be recognized.

We will vote all shares of each Fund that we hold of record, including any shares we own on our own behalf, in the same proportions as those shares for which we have received instructions from owners participating in that Fund through the Separate Account.

If you are asked to give us voting instructions, we will send you the proxy material and a form for providing such instructions. Should we determine that we are no longer required to send the owner such materials, we will vote the shares as we determine in our sole discretion.

In certain cases, we may disregard instructions relating to changes in a Fund's investment manager or its investment policies. We will advise you if we do and explain the reasons in our next report to Policy owners. AGL reserves the right to modify these procedures in any manner that the laws in effect from time to time allow.

Fixed Account

We invest any accumulation value you have allocated to the Fixed Account as part of our general assets. We credit interest on that accumulation value at a rate which we declare from time to time. We guarantee that the interest will be credited at an annual effective rate of at least 4%. Although this interest increases the amount of any accumulation value that you have in the Fixed Account, such accumulation value will also be reduced by any charges that are allocated to this option under the procedures described under "Allocation of charges" on page 48. The "daily charge" described on page 45 and the fees and expenses of the Funds discussed on page 16 do not apply to the Fixed Account.

Our general account. Our general account assets are all of our assets that we do not hold in legally segregated separate accounts. Our general account supports our obligations to you under your Policy's Fixed Account. Because of applicable exemptions, no interest in this option has been registered under the Securities Act of 1933, as amended. Neither our general account nor our Fixed Account is an investment company under the Investment Company Act of 1940. We have been advised that the staff of the SEC has not reviewed the disclosures that are included in this prospectus for your information about our general account or our Fixed Account. Those disclosures, however, may be subject to certain generally applicable provisions of the federal securities laws relating to the accuracy and completeness of statements made in prospectuses.

How we declare interest. Except for amounts held as collateral for loans, we can at any time change the rate of interest we are paying on any accumulation value allocated to our Fixed Account, but it will always be at an annual effective rate of at least 4%.

Under these procedures, it is likely that at any time different interest rates will apply to different portions of your accumulation value, depending on when each portion was allocated to our Fixed Account. Any charges, partial surrenders, or loans that we take from any accumulation value that you have in our Fixed Account will be taken from each portion in reverse chronological order

based on the date that accumulation value was allocated to this option.

Illustrations

We may provide you with illustrations for your Policy's death benefit, accumulation value, and cash surrender value based on hypothetical rates of return. Hypothetical illustrations also assume costs of insurance for a hypothetical person. These illustrations are illustrative only and should not be considered a representation of past or future performance. Your actual rates of return and actual charges may be higher or lower than these illustrations. The actual return on your accumulation value will depend on factors such as the amounts you allocate to particular investment options, the amounts deducted for the Policy's fees and charges, the variable investment options' fees and charges, and your Policy loan and partial surrender history.

Before you purchase the Policy, we will provide you with what we refer to as a personalized illustration. A personalized illustration shows future benefits under the Policy based upon (1) each contingent insured's age and premium class and (2) your selection of a death benefit Option, specified amount, planned periodic premiums, riders, and proposed investment options.

After you purchase the Policy and upon your request, we will provide a similar personalized illustration that takes into account your Policy's actual values and features as of the date the illustration is prepared. We reserve the right to charge a maximum fee of \$25 for personalized illustrations prepared after the Policy is issued if you request us to do so more than once each year.

POLICY FEATURES

Age

Generally, our use of age in your Policy and this prospectus refers to a person who is between six months younger and six months older than the stated age. Sometimes we refer to this as the "attained" age.

Death Benefits

Your specified amount of insurance. In your application to buy a Platinum Investor Survivor II Policy, you tell us how much life insurance coverage you want. We call this the "specified amount" of insurance. The specified amount consists of what we refer to as "base coverage" plus any "supplemental coverage" you select. Base coverage must be at least 10% of the specified amount. We pay a different level of compensation based on the amounts of base and supplemental coverages you select. See "Base Coverage and Supplemental Coverage" on page 26.

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We guarantee a death benefit for a specified period provided you have paid the required monthly premiums. The guaranteed death benefit is equal to the specified amount (less any indebtedness) and any benefit riders. We refer to this guarantee in both your Policy and this prospectus as the "guarantee period benefit." We provide more information about the specified amount and the guarantee period benefit under "Monthly guarantee premiums," beginning on page 28. You should read these other discussions carefully because they contain important information about how the choices you make can affect your benefits and the amount of premiums and charges you may have to pay.

Your death benefit. You must choose between death benefit Option 1 and Option 2 under the Policy at the time it is issued. You may change your Option choice at any later time before the death of the last surviving contingent insured. The death benefit we will pay is reduced by any outstanding Policy loans and increased by any unearned loan interest we may have already charged. Depending on the Option you choose, the death benefit we will pay is

- . Option 1--The specified amount on the date of the last surviving contingent insured's death.
- . Option 2--The sum of (a) the specified amount on the date of the last surviving contingent insured's death and (b) the Policy's accumulation value as of the date of the last surviving contingent insured's death.

See "Partial surrender" on page 38 for more information about the effect of partial surrenders on the amount of the death benefit.

Under Option 2, your death benefit will tend to be higher than under Option 1. However, the monthly insurance charge we deduct will also be higher to compensate us for our additional risk. Because of this, your accumulation value for the same amount of premium will tend to be higher under Option 1 than under Option 2.

Any premiums we receive after the last surviving contingent insured's death

will be returned and not included in your accumulation value.

Required minimum death benefit. We may be required under federal tax law to pay a larger death benefit than what would be paid under your chosen death benefit Option. We refer to this larger benefit as the "required minimum death benefit" as explained below.

Federal tax law requires a minimum death benefit (the required minimum death benefit) in relation to the accumulation value in order for a Policy to qualify as life insurance. We will automatically increase the death benefit of a Policy if necessary to ensure that the Policy will continue to qualify as life insurance. One of two tests under current federal tax law can be used: the "guideline premium test" or the "cash value accumulation test." You must elect one of these tests when you apply for a Policy. After we issue your Policy, the choice may not be changed.

If you choose the guideline premium test, total premium payments paid in a Policy year may not exceed the guideline premium payment limitations for life insurance set forth under federal tax law. If you choose the cash value accumulation test, there are no limits on the amount of premium you can pay in a Policy year, so long as the death benefit is large enough compared to the accumulation value to meet the test requirements.

The other major difference between the two tax tests involves the Policy's required minimum death benefit. The required minimum death benefit is calculated as shown in the tables that follow.

If you selected death benefit Option 1 or Option 2 at any time when the required minimum death benefit is more than the death benefit payable under the Option you selected, the death benefit payable would be the required minimum death benefit.

Under federal tax law rules, if you selected death benefit Option 1 and elected the cash value accumulation test, rather than the guideline premium test, the payment of additional premiums may cause your accumulation value to increase to a level where the required minimum death benefit becomes applicable. Therefore, choosing the cash value accumulation test may make it more likely that the required minimum death benefit will apply if you select death benefit Option 1.

If you anticipate that your Policy may have a substantial accumulation value in relation to its death benefit, you should be aware that the cash value accumulation test may cause your Policy's death benefit to be higher than if you had chosen the guideline premium test. To the extent that the cash value accumulation test does result in a higher death benefit, the cost of insurance charges deducted from your Policy will also tend to be higher. (This compensates us for the additional risk that we might have to pay the higher required minimum death benefit.)

If you have selected the cash value accumulation test, we calculate the required minimum death benefit by multiplying your Policy's accumulation value by a required minimum death benefit percentage that will be set forth on page 4A of your Policy. The required minimum death benefit percentage varies based on the age, sex and premium classes of the contingent insures. Below is an example of applicable required minimum death benefit percentages for the cash value accumulation test. The percentages shown are for a 60 year old male contingent insured, preferred non-tobacco premium class Policy years 1 to 40, and a 60 year old female contingent insured, preferred non-tobacco premium class, Policy years 1 to 40. These individuals are the same two contingent insures whose characteristics we use to illustrate the "Example Charge" in each of the Tables of Charges beginning on page 11 of this prospectus.

APPLICABLE PERCENTAGES UNDER
CASH VALUE ACCUMULATION TEST

Policy Year	1	2	3	5	10	20	30	40
-----	---	---	---	---	---	---	---	---
%	263%	253%	244%	226%	188%	140%	118%	104%

If you have selected the guideline premium test, we calculate the required minimum death benefit by multiplying your Policy's accumulation value by an applicable required minimum death benefit percentage. The applicable required minimum death benefit percentage is 250% when the younger contingent insured's age is 40 or less, and decreases each year thereafter to 100% when the younger contingent insured's age is 95 or older. The applicable required minimum death benefit percentages under the guideline premium test for certain ages between 40 and 95 are set forth in the following table.

APPLICABLE PERCENTAGES UNDER
GUIDELINE PREMIUM TEST

Younger Contingent Insured's Attained Age*	40	45	50	55	60	65	70	75	95+
-----	---	---	---	---	---	---	---	---	---
%	250%	215%	185%	150%	130%	120%	115%	105%	100%

* We use the younger contingent insured's age for this purpose even if the younger contingent insured is the first to die.

Your Policy calls the multipliers used for each test the "Death Benefit Corridor Rate."

Base Coverage and Supplemental Coverage

When you apply for a Policy, the amount of insurance you select is called the "specified amount." The specified amount may be made up of two types of coverage: base coverage (which will always be present); and supplemental coverage, which may also be included. The total of the two coverages cannot be less than the minimum of \$500,000 and at least 10% of the total must be base coverage when you purchase the Policy.

Generally, if we assess less than the maximum guaranteed charges under your Policy and if you choose supplemental coverage instead of base coverage, then in the early Policy years, you will reduce your total charges and increase your accumulation value and cash surrender value. The more supplemental coverage you elect, the greater will be the amount of the reduction in charges and increase in accumulation value.

You should have an understanding of the significant differences between base coverage and supplemental coverage before you complete your application. Here are the features about supplemental coverage that differ from base coverage:

- . We pay a higher level of compensation for the sale of base coverage than for supplemental coverage either when you purchase your Policy or when you pay additional premiums at any time through the tenth Policy year (we do not provide compensation for premiums we receive after the tenth Policy year);
- . Supplemental coverage has no surrender charges;
- . The monthly insurance charge for supplemental coverage is always equal to or less than the monthly insurance charge for an equivalent amount of base coverage; and
- . The monthly expense charge does not apply to supplemental coverage.

You can change the percentage of base coverage when you increase the specified amount, but at least 10% of the total specified amount after the increase must be base coverage. The percentage that your base and supplemental coverages represent of your specified amount will not change whenever you decrease the specified amount. A partial surrender will reduce the specified amount. In this case, we will deduct from your accumulation value any surrender charge that applies to the decrease in your base coverage. Supplemental coverage has no surrender charge.

You should use the mix of base and supplemental coverage to emphasize your own objectives. Before deciding how much, if any, supplemental coverage you should have, you should discuss with your AGL representative what you believe to be your own objectives. Your representative can provide you with further information and Policy illustrations showing how your selection of base and supplemental coverage can affect your Policy values under different assumptions.

Increases after age 90. We allow you to increase your supplemental coverage after the older contingent insured reaches age 90 and until the younger contingent insured reaches age 99 (or would have reached age 99, if deceased), but only under certain very limited conditions:

- . Increases are allowed only if a third party loans you the funds that you use to pay the Policy's premiums;

- . the specified amount we approve through underwriting at the time the Policy is issued is the maximum specified amount permitted after the increase; and

- . you must purchase the return of premium death benefit rider when the Policy is issued and keep the rider in force at all times.

You may be required to purchase additional base coverage because you must still maintain at least 10% of your specified amount as base coverage. You should also keep in mind that the charges for supplemental coverage are higher the longer you own the Policy.

Premium Payments

Premium payments. We call the payments you make "premiums" or "premium payments." The amount we require as your initial premium varies depending on the specifics of your Policy and the contingent insures. We can refuse to accept a premium payment that is less than \$25. If mandated under applicable law, we may be required to reject a premium payment. Otherwise, with a few exceptions mentioned below, you can make premium payments at any time and in any amount. Premium payments we receive after your free look period, as discussed on page 29, will be allocated upon receipt to the available investment options you have chosen.

Limits on premium payments. Federal tax law may limit the amount of premium payments you can make (relative to the amount of your Policy's insurance coverage) and may impose penalties on amounts you take out of your Policy if you do not observe certain additional requirements. These tax law requirements and a discussion of modified endowment contracts are summarized further under "Federal Tax Considerations" beginning on page 50. We will monitor your premium payments, however, to be sure that you do not exceed permitted amounts or inadvertently incur any tax penalties. The tax law limits can vary as a result of changes you make to your Policy. For example, a reduction in the specified amount of your Policy can reduce the amount of premiums you can pay.

Also, in certain limited circumstances, additional premiums may cause the death benefit to increase by more than they increase your accumulation value. In such case, we may refuse to accept an additional premium if the contingent insures do not provide us with satisfactory evidence that our requirements for issuing insurance are still met. This increase in death benefit is on the same terms (including additional charges) as any other specified amount increase you request (as described under "Increase in coverage" on page 31).

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Checks. You may pay premiums by check drawn on a U.S. bank in U.S. dollars and made payable to "American General Life Insurance Company," or "AGL." Premiums after the initial premium should be sent directly to the appropriate address shown on your billing statement. If you do not receive a billing statement, send your premium directly to the address for premium payments shown on page 5 of this prospectus. We also accept premium payments by bank draft, wire or by exchange from another insurance company. Premium payments from salary deduction plans may be made only if we agree. You may obtain further information about how to make premium payments by any of these methods from your AGL representative or from our Administrative Center shown under "Contact Information" on page 5.

Planned periodic premiums. Page 3 of your Policy will specify a "Planned Periodic Premium." This is the amount that you (within limits) choose to pay. Our current practice is to bill quarterly, semi-annually or annually. However, payment of these or any other specific amounts of premiums is not mandatory. After payment of your initial premium, you need only invest enough to ensure that your Policy's cash surrender value stays above zero or that the first 5 Policy year benefit (described under "Monthly guarantee premiums" on page 28) remains in effect ("Cash surrender value" is explained under "Full surrenders" on page 7.) The less you invest, the more likely it is that your Policy's cash surrender value could fall to zero, or that the first 5 Policy year benefit is not in effect, as a result of the deductions we periodically make from your accumulation value.

Monthly guarantee premiums. Page 3 of your Policy will specify a "Monthly Guarantee Premium." If you pay these guarantee premiums, we will provide at least an Option 1 death benefit, even if your policy's cash surrender value has declined to zero.

We provide this benefit for the first 5 Policy years for all Policies. We call this our "guarantee period benefit" and here are its terms and conditions:

- . On the first day of each Policy month that you are covered by the guarantee period benefit, we determine if the cash surrender value is

sufficient to pay the monthly deduction. (Policy months are measured from the "Date of Issue" that will also be shown on page 3 of your Policy.)

- . If the cash surrender value is insufficient, we determine if the cumulative amount of premiums paid under the Policy, less any partial surrenders and Policy loans, is at least equal to the sum of the monthly guarantee premiums starting with the date of issue, including the current Policy month.
- . If the monthly guarantee premium requirement is met, the Policy will not lapse. See "Policy Lapse and Reinstatement" on page 50.
- . We continue to measure your cash surrender value and the sum of monthly guarantee premiums for the length of time you are covered by the guarantee benefit period.

During the first 5 Policy years, whenever you increase or decrease your specified amount, change death benefit options or add or delete a benefit rider, we calculate a new monthly guarantee premium. The amount you must pay to keep the guarantee period benefit in force will increase or decrease. We can calculate your new monthly guarantee premium as a result of a Policy change before you make the

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change. Please contact either your agent or the Administrative Center under "Contact Information" on page 5 for this purpose.

The period of coverage for this benefit is unaffected by the contingent insures' ages at the Policy's date of issue or your choice of base coverage and supplemental coverage. The period for this benefit will not be extended or otherwise changed by changes in the specified amount, the addition, deletion or change in benefit riders, or by reinstatement of the Policy.

Free look period. If for any reason you are not satisfied with your Policy, you may return it to us and we will refund the greater of (i) any premium payments received by us or (ii) your accumulation value plus any charges that have been deducted. To exercise your right to return your Policy, you must mail it directly to the Administrative Center address shown under "Contact Information" on page 5 or return it to the AGL representative through whom you purchased the Policy within 10 days after you receive it. In a few states, this period may be longer. Because you have this right, we will invest your initial net premium payment in the money market investment option from the date your investment performance begins until the first business day that is at least 15 days later. Then we will automatically allocate your investment among the available investment options in the ratios you have chosen. This reallocation will not count against the 12 free transfers that you are permitted to make each year. Any additional premium we receive during the 15-day period will also be invested in the money market investment option and allocated to the investment options at the same time as your initial net premium.

Changing Your Investment Option Allocations

Future premium payments. You may at any time change the investment options in which future premiums you pay will be invested. Your allocation must, however, be in whole percentages that total 100%.

Transfers of existing accumulation value. You may also transfer your existing accumulation value from one investment option under the Policy to another. The first 12 transfers in a Policy year are free of charge. We consider your instruction to transfer from or to more than one investment option at the same time to be one transfer. We will charge you \$25 for each additional transfer. You may make transfers from the variable investment options at any time. You may make transfers from the Fixed Account only during the 60-day period following each Policy anniversary. The total amount that you can transfer each year from the Fixed Account is limited to the greater of:

- . 25% of the unloaned accumulation value you have in the Fixed Account as of the Policy anniversary; or
- . the total amount you transferred or surrendered from the Fixed Account during the previous Policy year.

Unless you are transferring the entire amount you have in an investment option, including the Fixed Account, each transfer must be at least \$500. See "Additional Rights That We Have" on page 43.

Dollar cost averaging. Dollar cost averaging is an investment strategy designed to reduce the risks that result from market fluctuations. The strategy spreads the allocation of your accumulation value among your chosen variable

investment options over a period of time. This allows you to reduce the risk of investing most of your funds at a time when prices are high. The success of this strategy

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depends on market trends and is not guaranteed. You should carefully consider your financial ability to continue the program over a long enough period of time to allocate accumulation value to the variable investment options when their value is low as well as when it is high.

Under dollar cost averaging, we automatically make transfers of your accumulation value from the investment option of your choice to one or more of the other variable investment options that you choose. You tell us what day of the month you want these transfers to be made (other than the 29th, 30th or 31st of a month) and whether the transfers on that day should occur monthly, quarterly, semi-annually or annually. We make the transfers at the end of the valuation period containing the day of the month you select. (The term "valuation period" is described on page 33.) You must have at least \$5,000 of accumulation value to start dollar cost averaging and each transfer under the program must be at least \$100. Dollar cost averaging ceases upon your request, or if your accumulation value in the investment option from which you are making transfers becomes exhausted. You may maintain only one dollar cost averaging instruction with us at a time. You cannot use dollar cost averaging at the same time you are using automatic rebalancing. Dollar cost averaging transfers do not count against the 12 free transfers that you are permitted to make each year. We do not charge you for using this service.

Automatic rebalancing. This feature automatically rebalances the proportion of your accumulation value in each variable investment option under your Policy to correspond to your then current premium allocation designation. Automatic rebalancing does not guarantee gains, nor does it assure that you will not have losses. You tell us whether you want us to do the rebalancing quarterly, semi-annually or annually. Automatic rebalancing will occur as of the end of the valuation period that contains the date of the month your Policy was issued. For example, if your Policy is dated January 17, and you have requested automatic rebalancing on a quarterly basis, automatic rebalancing will start on April 17, and will occur quarterly thereafter. You must have a total accumulation value of at least \$5,000 to begin automatic rebalancing. Rebalancing ends upon your request. You may maintain only one dollar cost averaging instruction with us at a time. You cannot use automatic rebalancing at the same time you are using dollar cost averaging. Automatic rebalancing transfers do not count against the 12 free transfers that you are permitted to make each year. We do not charge you for using this service.

Market timing. The Policies are not designed for professional market timing organizations or other entities or individuals using programmed and frequent transfers involving large amounts. Market timing carries risks with it, including:

- . dilution in the value of Fund shares underlying investment options of other Policy owners;
- . interference with the efficient management of the Fund's portfolio; and
- . increased administrative costs.

We have policies and procedures that require us to monitor the Policies to determine if a Policy owner requests:

- . an exchange out of a variable investment option within two calendar weeks of an earlier exchange into that same variable investment option; or

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- . exchanges into or out of the same variable investment option more than twice in any one calendar quarter.

If either of the above transactions occurs, we will suspend such Policy owner's same day or overnight delivery transfer privileges (including website, e-mail and facsimile communications) with prior notice to prevent market timing efforts that could be harmful to other Policy owners or beneficiaries. Such notice of suspension will take the form of either a letter mailed to your last known address, or a telephone call from our Administrative Center to inform you that effective immediately, your same day or overnight delivery transfer

privileges have been suspended. The suspension of Policy transfer privileges will last for no more than six months. Transfers under dollar cost averaging, automatic rebalancing or any other automatic transfer arrangements to which we have agreed are not affected by these procedures.

The procedures above will be followed in all circumstances and we will treat all Policy owners the same.

In addition, Policy owners incur a \$25 charge for each transfer in excess of 12 each Policy year.

Fund-rejected transfers. Some of the Funds have policies and procedures restricting transfers into the Fund. For this reason or for any other reason the Fund deems necessary, a Fund may reject a Policy owner's transfer request. Please read the Funds' prospectuses and supplements for information about restrictions on transfers.

Changing the Specified Amount of Insurance

Increase in coverage. At any time while both contingent insures are living, you may request an increase in the specified amount of coverage under your Policy. You must, however, provide us with satisfactory evidence that both contingent insures continue to meet our requirements for issuing insurance coverage.

We treat an increase in specified amount in many respects as if it were the issuance of a new Policy. For example, the monthly insurance charge for the increase will be based on the ages, gender and premium classes of the contingent insures at the time of the increase. Also, a new amount of surrender charge:

- . applies to any amount of the increase that you request as base (rather than supplemental) coverage; and
- . applies to the amount of the increase for up to 14 Policy years following the increase.

Whenever you decide to increase your specified amount, you will be subject to a new monthly charge per \$1,000 of base coverage. The additional charge will be assessed for the first 4 Policy years following the increase, and will be applied only to the increase in your base coverage.

You are not required to increase your specified amount in any specific percentage or ratio that your base and supplemental coverage bear to your specified amount before the increase with one exception. Base coverage must be at least 10% of the total specified amount after the increase. Increasing the specified amount may increase the amount of premium you would need to pay to avoid a lapse of your Policy.

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Decrease in coverage. After the first Policy year, you may request a reduction in the specified amount of coverage, but not below certain minimums. After any decrease, the specified amount cannot be less than the greater of:

- . \$500,000, and
- . any minimum amount which, in view of the amount of premiums you have paid, is necessary for the Policy to continue to meet the federal tax law definition of life insurance.

We will apply a reduction in specified amount in the following order, as long as your base coverage is at least 10% of the specified amount:

- . against the specified amount provided by the most recent increase, with the decrease applying first to the entire supplemental coverage portion of such increase, if any, followed by the base coverage portion;
- . against the next most recent increases successively, with the decrease of each prior increase applying first to the entire supplemental coverage portion of such increase, if any, followed by the base coverage portion; and
- . against the specified amount provided under the original application, with the decrease applying first to the entire supplemental coverage portion of such amount, if any, followed by the base coverage portion.

We will deduct from your accumulation value any surrender charge that is due on account of the decrease. If there is not sufficient accumulation value to pay the surrender charge at the time you request a reduction, the decrease will not be allowed. A reduction in base coverage will not reduce either the monthly

charge per \$1,000 of base coverage or the length of time we assess the charge. For instance, if you increase your base coverage and follow it by a decrease in base coverage within 4 years of the increase, we will assess the monthly charge per \$1,000 of base coverage against the increase in base coverage for the full 4 years even though you have reduced the amount of base coverage.

Changing Death Benefit Options

Change of death benefit option. You may at any time before the death of the last surviving contingent insured request us to change your coverage from death benefit Option 1 to Option 2 or vice-versa.

- . If you change from Option 1 to Option 2, we automatically reduce your Policy's specified amount of insurance by the amount of your Policy's accumulation value (but not below zero) at the time of the change. The change will go into effect on the monthly deduction day following the date we receive your request for change. Any such reduction in specified amount will be subject to the same guidelines and restrictions described in "Changing the Specified Amount of Insurance - Decrease in Coverage" on page 32. We will not charge a surrender charge for this reduction in specified amount. The monthly expense charge per \$1,000 of base coverage and the cost of insurance rates will not

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change. At the time of the change of death benefit Option, your Policy's monthly insurance charge and surrender value will not change.

- . If you change from Option 2 to Option 1, then as of the date of the change we automatically increase your Policy's specified amount by the amount of your Policy's accumulation value. We will apply the entire increase in your specified amount to the last coverage added (either base or supplemental) and which has not been removed by a decrease in your Policy's specified amount. For the purpose of this calculation, if the base and supplemental coverages were issued on the same date, we will consider the supplemental coverage to have been issued later.

Tax consequences of changes in insurance coverage. Please read "Tax Effects" starting on page 50 of this prospectus to learn about possible tax consequences of changing your insurance coverage under your Policy.

Effect of changes in insurance coverage on guarantee period benefit. A change in coverage does not result in termination of the guarantee period benefit, so that if you pay certain prescribed amounts of premiums, we will pay a death benefit even if your Policy's cash surrender value declines to zero. The details of this guarantee are discussed under "Monthly guarantee premiums," beginning on page 28.

Effective Date of Policy and Related Transactions

Valuation dates, times, and periods. We compute values under a Policy on each day that the New York Stock Exchange ("NYSE") is open for business. We call each such day a "valuation date" or a "business day."

We compute policy values as of the time the NYSE closes on each valuation date, which usually is 3:00 p.m., Central time. We call this our "close of business." We call the time from the close of business on one valuation date to the close of business of the next valuation date a "valuation period." We are closed only on those holidays the NYSE is closed.

Fund pricing. Each Fund produces a price per Fund share following each close of the NYSE and provides that price to us. We then determine the Fund value at which you may invest in the particular investment option, which reflects the change in value of each Fund reduced by the daily charge and any other charges that are applicable to your Policy.

Date of receipt. Generally we consider that we have received a premium payment or another communication from you on the day we actually receive it in full and proper order at any of the addresses shown on page 5 of this prospectus. If we receive it after the close of business on any valuation date, however, we consider that we have received it on the day following that valuation date. Any premium payments we receive after our close of business are held in our general account until the next business day.

If we receive your premiums through payroll allotment, such as salary deduction or salary reduction programs, we consider that we receive your premium on the day we actually receive it, rather than the day the deduction from your payroll occurs. This is important for you to know because your

premium receives no interest or earnings for the time between the deduction from your payroll and our receipt of the payment. We currently do not accept military allotment programs.

Commencement of insurance coverage. After you apply for a Policy, it can sometimes take up to several weeks for us to gather and evaluate all the information we need to decide whether to issue a Policy to you and, if so, what the contingent insures' premium classes should be. We will not pay a death benefit under a Policy unless (a) it has been delivered to and accepted by the owner and at least the initial premium has been paid, and (b) at the time of such delivery and payment, there have been no adverse developments in either of the contingent insures health or risk of death. However, if you pay at least the minimum first premium payment with your application for a Policy, we will provide temporary coverage of up to \$300,000 provided the contingent insures meet certain medical and risk requirements. The terms and conditions of this coverage are described in our "Limited Temporary Life Insurance Agreement," available to you when you apply for a Policy.

Date of issue; Policy months and years. We prepare the Policy only after we approve an application for a Policy and assign the appropriate premium classes. The day we begin to deduct charges will appear on page 3 of your Policy and is called the "Date of Issue." Policy months and years are measured from the date of issue. To preserve a younger age at issue for the contingent insures, we may assign a date of issue to a Policy that is up to 6 months earlier than otherwise would apply.

Monthly deduction days. Each charge that we deduct monthly is assessed against your accumulation value at the close of business on the date of issue and at the end of each subsequent valuation period that includes the first day of a Policy month. We call these "monthly deduction days."

Commencement of investment performance. We begin to credit an investment return to the accumulation value resulting from your initial premium payment on the later of (a) the date of issue, or (b) the date all requirements needed to place the Policy in force have been satisfied, including underwriting approval and receipt of the necessary premium. In the case of a back-dated Policy, we do not credit an investment return to the accumulation value resulting from your initial premium payment until the date stated in (b) above.

Effective date of other premium payments and requests that you make. Premium payments (after the first) and transactions made in response to your requests and elections are generally effected at the end of the valuation period in which we receive the payment, request or election and based on prices and values computed as of that same time. Exceptions to this general rule are as follows:

- . Increases or decreases you request in the specified amount of insurance, reinstatements of a Policy that has lapsed, and changes in death benefit Option take effect on the Policy's monthly deduction day if your request is approved on that day or on the next monthly deduction day following our approval if we approve your request on any other day of the month;
- . In most states, we may return premium payments, make a partial surrender or reduce the death benefit if we determine that such premiums would cause your Policy to become a modified endowment contract or to cease to qualify as life insurance under federal income tax law or exceed the maximum net amount at risk;

- . If you exercise your right to return your Policy described under "Free look period" on page 29 of this prospectus, your coverage will end when you deliver it to your AGL representative, or if you mail it to us, the date it is postmarked; and
- . If you pay a premium at the same time that you make a Policy request which requires our approval, your payment will be applied when received rather than following the effective date of the requested change, but only if your Policy is in force and the amount paid will not cause you to exceed premium limitations under the Code. If we do not approve your Policy request, your premium payment will still be accepted in full or in part (we will return to you the portion of your premium payment that would be in violation of the maximum premium limitations under the Code). We will not apply this procedure to premiums you pay in connection with reinstatement requests.

Shortly after the end of each Policy year, we will mail you a report that includes information about your Policy's current death benefit, accumulation value, cash surrender value and Policy loans. We will send you notices to confirm premium payments, transfers and certain other Policy transactions. We will mail to you at your last known address of record, these and any other reports and communications required by law. You should give us prompt written notice of any address change.

ADDITIONAL BENEFIT RIDERS AND OPTIONS

Riders

You can request that your Policy include the additional rider benefits described below. For most of the riders that you choose, a charge, which will be shown on page 3 of your Policy, will be deducted from your accumulation value on each monthly deduction date. Eligibility for and changes in these benefits are subject to our rules and procedures as in effect from time to time. Not all riders are available in all states. More details are included in the form of each rider, which we suggest that you review if you choose any of these benefits.

Maturity Extension Rider.

This rider gives you the option to extend the Policy's maturity date beyond what it otherwise would be, at any time before the original maturity date. Once you select this rider, if you have not already elected to extend the maturity date, we will notify you of this right 60 days before maturity. If you do not then elect to extend the maturity date before the original maturity date, the rider will terminate and the maturity date will not be extended. You have two versions of this rider from which to choose, the Accumulation Value version and the Death Benefit version. Either or both versions may not be available in your state.

The Accumulation Value version provides for a death benefit after your original maturity date that is equal to the accumulation value on the date of the last surviving contingent insured's death. The death benefit will be reduced by any outstanding Policy loan amount. There is no charge for this version until you reach your original maturity date. After your original maturity date, we will charge a monthly fee of no more than \$10.

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The Death Benefit version provides for a death benefit (after the death of the last surviving contingent insured) after your original maturity date equal to the death benefit in effect on the day prior to your original maturity date. If the death benefit is based fully, or in part, on the accumulation value, we will adjust the death benefit to reflect future changes in your accumulation value. The death benefit will never be less than the accumulation value. The death benefit will be reduced by any outstanding Policy loan amount.

We will charge you the following amounts under the death benefit version:

- . A monthly fee of no more than \$30 for each \$1000 of the net amount at risk. This fee begins 9 years before your original maturity date and terminates on your original maturity date; and
- . A monthly fee of no more than \$10. This fee begins on your original maturity date if you exercise your right under the rider to extend your original maturity date.

Nine years and 60 days before your original maturity date, we will notify you that you will incur these charges if you keep the rider. You will then have until your original maturity date to terminate the rider and with it, your right to extend your original maturity date. If you terminate the rider at any time within this nine year and 60 day period, there will be no further charges and you will have no remaining right to receive a benefit under the rider.

Both versions of the rider may be added at any time to an existing Policy up until the same nine year and 60 day period before your original maturity date. In Illinois you may select either version of the rider only after we issue your Policy.

There are features common to both riders in addition to the \$10 maximum monthly fee. Only the insurance coverage associated with the Policy will be extended beyond your original maturity date. We do not allow additional premium payments, or changes in specified amount after your original maturity date. The only charge we continue to automatically deduct after the original maturity date is the daily charge described on page 45. Once you have exercised your right to

extend your original maturity date, you cannot revoke it. The monthly fee will continue. You can, however, surrender your Policy at any time.

Extension of the maturity date beyond the younger contingent insured's age 100 may result in current taxation of increases in your Policy's accumulation value as a result of interest or investment experience after that time. You should consult a qualified tax adviser before making such an extension.

Return of Premium Death Benefit Rider.

- . This rider provides additional term life insurance coverage on the life of the last surviving contingent insured. The amount of additional insurance varies so that it always equals the cumulative amount of premiums paid under the Policy (subject to certain adjustments).
- . You may elect this rider only as of the date of issue and only if you have selected death benefit Option 1.

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- . The use of this rider increases the specified amount, which results in a change in the net amount at risk. As a result, the rider increases the monthly insurance charge.
- . This rider terminates if you change from death benefit Option 1 to death benefit Option 2. However, the monthly insurance charge is not reduced when the rider terminates.
- . There is no other separate fee for this rider.

Single Life Annually Renewable Term Insurance Rider.

- . This rider allows you to provide term single life insurance on the life of either or both of the contingent insureds. We will pay a death benefit upon the death of the contingent insured on whose life you purchased the rider. The death benefit is in addition to any death benefit we pay under the Policy.
- . You can purchase this rider on the life of a contingent insured who is younger than age 75.
- . You cannot purchase this rider on the life of a contingent insured if the premium class for that contingent insured is uninsurable.
- . This rider terminates at age 75 of the covered contingent insured.
- . The maximum cost of this rider is \$7.31 per thousand of the rider's specified amount.
- . You may purchase this rider only at the time we issue your Policy.

Tax Consequences of Additional Rider Benefits

Adding or deleting riders, or increasing or decreasing coverage under existing riders can have tax consequences. See "Tax Effects" starting on page 50. You should consult a qualified tax adviser.

Policy Exchange Option

This option is not a rider. You as the owner of the Policy have the right at any time while both contingent insureds are living to request that the Policy be split into two separate policies, insuring each of the contingent insureds under new, single life policies. In order for you to exercise this option, neither contingent insured could have the "uninsurable" premium class when the original Policy was issued. Here are the additional features about the exchange option:

- . You can choose the amount of coverage on each policy, as long as the total equals the death benefit amount of the Policy. We will transfer the cash surrender value of the Policy, after paying off any outstanding loan, to the new policies in the same proportion as the new face amounts are to each other (except for Policies issued in Texas, where outstanding loans are also transferred to the new policies in the same proportion as the new face amounts are to each other).

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- . The new policies can be any flexible or level premium whole life policy or endowment plan we would ordinarily issue when the option is exercised.
- . The new policies are subject to underwriting based on our established procedures. This option requires that both contingent insureds are found to be insurable.
- . You can choose to exchange without underwriting only if the contingent insureds were married to one another and have divorced, the Federal unlimited marital deduction is repealed, or there is a reduction of at least 50% of the tax rate in the maximum Federal estate tax bracket. However, in the case of divorce, the divorce decree must have been final at least 24 months before the exchange. In these situations, the original Policy's specified amount and cash surrender value will be split equally between the two new policies (except in Pennsylvania, where underwriting is required without exception if the contingent insureds are divorced from one another).
- . The Policy terminates when we issue the new policies.
- . Under each of the new policies, if the insured commits suicide within the first two policy years, we will limit the proceeds payable to the total of all premiums that have been paid on the Policy insuring the deceased person to the time of death minus any outstanding policy loans (plus any unearned loan interest) and partial surrenders.

In Texas the first two policy years limit runs from the date of issue of the Policy but only for insurance coverage that does not require new underwriting information.
- . There is no additional charge for this option or its exercise.

POLICY TRANSACTIONS

The following transactions may have different effects on the accumulation value, death benefit, specified amount or cost of insurance. You should consider the net effects before requesting a Policy transaction. See "Policy Features" on page 23. Certain transactions also entail charges. For information regarding other charges, see "Charges Under the Policy" on page 45.

E-Delivery, E-Service, Telephone Transactions and Written Transactions

See page 18 for information regarding E-Delivery, E-Service, telephone transactions and written transactions.

Withdrawing Policy Investments

Full surrender. You may at any time surrender your Policy in full. If you do, we will pay you the accumulation value, less any Policy loans, plus any unearned loan interest, and less any surrender charge that then applies. We call this amount your "cash surrender value." Because of the surrender charge, it is unlikely that a Platinum Investor Survivor II Policy will have any cash surrender value during at least the first year.

Partial surrender. You may, at any time after the first Policy year, make a partial surrender of your Policy's cash surrender value. A partial surrender must be at least \$500. We will automatically

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reduce your Policy's accumulation value by the amount of your withdrawal and any related charges. We do not allow partial surrenders that would reduce the death benefit below \$500,000.

We will apply a reduction in specified amount in the following order, as long as your base coverage is at least 10% of the specified amount:

- . against the specified amount provided by the most recent increase, with the decrease applying first to the entire supplemental coverage portion of such increase, if any, followed by the base coverage portion;
- . against the next most recent increases successively, with the decrease of each prior increase applying first to the entire supplemental coverage portion of such increase, if any, followed by the base coverage portion;
- . against the specified amount provided under the original application,

with the decrease applying first to the entire supplemental coverage portion of such amount, if any, followed by the base coverage portion.

We will deduct any remaining surrender charge that is associated with any portion of your Policy's base amount of coverage that is canceled. If the Option 2 death benefit is then in effect, we will automatically reduce your accumulation value.

You may choose the investment option or options from which money that you withdraw will be taken. Otherwise, we will allocate the partial surrender in the same proportions as then apply for deducting monthly charges under your Policy or, if that is not possible, in proportion to the amount of accumulation value you then have in each investment option.

There is a maximum partial surrender processing fee equal to the lesser of 2% of the amount withdrawn or \$25 for each partial surrender you make. This charge currently is \$10.

Exchange of Policy in certain states. Certain states require that a Policy owner be given the right to exchange the Policy for a fixed benefit life insurance policy, within either 18 or 24 months from the date of issue. This right is subject to various conditions imposed by the states and us. In such states, this right has been more fully described in your Policy or related endorsements to comply with the applicable state requirements.

Policy loans. You may at any time borrow from us an amount up to your Policy's cash surrender value less the interest that will be payable on your loan to your next Policy anniversary. The minimum amount you can borrow is \$500, or, if less, your Policy's cash surrender value less the loan interest payable to your next Policy anniversary.

We remove from your investment options an amount equal to your loan and hold that part of your accumulation value in the Fixed Account as collateral for the loan. We will credit your Policy with interest on this collateral amount at a guaranteed annual effective rate of 4% (rather than any amount you could otherwise earn in one of our investment options), and we will charge you interest on your loan at an annual effective rate of 4.75%. Loan interest is payable annually, on the Policy anniversary, in advance, at a rate of 4.54%. Any amount not paid by its due date will automatically be added to the loan balance as an additional loan. Interest you pay on Policy loans will not, in most cases, be deductible on your tax returns.

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You may choose which of your investment options the loan will be taken from. If you do not so specify, we will allocate the loan in the same way that charges under your Policy are being allocated. If this is not possible, we will make the loan pro-rata from each investment option that you then are using.

You may repay all or part (but not less than \$10 unless it is the final payment) of your loan at any time before the death of the last surviving contingent insured while the Policy is in force. You must designate any loan repayment as such. Otherwise, we will treat it as a premium payment instead. Any loan repayments go first to repay all loans that were taken from the Fixed Account. We will invest any additional loan repayments you make in the investment options you request. In the absence of such a request we will invest the repayment in the same proportion as you then have selected for premium payments that we receive from you. Any unpaid loan (increased by any unearned loan interest we may have already charged) will be deducted from the proceeds we pay following the last surviving contingent insured's death.

Preferred loan interest rate. We will charge a lower interest rate on loans available after the first 10 Policy years. We call these "preferred loans." The maximum amount eligible for preferred loans for any year is:

- . 10% of your Policy's accumulation value (which includes any loan collateral we are holding for your Policy loans) at the Policy anniversary; or
- . if less, your Policy's maximum remaining loan value at that Policy anniversary.

We will always credit your preferred loan collateral amount at a guaranteed annual effective rate of 4%. We intend to set the rate of interest you are paying to the same 4% rate we credit to your preferred loan collateral amount, resulting in a zero net cost (0.00%) of borrowing for that amount. We have full discretion to vary the rate we charge you, provided that the rate:

- . will always be greater than or equal to the guaranteed preferred loan collateral rate of 4%, and

. will never exceed an annual effective rate of 4.25%.

Because we first began offering the Policies in 2001, we have not yet declared a preferred loan interest rate.

Maturity of your Policy. If one or both contingent insureds are living on the "Maturity Date" shown on page 3 of your Policy, we will pay you the cash surrender value of the Policy, and the Policy will end. The maturity date can be no later than the Policy anniversary nearest the younger contingent insured's 100th birthday, unless you have elected the Maturity Extension Rider. See "Additional Benefit Riders - Riders - Maturity Extension Rider," on page 35.

Tax considerations. Please refer to "Federal Tax Considerations" on page 50 for information about the possible tax consequences to you when you receive any loan, surrender or other funds from your Policy. A Policy loan may cause the Policy to lapse which may result in adverse tax consequences.

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POLICY PAYMENTS

Payment Options

The beneficiary will receive the full death benefit proceeds from the Policy as a single sum, unless the beneficiary elects another method of payment within 60 days of the last surviving contingent insured's death. Likewise, the Policy owner will receive the full proceeds that become payable upon full surrender or the maturity date, unless the Policy owner elects another method of payment within 60 days of full surrender or the maturity date.

The payee can elect that all or part of such proceeds be applied to one or more of the following payment options. If the payee dies before all guaranteed payments are paid, the payee's heirs or estate will be paid the remaining payments.

The payee can elect that all or part of such proceeds be applied to one or more of the following payment options:

- . Option 1--Equal monthly payments for a specified period of time.
- . Option 2--Equal monthly payments of a selected amount of at least \$60 per year for each \$1,000 of proceeds until all amounts are paid out.
- . Option 3--Equal monthly payments for the payee's life, but with payments guaranteed for a specified number of years. These payments are based on annuity rates that are set forth in the Policy or, at the payee's request, the annuity rates that we then are using.
- . Option 4--Proceeds left to accumulate at an interest rate of 3% compounded annually for any period up to 30 years. At the payee's request we will make payments to the payee monthly, quarterly, semiannually, or annually. The payee can also request a partial withdrawal of any amount of \$500 or more. There is no charge for partial withdrawals.

Additional payment options may also be available with our consent. We have the right to reject any payment option if the payee is a corporation or other entity. You can read more about each of these options in the Policy and in the separate form of payment contract that we issue when any such option takes effect.

Interest rates that we credit under each option will be at least 3%.

Change of payment option. The owner may give us written instructions to change any payment option previously elected at any time while the Policy is in force and before the start date of the payment option.

Tax impact. If a payment option is chosen, you or your beneficiary may have adverse tax consequences. You should consult with a qualified tax adviser before deciding whether to elect one or more payment options.

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The Beneficiary

You name your beneficiary when you apply for a Policy. The beneficiary is entitled to the insurance benefits of the Policy. You may change the beneficiary

during the lifetime of either contingent insured unless your previous designation of beneficiary provides otherwise. In this case the previous beneficiary must give us permission to change the beneficiary and then we will accept your instructions. We also require the consent of any irrevocably named beneficiary. A new beneficiary designation is effective as of the date you sign it, but will not affect any payments we may make before we receive it. If no beneficiary is living when the last surviving contingent insured dies, we will pay the insurance proceeds to the owner or the owner's estate.

Assignment of a Policy

You may assign (transfer) your rights in a Policy to someone else as collateral for a loan or for some other reason. We will not be bound by an assignment unless it is received in writing. You must provide us with two copies of the assignment. We are not responsible for any payment we make or any action we take before we receive a complete notice of the assignment in good order. We are also not responsible for the validity of the assignment. An absolute assignment is a change of ownership. Because there may be unfavorable tax consequences, including recognition of taxable income and the loss of income tax-free treatment for any death benefit payable to the beneficiary, you should consult a qualified tax adviser before making an assignment.

Payment of Proceeds

General. We will pay any death benefit, maturity benefit, cash surrender value or loan proceeds within seven days after we receive the last required form or request (and any other documents that may be required for payment of a death benefit). If we do not have information about the desired manner of payment within 60 days after the date we receive notification of the last surviving contingent insured's death, we will pay the proceeds as a single sum, normally within seven days thereafter.

Delay of Fixed Account proceeds. We have the right, however, to defer payment or transfers of amounts out of the Fixed Account for up to six months. If we delay more than 30 days in paying you such amounts, we will pay interest of at least 3% a year from the date we receive all items we require to make the payment.

Delay for check clearance. We reserve the right to defer payment of that portion of your accumulation value that is attributable to a payment made by check for a reasonable period of time (not to exceed 15 days) to allow the check to clear the banking system.

Delay of Separate Account VL-R proceeds. We reserve the right to defer computation of values and payment of any death benefit, loan or other distribution that comes from that portion of your accumulation value that is allocated to Separate Account VL-R, if:

- . the NYSE is closed other than weekend and holiday closings;
- . trading on the NYSE is restricted;

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- . an emergency exists as determined by the SEC or other appropriate regulatory authority, such that disposal of securities or determination of the accumulation value is not reasonably practicable; or
- . the SEC by order so permits for the protection of Policy owners.

Transfers and allocations of accumulation value among the investment options may also be postponed under these circumstances. If we need to defer calculation of Separate Account VL-R values for any of the foregoing reasons, all delayed transactions will be processed at the next values that we do compute.

Delay to challenge coverage. We may challenge the validity of your insurance Policy based on any material misstatements in your application or any application for a change in coverage. However,

- . We cannot challenge the Policy after it has been in effect, during either contingent insured's lifetime, for two years from the date the Policy was issued or restored after termination. (Some states may require that we measure this time in another way. Some states may also require that we calculate the amount we are required to pay in another way.)
- . We cannot challenge any Policy change that requires evidence of insurability (such as an increase in specified amount) after the change has been in effect for two years during either contingent

insured's lifetime.

- . We cannot challenge an additional benefit rider that provides benefits if either contingent insured becomes totally disabled, after two years from the later of the Policy's date of issue or the date the additional benefit rider becomes effective.

Delay required under applicable law. We may be required under applicable law to block a request for transfer or payment, including a Policy loan request, under a Policy until we receive instructions from the appropriate regulator.

ADDITIONAL RIGHTS THAT WE HAVE

We have the right at any time to:

- . transfer the entire balance in an investment option in accordance with any transfer request you make that would reduce your accumulation value for that option to below \$500;
- . transfer the entire balance in proportion to any other investment options you then are using, if the accumulation value in an investment option is below \$500 for any other reason;
- . end the automatic rebalancing feature if your accumulation value falls below \$5,000;
- . replace the underlying Fund that any investment option uses with another Fund, subject to SEC and other required regulatory approvals;

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- . add, delete or limit investment options, combine two or more investment options, or withdraw assets relating to the Policies from one investment option and put them into another, subject to SEC and other required regulatory approvals;
- . operate Separate Account VL-R under the direction of a committee or discharge such a committee at any time;
- . operate Separate Account VL-R, or one or more investment options, in any other form the law allows, including a form that allows us to make direct investments. Separate Account VL-R may be charged an advisory fee if its investments are made directly rather than through another investment company. In that case, we may make any legal investments we wish; or
- . make other changes in the Policy that in our judgment are necessary or appropriate to ensure that the Policy continues to qualify for tax treatment as life insurance, or that do not reduce any cash surrender value, death benefit, accumulation value, or other accrued rights or benefits.

We also have the right to make some variations in the terms and conditions of a Policy. Any variations will be made only in accordance with uniform rules that we establish. Here are the potential variations.

Underwriting and premium classes. We currently have seven premium classes we use to decide how much the monthly insurance charges under any particular Policy will be:

- . Three Non-tobacco classes: preferred, standard and special;
- . Three Tobacco classes: preferred, standard and special; and
- . One additional class: uninsurable.

Various factors such as each contingent insured's age, health history, occupation and history of tobacco use, are used in considering the appropriate premium class for the contingent insured. Premium classes are described in your Policy. Policies issued in Arizona, North Carolina and Wisconsin do not have the uninsurable class.

The term "uninsurable" is used in a special way when we issue a Policy. "Uninsurable" describes a person proposed to become insured under a Policy who would not pass our requirements to be insured under one of our policies that insures only one life. Under some conditions a person who is uninsurable can become a contingent insured under a Policy. The other contingent insured cannot be uninsurable.

Policies purchased through "internal rollovers". We maintain published rules that describe the procedures necessary to replace life insurance policies we have issued. Not all types of other insurance we issue are eligible to be replaced with a Policy. Our published rules may be changed from time to time,

but are evenly applied to all our customers.

State law requirements. AGL is subject to the insurance laws and regulations in every jurisdiction in which the Policies are sold. As a result, various time periods and other terms and conditions described in this prospectus may vary depending on where you reside. These variations will be reflected in your Policy and related endorsements.

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Variations in expenses or risks. AGL may vary the charges and other terms within the limits of the Policy where special circumstances result in sales, administrative or other expenses, mortality risks or other risks that are different from those normally associated with the Policy.

You will be notified as required by law if there are any material changes in the underlying investments of an investment option that you are using. We intend to comply with all applicable laws in making any changes and, if necessary, we will seek Policy owner approval and SEC and other regulatory approvals.

CHARGES UNDER THE POLICY

Premium tax charge. Unless your Policy was issued in Oregon, we deduct from each premium a charge for the tax that is then applicable to us in your state or other jurisdiction. These taxes, if any, currently range in the United States from 0.75% to 3.5%. Please let us know if you move to another jurisdiction, so we can adjust this charge if required. You are not permitted to deduct the amount of these taxes on your income tax return. We use this charge to offset our obligation to pay premium tax on the Policies.

Tax charge back. If you are a resident of Oregon at the time you purchase a Policy, there is no premium tax charge. Instead, we will deduct from each premium a tax charge back that is permissible under Oregon law. If you later move from Oregon to a state that has a premium tax, we will not charge you a premium tax. We deduct the tax charge back from each premium you pay, regardless of the state in which you reside at the time you pay the premium. The current tax charge back is 2% of each premium. We may change the tax charge back amount but any change will only apply to new Policies we issue. We use the charge partly to offset our obligation to pay premium taxes on the same Policy if you move to another state. We also use the charge to pay for the cost of additional administrative services we provide under these Policies.

Premium expense charge. After we deduct premium tax (or a tax charge back if we issued your Policy in Oregon) from each premium payment, we currently deduct 5% from the remaining amount. We may lower this percentage deduction but it is guaranteed never to exceed 5%. AGL receives this charge to cover sales expenses, including commissions.

Daily charge (mortality and expense risk fee). We will deduct a daily charge at an annual effective rate of 0.75% (7.5/10 of 1%) of your accumulation value that is then being invested in any of the variable investment options. After a Policy has been in effect for 15 years, however, we will reduce this rate to an annual effective rate of 0.50%, and after 30 years, to an annual effective rate of 0.15%. Although the years for the reduction of rates may not be changed, we may lower these current rates but they can never exceed the rates set forth in this paragraph. AGL receives this charge to pay for our mortality and expense risks, except in Maryland. In Maryland, all references in the Policy to the mortality and expense charge have been changed to the "Separate Account Charge."

Flat monthly charge. We will deduct \$10 from your accumulation value each month. We may lower this charge but it is guaranteed to never exceed \$10. The flat monthly charge is the "Monthly Administration Fee" shown on page 4 of your Policy. AGL receives this charge to pay for the cost of administrative services we provide under the Policies, such as regulatory mailings and responding to Policy owners' requests.

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Monthly expense charge (per \$1,000 of base coverage). The Policies have a monthly expense charge which will be deducted during the first four Policy years, and during the first four years of any increase in base coverage. We will apply this four year monthly expense charge only to the base coverage portion of the specified amount. Any decrease in base coverage will not change the monthly expense charge. This charge varies according to the ages, gender and the premium classes of both of the contingent insures, as well as the amount of coverage.

This charge can range from a maximum of \$2.12 for each \$1,000 of the base coverage portion of the specified amount to a minimum of \$0.09 for each \$1,000 of base coverage. The representative charge (referred to as "Example" in the Tables of Charges beginning on page 11) is \$0.58 for each \$1,000 of base coverage. AGL receives this charge to pay for underwriting costs and other costs of issuing the Policies, and also to help pay for the administrative services we provide under the Policies.

Monthly insurance charge. Every month we will deduct from your accumulation value a charge based on the cost of insurance rates applicable to your Policy on the date of the deduction and our "net amount at risk" on that date. Our net amount at risk is the difference between (a) the death benefit that would be payable before reduction by policy loans if the last surviving contingent insured died on that date and (b) the then total accumulation value under the Policy. For otherwise identical Policies:

- . greater amounts at risk result in a higher monthly insurance charge; and
- . higher cost of insurance rates also result in a higher monthly insurance charge.

Keep in mind that investment performance of the investment options in which you have accumulation value will affect the total amount of your accumulation value. Therefore your monthly insurance charge can be greater or less, depending on investment performance.

Our cost of insurance rates are guaranteed not to exceed those that will be specified in your Policy. Our current rates are lower than the guaranteed maximum rates for contingent insureds in most age, gender and premium classes, although we have the right at any time to raise these rates to not more than the guaranteed maximum.

In general the longer you own your Policy, the higher the cost of insurance rate will be as the contingent insureds grow older. Also our cost of insurance rates will generally be lower if one or both of the contingent insureds is a female than if a male. Similarly, our current cost of insurance rates are generally lower for non-tobacco users than tobacco users. On the other hand, contingent insureds who present particular health, occupational or non-work related risks may require higher cost of insurance rates and other additional charges based on the specified amount of insurance coverage under their Policy.

AGL receives this charge to fund the death benefits we pay under the Policies.

Monthly charges for additional benefit riders. We will deduct charges monthly from your accumulation value, if you select additional benefit riders. The charges for any rider you select will vary by Policy within a range based on either the personal characteristics of the contingent insureds or the specific coverage you choose under the rider. The riders we offer are two versions of the maturity extension rider, return of premium death benefit rider, and single life annually renewable term insurance rider. The riders are described beginning on page 35, under "Additional Benefit Riders and Options." The specific charges for any rider you choose are shown on page 3 of your Policy. AGL receives these charges to pay for the benefits under the riders and to help offset the risks we assume.

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Surrender charge. The Policies have a surrender charge that applies for a maximum of the first 14 Policy years (and for a maximum of the first 14 Policy years after any increase in the Policy's base coverage). We will apply the surrender charge only to the base coverage portion of the specified amount.

The surrender charge period depends on the age of the younger of the contingent insureds. The amount of the surrender charge depends on the age, gender and premium classes of both of the contingent insureds. Your Policy's surrender charge will be found in the table beginning on page 4C of your Policy. As shown in the Tables of Charges beginning on page 12, the maximum surrender charge is \$31.95 per \$1,000 of the base coverage portion of the specified amount (or any increase in the base coverage portion of the specified amount). The minimum surrender charge is \$1.39 per \$1,000 of the base coverage (or any increase in the base coverage). The representative surrender charge (referred to as "Example" in the Tables of Charges on page 11) is \$19.88 per \$1,000 of base coverage (or any increase in the base coverage).

The surrender charge decreases on an annual basis beginning in the second year of its 14 year period referred to above until, in the fifteenth year, it is zero. These decreases are also based on the age, gender and premium classes of both of the contingent insureds.

The following chart illustrates how the surrender charge declines over the first 14 Policy years. The chart is for a 60 year old male and a 60 year old female, who are the same persons to whom we refer in the Tables of Charges beginning on page 11 under "Example Charge." Surrender charges may differ for other contingent insures because the amount of the annual reduction in the surrender charge may differ.

<TABLE>
<CAPTION>

Surrender Charge for a 60 Year Old Male and a 60 Year Old Female															
Policy Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Surrender Charge Per \$1,000 of Base Coverage	\$19.88	\$19.43	\$18.95	\$18.46	\$17.95	\$17.43	\$15.68	\$14.00	\$12.39	\$10.86	\$8.35	\$6.01	\$3.83	\$1.83	\$0

</TABLE>

We will deduct the entire amount of any then applicable surrender charge from the accumulation value at the time of a full surrender. Upon a requested decrease in a Policy's base coverage portion of the specified amount, we will deduct any remaining amount of the surrender charge that was associated with the base coverage that is canceled. This includes any decrease that results from any requested partial surrender. See "Partial surrender" beginning on page 38 and "Change of death benefit option" beginning on page 32.

For those Policies that lapse in the first 14 Policy years, AGL receives surrender charges to help recover sales expenses, which are higher for base coverage than for supplemental coverage. Higher amounts of base coverage result in higher premiums and higher charges, including higher surrender charges. The older and the greater health risk the contingent insures are when the Policy is issued, the more premium we need to pay for all Policy charges. As a result, we use the contingent insures' age, sex and premium classes to help determine the appropriate rate of surrender charge per \$1,000 of base coverage to help us offset these higher sales charges.

Partial surrender processing fee. We will charge a maximum fee equal to the lesser of 2% of the amount withdrawn or \$25 for each partial surrender you make. This charge is currently \$10. AGL receives this charge to help pay for the expense of making a partial surrender.

Transfer fee. We will charge a \$25 transfer fee for each transfer between investment options that exceeds 12 each Policy Year. This charge will be deducted from the investment options in the same ratio as the requested transfer. AGL receives this charge to help pay for the expense of making the requested transfer.

Illustrations. If you request illustrations more than once in any Policy year, we may charge a maximum fee of \$25 for the illustration. AGL receives this charge to help pay for the expenses of providing additional illustrations.

Policy loans. We will charge you interest on any loan at an annual effective rate of 4.75%. The loan interest charged on a preferred loan (available after the first 10 Policy years) will never exceed an annual effective rate of 4.25%. AGL receives these charges to help pay for the expenses of administering and providing for Policy loans. See "Policy loans" beginning on page 39.

Charge for taxes. We can adjust charges in the future on account of taxes we incur or reserves we set aside for taxes in connection with the Policies. This would reduce the investment experience of your accumulation value. In no event will any adjusted charge exceed the maximum guaranteed charge shown in the Tables of Charges on pages 11 - 16. All maximum guaranteed charges also appear in your Policy.

For a further discussion regarding these charges we will deduct from your investment in a Policy, see "More About Policy Charges" on page 48.

Allocation of charges. You may choose the investment options from which we deduct all monthly charges and any applicable surrender charges. If you do not have enough accumulation value in those investment options, we will deduct these charges in the same ratio the charges bear to the unloaned accumulation value you then have in each investment option.

More About Policy Charges

Purpose of our charges. The charges under the Policy are designed to cover, in total, our direct and indirect costs of selling, administering and providing benefits under the Policy. They are also designed, in total, to compensate us for the risks we assume and services that we provide under the Policy. These include:

- . mortality risks (such as the risk that contingent insureds will, on average, die before we expect, thereby increasing the amount of claims we must pay);
- . sales risks (such as the risk that the number of Policies we sell and the premiums we receive net of withdrawals, are less than we expect, thereby depriving us of expected economies of scale);

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- . regulatory risks (such as the risk that tax or other regulations may be changed in ways adverse to issuers of variable life insurance policies); and
- . expense risks (such as the risk that the costs of administrative services that the Policy requires us to provide will exceed what we currently project).

The current monthly insurance charge has been designed primarily to provide funds out of which we can make payments of death benefits under the Policy as the last surviving contingent insured dies.

General. If the charges that we collect from the Policies exceed our total costs in connection with the Policies, we will earn a profit. Otherwise we will incur a loss. We reserve the right to increase the charges to the maximum amounts on Policies issued in the future.

Although the paragraphs above describe the primary purposes for which charges under the Policies have been designed, these purposes are subject to considerable change over the life of a Policy. We can retain or use the revenues from any charge for any purpose.

ACCUMULATION VALUE

Your accumulation value. From each premium payment you make, we deduct the charges that we describe on page 45 under "Premium tax charge" (or "Tax charge back" if you are a resident of Oregon when you purchase your Policy) and on page 45 under "Premium expense charge." We invest the rest in one or more of the investment options listed in the chart on page 19 of this prospectus. We call the amount that is at any time invested under your Policy (including any loan collateral we are holding for your Policy loans) your "accumulation value."

Your investment options. We invest the accumulation value that you have allocated to any variable investment option in shares of a corresponding Fund. Over time, your accumulation value in any such investment option will increase or decrease in accordance with the investment experience of the Fund. Your accumulation value will also be reduced by Fund charges and certain other charges that we deduct from your Policy. We describe these charges beginning on page 45 under "Charges Under the Policy."

You can review other important information about the Funds that you can choose in the separate prospectuses for those Funds. You can request additional free copies of these prospectuses from your AGL representative, from our Home Office or from the Administrative Center. See "Contact Information" on page 5.

We invest any accumulation value you have allocated to the Fixed Account as part of our general assets. We credit interest on that accumulation value at a rate which we declare from time to time. We guarantee that the interest will be credited at an annual effective rate of at least 4%. Although this interest increases the amount of any accumulation value that you have in the Fixed Account, such accumulation value will also be reduced by any charges that are allocated to this option under the procedures described under "Allocation of charges" on page 48. The "daily charge" described on page 45 and the fees and expenses of the Funds discussed on page 16 do not apply to the Fixed Account.

Policies are "non-participating." You will not be entitled to any dividends from AGL.

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POLICY LAPSE AND REINSTATEMENT

During the first 5 Policy year benefit period discussed on page 28, your Policy will not enter a grace period or terminate if the Monthly Guarantee Premium has been met. After expiration of this benefit, if your Policy's cash surrender value (the Policy's accumulation value less Policy loans and loan interest during the first 5 Policy years) falls to an amount insufficient to cover the monthly charges, we will notify you by letter that you have 61 days from the due date of the premium to pay the necessary charges to avoid lapse of the Policy. You are not required to repay any outstanding loan in order to reinstate your Policy. If the last surviving contingent insured dies during the grace period we will pay the death benefit reduced by the charges that are owed at the time of death. The grace period begins with the first day of the Policy month for which all charges could not be paid. If we do not receive your payment by the end of the grace period, your Policy and all riders will end without value and all coverage under your Policy will cease. Although you can apply to have your Policy "reinstated," you must do this within 5 years (or, if earlier, before the Policy's maturity date), and you must present evidence that each contingent insured who was living when the policy lapsed is still living and meets our requirements for issuing coverage. You will find additional information in the Policy about the values and terms of the Policy after it is reinstated.

FEDERAL TAX CONSIDERATIONS

Generally, the death benefit paid under a Policy is not subject to income tax, and earnings on your accumulation value are not subject to income tax as long as we do not pay them out to you. If we do pay any amount of your Policy's accumulation value upon surrender, partial surrender, or maturity of your Policy, all or part of that distribution may be treated as a return of the premiums you paid, which is not subject to income tax.

Amounts you receive as Policy loans are not taxable to you, unless you have paid such a large amount of premiums that your Policy becomes what the tax law calls a "modified endowment contract." In that case, the loan will be taxed as if it were a partial surrender. Furthermore, loans, partial surrenders and other distributions from a modified endowment contract may require you to pay additional taxes and penalties that otherwise would not apply. If your Policy lapses, you may have to pay income tax on a portion of any outstanding loan.

Tax Effects

This discussion is based on current federal income tax law and interpretations. It assumes that the policy owner is a natural person who is a U.S. citizen and resident. The consequences for corporate taxpayers, non-U.S. residents or non-U.S. citizens, may be different. The following discussion of federal income tax treatment is general in nature, and is not intended as tax advice. You should consult with a competent tax adviser to determine the specific federal tax treatment of your Policy based on your individual factual situation.

General. The Policy will be treated as "life insurance" for federal income tax purposes (a) if it meets the definition of life insurance under Section 7702 of the Code and (b) for as long as the investments made by the underlying Funds satisfy certain investment diversification requirements under Section 817(h) of the Code. We believe that the Policy will meet these requirements at issue and that:

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- . the death benefit received by the beneficiary under your Policy will generally not be subject to federal income tax; and
- . increases in your Policy's accumulation value as a result of interest or investment experience will not be subject to federal income tax unless and until there is a distribution from your Policy, such as a surrender or a partial surrender.

Although AGL believes that the Policies are in compliance with Section 7702 of the Code at issue, the manner in which Section 7702 should be applied to certain features of a last survivor life insurance policy is not directly addressed by Section 7702. In the absence of final regulations or other guidance issued under Section 7702, there is necessarily some uncertainty whether survivor life insurance policies, like the Platinum Investor Survivor II Policies, will meet the Section 7702 definition of a life insurance contract.

The federal income tax consequences of a distribution from your Policy can be affected by whether your Policy is determined to be a "modified endowment contract," explained in the following discussion. In all cases, however, the character of all income that is described as taxable to the payee will be ordinary income (as opposed to capital gain).

Testing for modified endowment contract status. The Code provides for a "seven-pay test." This test determines if your Policy will be a "modified endowment contract."

If, at any time during the first seven Policy years:

- . you have paid a cumulative amount of premiums;
- . the cumulative amount exceeds the premiums you would have paid by the same time under a similar fixed-benefit life insurance policy; and
- . the fixed benefit policy was designed (based on certain assumptions mandated under the Code) to provide for paid-up future benefits ("paid-up" means no future premium payments are required) after the payment of seven level annual premiums;

then your Policy will be a modified endowment contract.

Whenever there is a "material change" under a policy, the policy will generally be (a) treated as a new contract for purposes of determining whether the policy is a modified endowment contract and (b) subjected to a new seven-pay period and a new seven-pay limit. The new seven-pay limit would be determined taking into account, under a prescribed formula, the accumulation value of the policy at the time of such change. A materially changed policy would be considered a modified endowment contract if it failed to satisfy the new seven-pay limit at any time during the new seven-pay period. A "material change" for these purposes could occur as a result of a change in death benefit option. A material change will occur as a result of an increase in your Policy's specified amount, and certain other changes.

If your Policy's benefits are reduced during the first seven Policy years (or within seven years after a material change), the calculated seven-pay premium limit will be redetermined based on the reduced level of benefits and applied retroactively for purposes of the seven-pay test. (Such a reduction in benefits could include, for example, a decrease in the specified amount that you request or that results

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from a partial surrender). If the premiums previously paid are greater than the recalculated seven-payment premium level limit, the Policy will become a modified endowment contract.

We will monitor your Policy and attempt to notify you on a timely basis to prevent additional premium payments from causing your Policy to become a modified endowment contract.

A life insurance policy that is received in a tax free 1035 exchange for a modified endowment contract will also be considered a modified endowment contract.

Other effects of Policy changes. Changes made to your Policy (for example, a decrease in specified amount that you request or that results from a partial surrender that you request) may also have other effects on your Policy. Such effects may include impacting the maximum amount of premiums that can be paid under your Policy, as well as the maximum amount of accumulation value that may be maintained under your Policy.

Rider benefits. We believe that premium payments and any death benefits or other benefits to be paid under any rider you may purchase under your Policy will not disqualify your Policy as life insurance for tax purposes. However, the tax law related to rider benefits is complex and some uncertainty exists. You should consult a qualified tax adviser regarding any rider you may purchase.

Taxation of pre-death distributions if your Policy is not a modified endowment contract. As long as your Policy remains in force during the contingent insures' lifetimes and not as a modified endowment contract, a Policy loan will be treated as indebtedness, and no part of the loan proceeds will be subject to current federal income tax. Interest on the Policy loan generally will not be tax deductible.

After the first 15 Policy years, the proceeds from a partial surrender will not be subject to federal income tax except to the extent such proceeds exceed your "basis" in your Policy. (Your basis generally will equal the premiums you have paid, less the amount of any previous distributions from your Policy that were not taxable.) During the first 15 Policy years, however, the proceeds from a partial surrender could be subject to federal income tax, under a complex formula, to the extent that your accumulation value exceeds your basis in your Policy.

On the maturity date or upon full surrender, any excess in the amount of

proceeds we pay (including amounts we use to discharge any Policy loan) over your basis in the Policy, will be subject to federal income tax. In addition, if a Policy ends after a grace period while there is a Policy loan, the cancellation of such loan and any accrued loan interest will be treated as a distribution and could be subject to federal income tax under the above rules. Finally, if you make an assignment of rights or benefits under your Policy you may be deemed to have received a distribution from your Policy, all or part of which may be taxable.

Taxation of pre-death distributions if your Policy is a modified endowment contract. If your Policy is a modified endowment contract, any distribution from your Policy while either contingent insured is still living will be taxed on an "income-first" basis. Distributions:

- . include loans (including any increase in the loan amount to pay interest on an existing loan, or an assignment or pledge to secure a loan) and partial surrenders;
- . will be considered taxable income to you to the extent your accumulation value exceeds your basis in the Policy; and

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- . have their taxability determined by aggregating all modified endowment contracts issued by the same insurer (or its affiliates) to the same owner (excluding certain qualified plans) during any calendar year.

For modified endowment contracts, your basis:

- . is similar to the basis described above for other policies; and
- . will be increased by the amount of any prior loan under your Policy that was considered taxable income to you.

A 10% penalty tax also will apply to the taxable portion of most distributions from a policy that is a modified endowment contract. The penalty tax will not, however, apply:

- . to taxpayers 59 1/2 years of age or older;
- . in the case of a disability (as defined in the Code); or
- . to distributions received as part of a series of substantially equal periodic annuity payments for the life (or life expectancy) of the taxpayer or the joint lives (or joint life expectancies) of the taxpayer and his or her beneficiary.

If your Policy ends after a grace period while there is a Policy loan, the cancellation of the loan will be treated as a distribution to the extent not previously treated as such and could be subject to tax, including the 10% penalty tax, as described above. In addition, on the maturity date or upon a full surrender, any excess of the proceeds we pay (including any amounts we use to discharge any Policy loan) over your basis in the Policy, will be subject to federal income tax and, unless one of the above exceptions applies, the 10% penalty tax.

Distributions that occur during a Policy year in which your Policy becomes a modified endowment contract, and during any subsequent Policy years, will be taxed as described in the two preceding paragraphs. In addition, distributions from a policy within two years before it becomes a modified endowment contract also will be subject to tax in this manner. This means that a distribution made from a policy that is not a modified endowment contract could later become taxable as a distribution from a modified endowment contract.

Policy lapses and reinstatements. A Policy which has lapsed may have the tax consequences described above, even though you may be able to reinstate that Policy. For tax purposes, some reinstatements may be treated as the purchase of a new insurance contract.

Taxation of Exchange Option. You can split the Policy into two other single life insurance policies under some circumstances. A policy split could have adverse tax consequences if it is not treated as a nontaxable exchange under Section 1035 of the Code. This could include, among other things, recognition as taxable income on amounts up to any gain in the Policy at the time of the exchange.

Diversification and investor control. Under Section 817(h) of the Code, the Treasury Department has issued regulations that implement investment diversification requirements. Our failure to comply with these regulations would disqualify your Policy as a life insurance policy under

Section 7702 of the Code. If this were to occur, you would be subject to federal income tax on the income under the Policy for the period of the disqualification and for subsequent periods. Also, if the last surviving contingent insured died during such period of disqualification or subsequent periods, a portion of the death benefit proceeds would be taxable to the beneficiary. Separate Account VL-R, through the Funds, intends to comply with these requirements. Although we do not have direct control over the investments or activities of the Funds, we will enter into agreements with them requiring the Funds to comply with the diversification requirements of the Section 817(h) Treasury Regulations.

The Treasury Department has stated that it anticipates the issuance of guidelines prescribing the circumstances in which the ability of a policy owner to direct his or her investment to particular Funds within Separate Account VL-R may cause the policy owner, rather than the insurance company, to be treated as the owner of the assets in the account. Due to the lack of specific guidance on investor control, there is some uncertainty about when a policy owner is considered the owner of the assets for tax purposes. If you were considered the owner of the assets of Separate Account VL-R, income and gains from the account would be included in your gross income for federal income tax purposes. Under current law, however, we believe that AGL, and not the owner of a Policy, would be considered the owner of the assets of Separate Account VL-R.

Estate and generation skipping taxes. If the last surviving contingent insured is the Policy's owner, the death benefit under the Policy will generally be includable in the owner's estate for purposes of federal estate tax. If the owner is not the last surviving contingent insured, under certain conditions, only an amount approximately equal to the cash surrender value of the Policy would be includable. In addition, an unlimited marital deduction may be available for federal estate tax purposes. The federal estate tax is integrated with the federal gift tax under a unified rate schedule.

The enactment of the Economic Growth and Tax Relief Reconciliation Act of 2001 (P.L.107-16) (the "2001 Act") brought significant change to the transfer tax system, the most notable being the repeal of the estate and generation-skipping transfer (GST) taxes in 2010. Prior to repeal, a number of modifications are made to the maximum estate tax rate and the estate and gift tax applicable exclusion amounts. The 2001 Act increases the estate tax applicable exclusion amount to \$1.5 million for decedents dying in 2005. In order to comply with the Congressional Budget Act of 1974, the 2001 Act provides that all provisions of, and amendments made by, the 2001 Act will not apply to estates of decedents dying, gifts made, or generation-skipping transfers, after December 31, 2010. Unless Congress acts affirmatively in the interim, the Code will thereafter be applied and administered as if these provisions had not been enacted.

As a general rule, if a "transfer" is made to a person two or more generations younger than the Policy's owner, a generation skipping tax may be payable at rates similar to the maximum estate tax rate in effect at the time. The generation skipping tax provisions generally apply to "transfers" that would be subject to the gift and estate tax rules. Individuals are generally allowed an aggregate generation skipping tax exemption of \$1.5 million in 2005. Because these rules are complex, you should consult with a qualified tax adviser for specific information, especially where benefits are passing to younger generations.

The particular situation of each Policy owner, contingent insured or beneficiary will determine how ownership or receipt of Policy proceeds will be treated for purposes of federal estate and generation skipping taxes, as well as state and local estate, inheritance and other taxes.

Life insurance in split dollar arrangements. The IRS and Treasury issued final regulations on split dollar life insurance arrangements September 11, 2003. The final regulations substantially adopted prior proposed regulations.

In general, a split dollar insurance arrangement involves two parties agreeing to split the premium and/or benefits of a life insurance policy. These arrangements are often used as a type of employee compensation or for making gifts among family members. The regulations provide two mutually exclusive regimes for taxing split dollar life insurance arrangements: the "economic benefit" regime and the "loan" regime. The economic benefit regime, under which the non-owner of the policy is treated as receiving certain economic benefits from its owner, applies to endorsement arrangements and most non-equity split dollar life insurance arrangements. The loan regime applies to collateral

assignment arrangements and other arrangements in which the non-owner could be treated as loaning amounts to the owner. These final regulations apply to any split dollar life insurance arrangement entered into after September 17, 2003. Additionally, these regulations apply to any split dollar life insurance arrangements entered into before September 17, 2003, if the arrangement is materially modified after September 17, 2003.

In addition, it should be noted that split dollar arrangements characterized as loans for tax purposes may be affected by the Corporate Responsibility Act of 2002 also referred to as the Sarbanes-Oxley Act of 2002 (the "Act"). The Act prohibits loans from companies publicly traded in the United States to their executives and officers. The status of split dollar arrangement under the Act is uncertain, in part because the SEC may view the tax treatment of such arrangements as instructive.

Purchasers of life insurance policies are strongly advised to consult with a qualified tax adviser to determine the tax treatment resulting from a split dollar arrangement.

Pension and profit-sharing plans. If a life insurance policy is purchased by a trust or other entity that forms part of a pension or profit-sharing plan qualified under Section 401(a) of the Code for the benefit of participants covered under the plan, the federal income tax treatment of such policies will be somewhat different from that described above.

The reasonable net premium cost for such amount of insurance that is purchased as part of a pension or profit-sharing plan is required to be included annually in the plan participant's gross income. This cost (generally referred to as the "P.S. 58" cost) is reported to the participant annually. If the plan participant dies while covered by the plan and the policy proceeds are paid to the participant's beneficiary, then the excess of the death benefit over the policy's accumulation value will not be subject to federal income tax. However, the policy's accumulation value will generally be taxable to the extent it exceeds the participant's cost basis in the policy. The participant's cost basis will generally include the costs of insurance previously reported as income to the participant. Special rules may apply if the participant had borrowed from the policy or was an owner-employee under the plan. The rules for determining "P.S. 58" costs are currently provided under Notice 2002-8, I.R.B. 2002-4.

There are limits on the amounts of life insurance that may be purchased on behalf of a participant in a pension or profit-sharing plan. Complex rules, in addition to those discussed above, apply whenever life insurance is purchased by a tax qualified plan. You should consult a qualified tax adviser.

Other employee benefit programs. Complex rules may also apply when a policy is held by an employer or a trust, or acquired by an employee, in connection with the provision of other employee benefits. These policy owners must consider whether the policy was applied for by or issued to a person

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having an insurable interest under applicable state law and with both contingent insures' consent. The lack of an insurable interest or consent may, among other things, affect the qualification of the policy as life insurance for federal income tax purposes and the right of the beneficiary to receive a death benefit.

ERISA. Employers and employer-created trusts may be subject to reporting, disclosure and fiduciary obligations under the Employee Retirement Income Security Act of 1974, as amended. You should consult a qualified legal adviser.

Our taxes. We report the operations of Separate Account VL-R in our federal income tax return, but we currently pay no income tax on Separate Account VL-R's investment income and capital gains, because these items are, for tax purposes, reflected in our variable universal life insurance policy reserves. We currently make no charge to any Separate Account VL-R division for taxes. We reserve the right to make a charge in the future for taxes incurred; for example, a charge to Separate Account VL-R for income taxes we incur that are allocable to the Policy.

We may have to pay state, local or other taxes in addition to applicable taxes based on premiums. At present, these taxes are not substantial. If they increase, we may make charges for such taxes when they are attributable to Separate Account VL-R or allocable to the Policy.

Certain Funds in which your accumulation value is invested may elect to pass through to AGL taxes withheld by foreign taxing jurisdictions on foreign source income. Such an election will result in additional taxable income and income tax to AGL. The amount of additional income tax, however, may be more than offset by credits for the foreign taxes withheld which are also passed through. These credits may provide a benefit to AGL.

When we withhold income taxes. Generally, unless you provide us with an election to the contrary before we make the distribution, we are required to withhold income tax from any proceeds we distribute as part of a taxable transaction under your Policy. In some cases, where generation skipping taxes may apply, we may also be required to withhold for such taxes unless we are provided satisfactory written notification that no such taxes are due.

In the case of non-resident aliens who own a Policy, the withholding rules may be different. With respect to distributions from modified endowment contracts, non-resident aliens are generally subject to federal income tax withholding at a statutory rate of 30% of the distributed amount. In some cases, the non-resident alien may be subject to lower or even no withholding if the United States has entered into a tax treaty with his or her country of residence.

Tax changes. The U.S. Congress frequently considers legislation that, if enacted, could change the tax treatment of life insurance policies. In addition, the Treasury Department may amend existing regulations, issue regulations on the qualification of life insurance and modified endowment contracts, or adopt new interpretations of existing law. State and local tax law or, if you are not a U.S. citizen and resident, foreign tax law, may also affect the tax consequences to you, the contingent insured or your beneficiary, and are subject to change. Any changes in federal, state, local or foreign tax law or interpretation could have a retroactive effect. We suggest you consult a qualified tax adviser.

LEGAL PROCEEDINGS

AGL is a party to various lawsuits and proceedings arising in the ordinary course of business. Many of these lawsuits and proceedings arise in jurisdictions that permit damage awards disproportionate to the actual damages incurred. Based upon information presently available, AGL believes that the total amounts that will ultimately be paid, if any, arising from these lawsuits and proceedings will not have a material adverse effect on AGL's results of operations and financial position.

The principal underwriter and distributor of the Policies, American General Equity Services Corporation ("AGESC"), offered general securities prior to October 1, 2002. As a consequence, AGESC is engaged in certain legal matters related to its previous line of business. AGESC believes that none of these legal matters are of any materiality. More information about AGESC can be found in the SAI.

FINANCIAL STATEMENTS

The Financial Statements of AGL and the Separate Account can be found in the SAI. Please see the back cover of this prospectus for information on how to obtain a copy of the SAI.

This index should help you to locate more information about some of the terms and phrases used in this prospectus.

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THIS DOCUMENT IS NOT PART OF ANY PROSPECTUS.

[LOGO] AIG AMERICAN GENERAL

Privacy Notice

AIG American General knows that your privacy is important. You have received this notice as required by law and because you are now or may be a customer of one of our companies. This notice will advise you of the types of Nonpublic Personal Information we collect, how we use it, and what we do to protect your privacy.

"Nonpublic Personal Information" refers to personally identifiable information that is not available to the public.

"Employees, Representatives, Agents, and Selected Third Parties" refers to individuals or entities who act on our behalf.

- . Our Employees, Representatives, Agents, and Selected Third Parties may collect Nonpublic Personal Information about you, including information:
 - . Given to us on applications or other forms;
 - . About transactions with us, our affiliates, or third parties;
 - . From others, such as credit reporting agencies, employers, and federal and state agencies.

- . The types of Nonpublic Personal Information we collect depends on the products we offer to you and may include your: name; address; Social Security Number; account balances; income; assets; insurance premiums; coverage and beneficiaries; credit reports; marital status; and payment history. We may also collect Nonpublic Personal Health Information, such as medical reports, to underwrite insurance policies, process claims, or for other related functions.
- . We restrict access to Nonpublic Personal Information to those Employees, Representatives, Agents, or Selected Third Parties who provide products or services to you and who have been trained to handle Nonpublic Personal Information as described in this Notice.
- . We have policies and procedures that direct our Employees, Representatives, Agents and Selected Third Parties acting for us, on how to protect and use Nonpublic Personal Information.
- . We have physical, electronic, and procedural safeguards in place that were designed to protect Nonpublic Personal Information.
- . We do not share Nonpublic Personal Information about you except as allowed by law.
- . We may disclose all types of Nonpublic Personal Information that we collect, including information regarding your transactions or experiences with us, when needed, to:
 - (i) Affiliated AIG American General companies, including the American International Group Inc. family of companies, and Employees, Representatives, Agents, and Selected Third Parties as permitted by law; or
 - (ii) other organizations with which we have joint marketing agreements as permitted by law.
- . The types of companies and persons to whom we may disclose Nonpublic Personal Information as permitted by law include: banks; attorneys; trustees; third-party administrators; insurance agents; insurance companies; insurance support organizations; credit reporting agencies; registered broker-dealers; auditors; regulators; and reinsurers.
- . We do not share your Nonpublic Personal Health Information unless authorized by you or allowed by law.
- . Our privacy policy applies, to the extent required by law, to our agents and representatives when they are acting on behalf of AIG American General.
- . You will be notified if our privacy policy changes.
- . Our privacy policy applies to current and former customers.

This Privacy Notice is given to you for your information only. You do not need to call or take any action.

This Privacy Notice is provided on behalf of the following companies:

AGC Life Insurance Company, AIG Life Insurance Company of Puerto Rico, AIG Life Insurance Company, AIG Life of Bermuda, Ltd., AIG Premier Insurance Company, American General Assurance Company, American General Equity Services Corporation, American General Indemnity Company, American General Life and Accident Insurance Company, American General Life Insurance Company, American General Property Insurance Company of Florida, American General Property Insurance Company, American General Securities Incorporated, American International Life Assurance Company of New York, Delaware American Life Insurance Company, Pacific Union Assurance Company, The United States Life Insurance Company in the City of New York, USLIFE Credit Life Insurance Company of Arizona

California, New Mexico and Vermont Residents Only:

Following the law of your state, we will not disclose nonpublic personal financial information about you to nonaffiliated third parties (other than as permitted by law) unless you authorize us to make that disclosure. Your authorization must be in writing. If you wish to authorize us to disclose your nonpublic personal financial information to nonaffiliated third parties, you may write to us at: American General Service Center, P.O. Box 4373, Houston, Texas 77210-4373.

AGLC0375 REV0305

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LOGO [AIG AMERICAN GENERAL]

For additional information about the Platinum Investor(R) Survivor II Policy and the Separate Account, you may request a copy of the Statement of Additional Information (the "SAI"), dated May 2, 2005. We have filed the SAI with the SEC and have incorporated it by reference into this prospectus. You may obtain a free copy of the SAI and the Policy or Fund prospectuses if you write us at our Administrative Center, which is located at 2727-A Allen Parkway, Houston, Texas 77019 or call us at 1-800-340-2765. You may also obtain the SAI from an insurance representative through which the Policies may be purchased. Additional information about the Platinum Investor Survivor II Policies, including personalized illustrations of death benefits, cash surrender values, and accumulation values is available without charge to individuals considering purchasing a Policy, upon request to the same address or phone number printed above. We may charge current Policy owners \$25 per illustration if they request more than one personalized illustration in a Policy year.

Information about the Separate Account, including the SAI, can also be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Inquiries on the operations of the Public Reference Room may be made by calling the SEC at 1-202-942-8090. Reports and other information about the Separate Account are available on the SEC's Internet site at <http://www.sec.gov> and copies of this information may be obtained, upon payment of a duplicating fee, by writing the Public Reference Section of the SEC, 450 Fifth Street, N.W., Washington, D.C. 20549-0102.

Policies issued by:

American General Life Insurance Company
A member company of American International Group, Inc.
2727-A Allen Parkway, Houston, TX 77019

Platinum Investor Survivor II Last Survivor Flexible Premium Variable
Life Insurance
Policy Form Number 01206

Not available in state of New York

Distributed by American General Equity Services Corporation
Member NASD
A member company of American International Group, Inc.

The underwriting risks, financial obligations and support functions associated with the products issued by American General Life Insurance Company ("AGL") are solely its responsibility. AGL is responsible for its own financial condition and contractual obligations. AGL does not solicit business in the state of New York. The Policies are not available in all states.

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Membership in IMSA applies only to American General Life Insurance Company and not to its products. ICA File No. 811-08561]

AMERICAN GENERAL LIFE INSURANCE COMPANY
SEPARATE ACCOUNT VL-R

PLATINUM INVESTOR(R) SURVIVOR II

FLEXIBLE PREMIUM VARIABLE LIFE INSURANCE POLICIES

ISSUED BY

AMERICAN GENERAL LIFE INSURANCE COMPANY

VUL ADMINISTRATION DEPARTMENT

P.O. BOX 4880, HOUSTON, TEXAS 77210-4880

TELEPHONE: 1-800-340-2765; 1-713-831-3443; HEARING IMPAIRED: 1-888-436-5258

STATEMENT OF ADDITIONAL INFORMATION

DATED MAY 2, 2005

This Statement of Additional Information ("SAI") is not a prospectus. It should be read in conjunction with the prospectus for American General Life Insurance Company Separate Account VL-R (the "Separate Account" or "Separate Account VL-R") dated May 2, 2005, describing the Platinum Investor Survivor II flexible premium variable life insurance policies (the "Policy" or "Policies").

The Policy prospectus sets forth information that a prospective investor should know before investing. For a copy of the Policy prospectus, and any prospectus supplements, contact American General Life Insurance Company ("AGL") at the address or telephone numbers given above. Terms used in this SAI have the same meanings as are defined in the Policy prospectus.

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GENERAL INFORMATION

AGL

We are American General Life Insurance Company ("AGL"). AGL is a stock life insurance company organized under the laws of Texas. AGL is a successor in interest to a company originally organized under the laws of Delaware on January 10, 1917. AGL is an indirect, wholly-owned subsidiary of American International Group, Inc. ("AIG"). AIG, a Delaware corporation, is a holding company which through its subsidiaries is primarily engaged in a broad range of insurance and insurance-related activities and financial services in the United States and abroad. AIG American General is a marketing name of AGL and its affiliates. The commitments under the Policies are AGL's, and AIG has no legal obligation to back those commitments.

AGL 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 life insurance and annuity products. AGL's membership in IMSA applies only to AGL and not its products.

Separate Account VL-R

We hold the Fund shares in which any of your accumulation value is invested in Separate Account VL-R. Separate Account VL-R is registered as a unit investment trust with the Securities and Exchange Commission ("SEC") under the Investment Company Act of 1940. We created the Separate Account on May 6, 1997 under Texas law.

For record keeping and financial reporting purposes, Separate Account VL-R is divided into 63 separate "divisions," 53 of which are available under the Policies offered by the Policy prospectus as variable "investment options" (three of these investment options are not available to all Policy owners). All of these 53 divisions and the remaining 10 divisions are offered under other AGL policies. We hold the Fund shares in which we invest your accumulation value for an investment option in the division that corresponds to that investment option.

The assets in Separate Account VL-R are our property. The assets in the Separate Account may not be used to pay any liabilities of AGL other than those arising from the Policies. AGL is obligated to pay all amounts under the Policies due the Policy owners. We act as custodian for the Separate Account's assets.

SERVICES

AGL and American General Life Companies, LLC ("AGLC"), are parties to a services agreement. AGL and AGLC are each indirect wholly-owned subsidiaries of AIG and therefore affiliates of one another. AGLC is a Delaware limited liability company established on August 30, 2002. Prior to that date, AGLC was a Delaware business trust. Its address is 2727-A Allen Parkway, Houston, Texas 77019-2191. Under the services agreement, AGLC provides shared services to AGL and certain other life insurance companies under the AIG holding company system at cost. Those

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services include data processing systems, customer services, product development, actuarial, internal auditing, accounting and legal services. During 2004, 2003 and 2002, AGL paid AGLC for these services \$329,659,308, \$299,019,857 and \$99,267,147, respectively. Services provided in 2003 increased substantially over previous years.

We have not designed the Policies for professional market timing organizations or other entities or individuals using programmed and frequent transfers involving large amounts. We currently have no contractual agreements or any other formal or informal arrangements with any entity or individual permitting such transfers and receive no compensation for any such contract or arrangement.

DISTRIBUTION OF THE POLICIES

American General Equity Services Corporation ("AGESC"), #1 Franklin Square, Springfield, Illinois 62713, a Delaware corporation and a direct wholly-owned subsidiary of AGL, is the principal underwriter and distributor of the Policies for the Separate Account under a Distribution Agreement between AGESC and AGL. AGESC also acts as principal underwriter for AGL's other separate accounts and for the separate accounts of certain AGL affiliates. AGESC is a registered broker-dealer under the Securities Exchange Act of 1934, as amended and a member of the National Association of Securities Dealers, Inc. ("NASD"). AGESC, as the principal underwriter and distributor, is not paid any fees on the Policies.

The Policies are offered on a continuous basis.

We and AGESC have sales agreements with various broker-dealers and banks under which the Policies will be sold by registered representatives of the broker-dealers or employees of the banks. These registered representatives and employees are also required to be authorized under applicable state regulations as life insurance agents to sell variable life insurance. The broker-dealers are ordinarily required to be registered with the SEC and must be members of the NASD.

We pay compensation directly to broker-dealers and banks for promotion and sales of the Policies. The compensation may vary with the sales agreement, but is generally not expected to exceed:

- . 90% of the premiums received in the first Policy year up to a "target" amount;
- . 3% of the premiums up to the target amount received in each of Policy years 2 through 10;
- . 3% of the premiums in excess of the target amount received in each of Policy years 1 through 10;
- . 0.20% of the Policy's accumulation value (reduced by any outstanding loans) in the investment options in each of Policy years 2 through 30; and

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- . 0.10% of the Policy's accumulation value (reduced by any outstanding loans) in the investment options in each Policy year after Policy year 30.

The greater the percentage of supplemental coverage the owner selects when applying for a Policy or on future increases to the specified amount, the less compensation we would pay either for the sale of the Policy or for any additional premiums received during the first 10 Policy years (we do not pay

compensation for premiums we receive after the 10th Policy year). We will pay the maximum level of compensation if the owner chooses 100% base coverage.

At our discretion, we may pay additional first Policy year commissions to any broker-dealer or bank for sales conducted by a particular registered representative of that broker-dealer or bank. We may pay up to a total of 115% of the premiums we receive in the first Policy year.

The target amount is an amount of level annual premium that would be necessary to support the benefits under your Policy, based on certain assumptions that we believe are reasonable.

The maximum value of any alternative amounts we may pay for sales of the Policies is expected to be equivalent over time to the amounts described above. For example, we may pay a broker-dealer compensation in a lump sum which will not exceed the aggregate compensation described above.

We pay the compensation directly to any selling broker-dealer firm or bank. We pay the compensation from our own resources which does not result in any additional charge to you that is not described in your Policy. Each broker-dealer firm or bank, in turn, may compensate its registered representative or employee who acts as agent in selling you a Policy.

We sponsor a non-qualified deferred compensation plan ("Plan") for our insurance agents. Some of our agents are registered representatives of our subsidiary broker-dealer American General Securities Incorporated and sell the Policies. These agents may, subject to regulatory approval, receive benefits under the Plan when they sell the Policies. The benefits are deferred and the Plan terms may result in the agent never receiving the benefits. The Plan provides for a varying amount of benefits annually. We have the right to change the Plan in ways that affect the amount of benefits earned each year.

PERFORMANCE INFORMATION

From time to time, we may quote performance information for the divisions of Separate Account VL-R in advertisements, sales literature, or reports to owners or prospective investors.

We may quote performance information in any manner permitted under applicable law. We may, for example, present such information as a change in a hypothetical owner's cash value or death benefit. We also may present the yield or total return of the division based on a hypothetical investment in a Policy. The performance information shown may cover various periods of time, including periods beginning with the commencement of the operations of the division or the Fund in which it invests. The performance information shown may reflect the deduction of one or more

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charges, such as the premium charge, and we generally expect to exclude costs of insurance charges because of the individual nature of these charges. We also may present the yield or total return of the investment option in which a division invests.

We may compare a division's performance to that of other variable life separate accounts or investment products, as well as to generally accepted indices or analyses, such as those provided by research firms and rating services. In addition, we may use performance ratings that may be reported periodically in financial publications, such as Money Magazine, Forbes, Business Week, Fortune, Financial Planning and The Wall Street Journal. We also may advertise ratings of AGL's financial strength or claims-paying ability as determined by firms that analyze and rate insurance companies and by nationally recognized statistical rating organizations.

ADDITIONAL INFORMATION ABOUT THE POLICIES

Gender neutral policies. Congress and the legislatures of various states have from time to time considered legislation that would require insurance rates to be the same for males and females of the same age, premium class and tobacco user status. In addition, employers and employee organizations should consider, in consultation with counsel, the impact of Title VII of the Civil Rights Act of 1964 on the purchase of life insurance policies in connection with an employment-related insurance or benefit plan. In a 1983 decision, the United States Supreme Court held that, under Title VII, optional annuity benefits under a deferred compensation plan could not vary on the basis of gender. In general, we do not offer the Policies for sale in situations which, under current law, require gender-neutral premiums or benefits.

Cost of insurance rates. Because of specified amount increases, different cost of insurance rates may apply to different increments of specified amount under your Policy. If so, we attribute your accumulation value proportionately to each increment of specified amount to compute our net amount at risk.

Certain arrangements. Most of the advisers or administrators of the Funds make certain payments to us, on a quarterly basis, for certain administrative, Policy, and policy owner support expenses. These amounts will be reasonable for the services performed and are not designed to result in a profit. These amounts will not be paid by the Funds or Policy owners.

More About the Fixed Account

Our general account. Our general account assets are all of our assets that we do not hold in legally segregated separate accounts. Our general account supports our obligations to you under your Policy's declared Fixed Account. Because of applicable exemptions, no interest in this option has been registered under the Securities Act of 1933, as amended. Neither our general account nor our Fixed Account is an investment company under the Investment Company Act of 1940. We have been advised that the staff of the SEC has not reviewed the disclosures that are included in this prospectus for your information about our general account or our Fixed Account. Those disclosures, however, may be subject to certain generally applicable provisions of the federal securities laws relating to the accuracy and completeness of statements made in prospectuses.

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How we declare interest. Except for amounts held as collateral for loans, we can at any time change the rate of interest we are paying on any accumulation value allocated to our Fixed Account, but it will always be at an effective annual rate of at least 4%.

Under these procedures, it is likely that at any time different interest rates will apply to different portions of your accumulation value, depending on when each portion was allocated to our fixed Account. Any charges, partial surrenders, or loans that we take from any accumulation value that you have in our fixed Account will be taken from each portion in reverse chronological order based on the date that accumulation value was allocated to this option.

Adjustments to Death Benefit

Suicide. If either contingent insured commits suicide during the first two Policy years, we will limit the proceeds payable to the total of all premiums that have been paid to the time of death minus any outstanding Policy loans (plus credit for any unearned interest) and any partial surrenders.

A new two-year period begins if you increase the specified amount. You can increase the specified amount only if both contingent insureds are living at the time of the increase. In this case, if either contingent insured commits suicide during the first two years following the increase, we will refund the monthly insurance deductions attributable to the increase. The death benefit will then be based on the specified amount in effect before the increase.

Wrong age or gender. If the age or gender of either contingent insured was misstated on your application for a Policy (or for any increase in benefits), we will adjust any death benefit to be what the monthly insurance charge deducted for the current month would have purchased based on the correct information.

Death during grace period. We will deduct from the insurance proceeds any monthly charges that remain unpaid because the last surviving contingent insured died during a grace period.

ACTUARIAL EXPERT

Actuarial matters have been examined by Wayne A. Barnard who is Senior Vice President of AGL. His opinion on actuarial matters is filed as an exhibit to the registration statement we have filed with the SEC in connection with the Policies.

MATERIAL CONFLICTS

We are required to track events to identify any material conflicts from using investment portfolios for both variable life and variable annuity separate accounts. The boards of the Funds, AGL, and other insurance companies participating in the Funds have this same duty. There may be a material conflict if:

- . state insurance law or federal income tax law changes;

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- . investment management of an investment portfolio changes; or

- . voting instructions given by owners of variable life insurance Policies and variable annuity contracts differ.

The investment portfolios may sell shares to certain qualified pension and retirement plans qualifying under Code Section 401. These include cash or deferred arrangements under Code Section 401(k). Therefore, there is a possibility that a material conflict may arise between the interests of owners in general, or certain classes of owners, and these retirement plans or participants in these retirement plans.

If there is a material conflict, we have the duty to determine appropriate action, including removing the portfolios involved from our variable investment options. We may take other action to protect Policy owners. This could mean delays or interruptions of the variable operations.

When state insurance regulatory authorities require us, we may ignore instructions relating to changes in an investment portfolio's adviser or its investment policies. If we do ignore voting instructions, we give you a summary of our actions in the next semi-annual report to owners.

Under the Investment Company Act of 1940, we must get your approval for certain actions involving our Separate Account. In this case, you have one vote for every \$100 of value you have in the variable investment options. We cast votes credited to amounts in the variable investment options not credited to Policies in the same proportion as votes cast by owners.

FINANCIAL STATEMENTS

In 2002, due to AIG's acquisition of AGL and its affiliated companies, AGL changed its independent auditor from Ernst & Young LLP, located at 1401 McKinney Street, Suite 1200, 5 Houston Center, Houston, Texas 77010 to PricewaterhouseCoopers LLP ("PWC") located at 1201 Louisiana Street, Suite 2900, Houston, Texas 77002-5678. AIG has been using PWC as its corporate-wide auditing firm.

Separate Account Financial Statements

The statement of net assets as of December 31, 2004 and the related statement of operations for the year then ended and statements of changes in net assets for the two years ended December 31, 2004 of the Separate Account, appearing herein, have been audited by PWC, independent registered public accounting firm, on the authority of such firm as experts in accounting and auditing, as set forth in their report appearing elsewhere herein.

AGL Financial Statements

The consolidated balance sheets of AGL as of December 31, 2004 and 2003 and the related statements of income, shareholder's equity, comprehensive income and cash flows for the three years

ended December 31, 2004, appearing herein, have been audited by PWC, independent registered public accounting firm, on the authority of such firm as experts in accounting and auditing, as set forth in their report appearing elsewhere herein.

Index to Financial Statements

You should consider the financial statements of AGL that we include in this SAI primarily as bearing on the ability of AGL to meet its obligations under the Policies.

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[LOGO] AIG AMERICAN GENERAL

Variable Universal Life Insurance
Separate Account VL-R

2004
Annual Report

December 31, 2004

American General Life Insurance Company
A member company of American International Group, Inc.

[LETTERHEAD] PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Suite 2900
1201 Louisiana
Houston, TX 77002-5678
Telephone (713) 356-4000

Report of Independent Registered Public Accounting Firm

To the Board of Directors of American General Life Insurance Company and Policy Owners of American General Life Insurance Company Separate Account VL-R

In our opinion, the accompanying statement of net assets, including the schedule of investments, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of each of the Divisions listed in Note A of American General Life Insurance Company Separate Account VL-R (the "Separate Account") at December 31, 2004, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and the financial highlights for each of the three years in the period then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as "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 of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (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, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at December 31, 2004 by correspondence with the investment companies, provide a reasonable basis for our opinion. The financial highlights as of and for the year ended December 31, 2001 were audited by other independent auditors whose report dated March 7, 2002, expressed an unqualified opinion thereon.

As discussed in Note H to the financial statements, the Separate Account has restated net investment income (loss) and capital gain distributions from mutual funds for certain Divisions for the year ended December 31, 2003, and the related investment income ratio for the years ended December 31, 2003 and 2002.

PRICEWATERHOUSECOOPERS LLP

April 29, 2005

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AMERICAN GENERAL LIFE INSURANCE COMPANY
SEPARATE ACCOUNT VL-R

STATEMENT OF NET ASSETS
December 31, 2004

<TABLE>
<CAPTION>

Investment Due from (to) American

Divisions	securities - at fair value	General Life Insurance Company	Net Assets
<S>	<C>	<C>	<C>
AIM V.I. International Growth Fund - Series I	\$ 7,563,147	\$ 6	\$ 7,563,153
AIM V.I. Premier Equity Fund - Series I	13,152,254	1	13,152,255
Alger American Leveraged AllCap Portfolio - Class O Shares	545,330	6	545,336
Alger American MidCap Growth Portfolio - Class O Shares	993,231	4	993,235
American Century VP Value Fund - Class I	14,474,643	10	14,474,653
Ayco Growth Fund	--	--	--
Credit Suisse Small Cap Growth Portfolio	1,893,798	(5)	1,893,793
Dreyfus IP MidCap Stock Portfolio - Initial shares	3,846,771	(1)	3,846,770
Dreyfus VIF Developing Leaders Portfolio - Initial shares	11,920,104	1	11,920,105
Dreyfus VIF Quality Bond Portfolio - Initial shares	8,065,115	(5)	8,065,110
Fidelity VIP Asset Manager Portfolio - Service Class 2	4,840,496	--	4,840,496
Fidelity VIP Contrafund Portfolio - Service Class 2	16,620,579	(3)	16,620,576
Fidelity VIP Equity-Income Portfolio - Service Class 2	17,326,174	(5)	17,326,169
Fidelity VIP Growth Portfolio - Service Class 2	11,490,581	1	11,490,582
Fidelity VIP Mid Cap Portfolio - Service Class 2	1,118,796	4	1,118,800
Franklin Templeton - Franklin Small Cap Fund - Class 2	157,374	2	157,376
Franklin Templeton - Franklin Small Cap Value Securities Fund - Class 2	1,175,221	4	1,175,225
Franklin Templeton - Franklin U.S. Government Fund - Class 2	11,474,861	(10)	11,474,851
Franklin Templeton - Mutual Shares Securities Fund - Class 2	7,724,611	4	7,724,615
Franklin Templeton - Templeton Foreign Securities Fund - Class 2	11,266,401	7	11,266,408
Goldman Sachs Capital Growth Fund	8,695,097	8	8,695,105
Janus Aspen Series International Growth Portfolio - Service Shares	3,280,905	(7)	3,280,898
Janus Aspen Series Mid Cap Growth Portfolio - Service Shares	2,643,890	--	2,643,890
Janus Aspen Series Worldwide Growth Portfolio - Service Shares	4,019,074	(1)	4,019,073
JPMorgan Mid Cap Value Portfolio	509,644	5	509,649
JPMorgan Small Company Portfolio	1,785,141	1	1,785,142
MFS VIT Capital Opportunities Series - Initial Class	4,217,754	(4)	4,217,750
MFS VIT Emerging Growth Series - Initial Class	14,668,356	(10)	14,668,346
MFS VIT New Discovery Series - Initial Class	3,452,798	4	3,452,802
MFS VIT Research Series - Initial Class	1,781,804	(16)	1,781,788
MFS VIT Total Return Series - Initial Class	912,933	1	912,934
Neuberger Berman AMT Mid-Cap Growth Portfolio - Class I	2,808,001	(3)	2,807,998
Neuberger Berman AMT Partners Portfolio - Class I	137,641	2	137,643
Oppenheimer Balanced Fund/VA - Non-Service Shares	660,047	5	660,052
Oppenheimer Global Securities Fund/VA - Non-Service Shares	1,085,642	7	1,085,649
Oppenheimer High Income Fund/VA - Non-Service Shares	100,163	--	100,163
PIMCO VIT Real Return Portfolio - Administrative Class	13,041,675	--	13,041,675
PIMCO VIT Short-Term Portfolio - Administrative Class	5,997,396	5	5,997,401
PIMCO VIT Total Return Portfolio - Administrative Class	11,861,073	26	11,861,099
Pioneer Fund VCT Portfolio - Class I	3,345,341	--	3,345,341
Pioneer Growth Opportunities VCT Portfolio - Class I	5,632,694	(1)	5,632,693
Putnam VT Diversified Income Fund - Class IB	7,533,333	5	7,533,338
Putnam VT Growth and Income Fund - Class IB	18,083,616	2	18,083,618
Putnam VT International Growth and Income Fund - Class IB	5,485,413	11	5,485,424
Putnam VT Small Cap Value Fund - Class IB	497,050	10	497,060
Putnam VT Vista Fund - Class IB	84,210	9	84,219
Putnam VT Voyager Fund - Class IB	330,361	2	330,363
Safeco RST Core Equity Portfolio	--	--	--
Safeco RST Growth Opportunities Portfolio	--	--	--
Scudder International Portfolio	--	--	--
Scudder VIT EAFE Equity Index Fund - Class A	--	--	--

See accompanying notes.

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AMERICAN GENERAL LIFE INSURANCE COMPANY
SEPARATE ACCOUNT VL-R

STATEMENT OF NET ASSETS - CONTINUED
December 31, 2004

<TABLE>
<CAPTION>

Divisions	Investment securities - at fair value	Due from (to) American General Life Insurance Company	Net Assets
<S>	<C>	<C>	<C>
Scudder VIT Equity 500 Index Fund - Class A	\$ 18,849	\$ --	\$ 18,849
SunAmerica - Aggressive Growth Portfolio - Class 1	515,184	10	515,194
SunAmerica - SunAmerica Balanced Portfolio - Class 1	734,164	(2)	734,162
UIF Equity Growth Portfolio - Class I	3,715,185	2	3,715,187
UIF High Yield Portfolio - Class I	1,737,699	--	1,737,699
VALIC Company I - International Equities Fund	1,922,532	7	1,922,539
VALIC Company I - Mid Cap Index Fund	15,462,377	(6)	15,462,371
VALIC Company I - Money Market I Fund	34,546,134	(21)	34,546,113
VALIC Company I - Nasdaq-100 Index Fund	3,660,913	1	3,660,914

VALIC Company I - Science & Technology Fund	1,238,061	11	1,238,072
VALIC Company I - Small Cap Index Fund	4,939,968	1	4,939,969
VALIC Company I - Stock Index Fund	38,879,463	(16)	38,879,447
Van Kampen LIT Emerging Growth Portfolio - Class I	56,966	(2)	56,964
Van Kampen LIT Government Portfolio - Class I	178,102	6	178,108
Van Kampen LIT Growth and Income Portfolio - Class I	5,656,142	2	5,656,144
Vanguard VIF High Yield Bond Portfolio	7,207,387	(9)	7,207,378
Vanguard VIF REIT Index Portfolio	10,602,996	--	10,602,996

</TABLE>

See accompanying notes.

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AMERICAN GENERAL LIFE INSURANCE COMPANY
SEPARATE ACCOUNT VL-R

STATEMENT OF OPERATIONS
For the Year Ended December 31, 2004

	A	B	A+B=C	D	E	F	C+D+E+F
Divisions	Dividends from mutual funds	Mortality and expense risk and administrative charges	Net investment income (loss)	Net realized gain (loss) on investments	Capital gain distributions from mutual funds	Net change in unrealized appreciation (depreciation) of investments	Increase (decrease) in net assets resulting from operations
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
AIM V.I. International Growth Fund - Series I	\$ 43,867	\$ (38,730)	\$ 5,137	\$ (110,702)	\$ --	\$ 1,457,449	\$1,351,884
AIM V.I. Premier Equity Fund - Series I	59,565	(87,464)	(27,899)	(858,843)	--	1,519,897	633,155
Alger American Leveraged AllCap Portfolio - Class O Shares	--	(2,723)	(2,723)	945	--	38,443	36,665
Alger American MidCap Growth Portfolio - Class O Shares	--	(4,502)	(4,502)	6,725	--	100,002	102,225
American Century VP Value Fund - Class I	106,239	(82,657)	23,582	135,589	82,411	1,361,242	1,602,824
Ayco Growth Fund	--	--	--	--	--	--	--
Credit Suisse Small Cap Growth Portfolio	--	(11,815)	(11,815)	46,497	--	117,955	152,637
Dreyfus IP MidCap Stock Portfolio - Initial shares	13,788	(22,781)	(8,993)	113,020	88,761	252,274	445,062
Dreyfus VIF Developing Leaders Portfolio - Initial shares	22,759	(76,886)	(54,127)	53,386	--	1,125,190	1,124,449
Dreyfus VIF Quality Bond Portfolio - Initial shares	322,939	(55,822)	267,117	(20,434)	--	(46,460)	200,223
Fidelity VIP Asset Manager Portfolio - Service Class 2	96,232	(30,375)	65,857	70,848	--	62,578	199,283
Fidelity VIP Contrafund Portfolio - Service Class 2	22,639	(89,150)	(66,511)	90,445	--	1,927,155	1,951,089
Fidelity VIP Equity-Income Portfolio - Service Class 2	176,578	(97,992)	78,586	42,557	46,017	1,408,052	1,575,212
Fidelity VIP Growth Portfolio - Service Class 2	12,019	(69,398)	(57,379)	(58,095)	--	407,041	291,567
Fidelity VIP Mid Cap Portfolio - Service Class 2	--	(4,466)	(4,466)	14,660	--	158,424	168,618
Franklin Templeton - Franklin Small Cap Fund - Class 2	--	(1,064)	(1,064)	1,271	--	14,818	15,025
Franklin Templeton - Franklin Small Cap Value Securities Fund - Class 2	1,180	(4,679)	(3,499)	23,931	--	157,413	177,845
Franklin Templeton - Franklin U.S. Government Fund - Class 2	583,797	(80,785)	503,012	(40,394)	--	(151,309)	311,309
Franklin Templeton - Mutual Shares Securities Fund - Class 2	51,702	(47,075)	4,627	102,975	--	682,712	790,314
Franklin Templeton - Templeton Foreign Securities Fund - Class 2	88,111	(60,364)	27,747	141,983	--	1,433,732	1,603,462
Goldman Sachs Capital Growth Fund	59,310	(40,493)	18,817	19,744	--	653,622	692,183
Janus Aspen Series International Growth Portfolio - Service Shares	23,690	(17,948)	5,742	44,263	--	425,750	475,755
Janus Aspen Series Mid Cap Growth Portfolio - Service Shares	--	(15,637)	(15,637)	35,873	--	388,478	408,714
Janus Aspen Series Worldwide Growth Portfolio - Service Shares	34,390	(24,432)	9,958	(27,447)	--	167,748	150,259

JPMorgan Mid Cap Value Portfolio	618	(2,069)	(1,451)	4,481	1,064	60,999	65,093
JPMorgan Small Company Portfolio	--	(8,288)	(8,288)	26,522	--	294,323	312,557
MFS VIT Capital Opportunities Series - Initial Class	12,438	(24,826)	(12,388)	(46,987)	--	490,259	430,884
MFS VIT Emerging Growth Series - Initial Class	--	(88,123)	(88,123)	(853,176)	--	2,514,875	1,573,576
MFS VIT New Discovery Series - Initial Class	--	(20,846)	(20,846)	(79)	--	246,557	225,632
MFS VIT Research Series - Initial Class	15,347	(10,265)	5,082	(3,382)	--	222,855	224,555
MFS VIT Total Return Series - Initial Class	13,455	(6,121)	7,334	5,297	--	72,622	85,253
Neuberger Berman AMT Mid-Cap Growth Portfolio - Class I	--	(15,534)	(15,534)	5,856	--	369,446	359,768
Neuberger Berman AMT Partners Portfolio - Class I	14	(918)	(904)	667	--	21,027	20,790
Oppenheimer Balanced Fund/VA - Non-Service Shares	3,402	(3,300)	102	1,569	--	50,025	51,696
Oppenheimer Global Securities Fund/VA - Non-Service Shares	5,019	(4,422)	597	8,496	--	139,006	148,099
Oppenheimer High Income Fund/VA - Non-Service Shares	5,245	(665)	4,580	(150)	--	2,560	6,990
PIMCO VIT Real Return Portfolio - Administrative Class	110,503	(73,925)	36,578	173,491	394,221	311,719	916,009
PIMCO VIT Short-Term Portfolio - Administrative Class	70,463	(37,656)	32,807	3,265	13,531	(14,634)	34,969
PIMCO VIT Total Return Portfolio - Administrative Class	213,718	(79,167)	134,551	77,968	170,475	57,924	440,918
Pioneer Fund VCT Portfolio - Class I	--	(1,358)	(1,358)	501	--	73,097	72,240
Pioneer Growth Opportunities VCT Portfolio - Class I	--	(2,330)	(2,330)	976	--	156,168	154,814
Putnam VT Diversified Income Fund - Class IB	546,294	(29,000)	517,294	26,141	--	(17,044)	526,391
Putnam VT Growth and Income Fund - Class IB	237,545	(94,091)	143,454	(55,906)	--	1,522,181	1,609,729
Putnam VT International Growth and Income Fund - Class IB	64,926	(34,898)	30,028	32,665	--	857,207	919,900
Putnam VT Small Cap Value Fund - Class IB	1,521	(3,232)	(1,711)	10,858	--	91,048	100,195
Putnam VT Vista Fund - Class IB	--	(582)	(582)	(433)	--	13,691	12,676
Putnam VT Voyager Fund - Class IB	707	(2,322)	(1,615)	(5,058)	--	19,350	12,677

See accompanying notes.

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AMERICAN GENERAL LIFE INSURANCE COMPANY
SEPARATE ACCOUNT VL-R

STATEMENT OF OPERATIONS - CONTINUED
For the Year Ended December 31, 2004

	A	B	A+B=C	D	E	F	C+D+E+F
Divisions	Dividends from mutual funds	Mortality and expense risk and administrative charges	Net investment income (loss)	Net realized gain (loss) on investments	Capital gain distributions from mutual funds	Net change in unrealized appreciation (depreciation) of investments	Increase (decrease) in net assets resulting from operations
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Safeco RST Core Equity Portfolio	\$ 35,542	\$ (21,220)	\$ 14,322	\$ 258,706	\$ --	\$ (128,898)	\$ 144,130
Safeco RST Growth Opportunities Portfolio	--	(35,015)	(35,015)	1,154,898	--	(244,287)	875,596
Scudder International Portfolio	--	--	--	--	--	--	--
Scudder VIT EAFE Equity Index Fund - Class A	--	--	--	--	--	--	--
Scudder VIT Equity 500 Index Fund - Class A	181	(126)	55	(110)	--	1,752	1,697
SunAmerica - Aggressive Growth Portfolio - Class 1	--	(2,504)	(2,504)	7,078	--	59,599	64,173
SunAmerica - SunAmerica Balanced Portfolio - Class 1	9,712	(3,790)	5,922	2,574	--	30,488	38,984
UIF Equity Growth Portfolio - Class I	6,462	(26,788)	(20,326)	(366,107)	--	618,080	231,647
UIF High Yield Portfolio - Class I	104,519	(11,862)	92,657	(82,802)	--	133,762	143,617
VALIC Company I - International							

Equities Fund	23,532	(11,407)	12,125	12,197	--	260,211	284,533
VALIC Company I - Mid Cap Index Fund	116,137	(97,676)	18,461	63,445	261,970	1,692,164	2,036,040
VALIC Company I - Money Market I Fund	263,686	(226,753)	36,933	--	--	--	36,933
VALIC Company I - Nasdaq-100 Index Fund	19,308	(22,187)	(2,879)	14,891	--	286,502	298,514
VALIC Company I - Science & Technology Fund	--	(7,500)	(7,500)	(18,283)	--	42,141	16,358
VALIC Company I - Small Cap Index Fund	35,938	(28,965)	6,973	104,457	--	559,064	670,494
VALIC Company I - Stock Index Fund	639,701	(287,922)	351,779	(1,394,158)	528,082	3,691,151	3,176,854
Van Kampen LIT Emerging Growth Portfolio - Class I	--	(434)	(434)	(2,236)	--	5,913	3,243
Van Kampen LIT Government Portfolio - Class I	8,349	(1,347)	7,002	(866)	--	(347)	5,789
Van Kampen LIT Growth and Income Portfolio - Class I	43,919	(33,792)	10,127	51,123	--	589,542	650,792
Vanguard VIF High Yield Bond Portfolio	321,153	(38,190)	282,963	94,067	--	70,046	447,076
Vanguard VIF REIT Index Portfolio	202,057	(54,992)	147,065	151,782	133,973	1,752,276	2,185,096

See accompanying notes.

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AMERICAN GENERAL LIFE INSURANCE COMPANY
SEPARATE ACCOUNT VL-R

STATEMENT OF CHANGES IN NET ASSETS

	Divisions			
	AIM V.I. International Growth Fund - Series I	AIM V.I. Premier Equity Fund - Series I	Alger American Leveraged AllCap Portfolio - Class O Shares	Alger American MidCap Growth Portfolio - Class O Shares
<S>	<C>	<C>	<C>	<C>
For the Year Ended December 31, 2004				
OPERATIONS:				
Net investment income (loss)	\$ 5,137	\$ (27,899)	\$ (2,723)	\$ (4,502)
Net realized gain (loss) on investments	(110,702)	(858,843)	945	6,725
Capital gain distributions from mutual funds	--	--	--	--
Net change in unrealized appreciation (depreciation) of investments	1,457,449	1,519,897	38,443	100,002
Increase (decrease) in net assets resulting from operations	1,351,884	633,155	36,665	102,225
PRINCIPAL TRANSACTIONS:				
Net premiums	1,107,075	2,566,159	144,802	252,027
Net transfers from (to) other Divisions or fixed rate option	1,625,322	434,945	199,138	448,338
Internal rollovers	--	--	--	--
Cost of insurance and other charges	(571,652)	(1,650,680)	(62,421)	(103,751)
Administrative charges	(43,784)	(100,743)	(5,136)	(11,775)
Policy loans	(130,660)	(102,066)	(4)	7,362
Terminations and withdrawals	(170,236)	(593,204)	(2,151)	(3,827)
Increase (decrease) in net assets resulting from principal transactions	1,816,065	554,411	274,228	588,374
TOTAL INCREASE (DECREASE) IN NET ASSETS	3,167,949	1,187,566	310,893	690,599
NET ASSETS:				
Beginning of year	4,395,204	11,964,689	234,443	302,636
End of year	\$7,563,153	\$13,152,255	\$545,336	\$ 993,235

For the Year Ended December 31, 2003

OPERATIONS:				
Net investment income (loss)	\$ (4,839)	\$ (43,040)	\$ (41)	\$ (468)
Net realized gain (loss) on investments	(593,810)	(1,581,995)	74	3,238
Capital gain distributions from mutual funds	--	--	--	--
Net change in unrealized appreciation				

(depreciation) of investments	1,535,463	3,957,612	3,670	23,049
Increase (decrease) in net assets resulting from operations	936,814	2,332,577	3,703	25,819
PRINCIPAL TRANSACTIONS:				
Net premiums	993,314	2,893,233	7,670	16,326
Net transfers from (to) other Divisions or fixed rate option	(115,158)	(269,225)	228,598	270,505
Internal rollovers	--	--	--	--
Cost of insurance and other charges	(551,493)	(1,877,618)	(4,623)	(9,040)
Administrative charges	(35,209)	(111,346)	(353)	(816)
Policy loans	(26,827)	(95,683)	(552)	185
Terminations and withdrawals	(276,223)	(742,081)	--	(343)
Increase (decrease) in net assets resulting from principal transactions	(11,596)	(202,720)	230,740	276,817
TOTAL INCREASE (DECREASE) IN NET ASSETS	925,218	2,129,857	234,443	302,636
NET ASSETS:				
Beginning of year	3,469,986	9,834,832	--	--
End of year	\$4,395,204	\$11,964,689	\$234,443	\$ 302,636

</TABLE>

See accompanying notes.

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AMERICAN GENERAL LIFE INSURANCE COMPANY
SEPARATE ACCOUNT VL-R

STATEMENT OF CHANGES IN NET ASSETS - CONTINUED

<TABLE>
<CAPTION>

	Divisions			
	American Century VP Value Fund - Class I	Ayco Growth Fund	Credit Suisse Small Cap Growth Portfolio	Dreyfus IP MidCap Stock Portfolio - Initial shares
	<C>	<C>	<C>	<C>
<S>				
For the Year Ended December 31, 2004				
OPERATIONS:				
Net investment income (loss)	\$ 23,582	\$ --	\$ (11,815)	\$ (8,993)
Net realized gain (loss) on investments	135,589	--	46,497	113,020
Capital gain distributions from mutual funds	82,411	--	--	88,761
Net change in unrealized appreciation (depreciation) of investments	1,361,242	--	117,955	252,274
Increase (decrease) in net assets resulting from operations	1,602,824	--	152,637	445,062
PRINCIPAL TRANSACTIONS:				
Net premiums	2,598,492	--	393,255	839,910
Net transfers from (to) other Divisions or fixed rate option	2,418,145	--	311,653	272,504
Internal rollovers	--	--	--	--
Cost of insurance and other charges	(1,278,885)	--	(181,319)	(465,356)
Administrative charges	(122,898)	--	(17,417)	(40,252)
Policy loans	(126,507)	--	(18,832)	(10,493)
Terminations and withdrawals	(246,291)	--	(15,598)	(54,244)
Increase (decrease) in net assets resulting from principal transactions	3,242,056	--	471,742	542,069
TOTAL INCREASE (DECREASE) IN NET ASSETS	4,844,880	--	624,379	987,131
NET ASSETS:				
Beginning of year	9,629,773	--	1,269,414	2,859,639
End of year	\$14,474,653	\$ --	\$1,893,793	\$3,846,770

For the Year Ended December 31, 2003

OPERATIONS:

Net investment income (loss)	\$ 13,308	\$ (6,431)	\$ (5,108)	\$ (8,098)
Net realized gain (loss) on investments	(113,748)	(1,915,469)	566	15,841
Capital gain distributions from mutual funds	--	--	--	--
Net change in unrealized appreciation (depreciation) of investments	2,076,101	3,756,480	298,373	603,728
Increase (decrease) in net assets resulting from operations	1,975,661	1,834,580	293,831	611,471
PRINCIPAL TRANSACTIONS:				
Net premiums	1,933,044	43,307	226,793	673,023
Net transfers from (to) other Divisions or fixed rate option	2,411,560	(8,523,709)	440,490	295,454
Internal rollovers	--	--	--	--
Cost of insurance and other charges	(1,066,847)	(566,235)	(112,769)	(363,758)
Administrative charges	(91,943)	(2,459)	(10,793)	(32,326)
Policy loans	(105,937)	272	1,284	(1,791)
Terminations and withdrawals	(610,640)	(8,938)	(26,394)	(24,024)
Increase (decrease) in net assets resulting from principal transactions	2,469,237	(9,057,762)	518,611	546,578
TOTAL INCREASE (DECREASE) IN NET ASSETS	4,444,898	(7,223,182)	812,442	1,158,049
NET ASSETS:				
Beginning of year	5,184,875	7,223,182	456,972	1,701,590
End of year	\$ 9,629,773	\$ --	\$1,269,414	\$2,859,639

</TABLE>

See accompanying notes.

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AMERICAN GENERAL LIFE INSURANCE COMPANY
SEPARATE ACCOUNT VL-R

STATEMENT OF CHANGES IN NET ASSETS - CONTINUED

<TABLE>

<CAPTION>

	Divisions			
	Dreyfus VIF Developing Leaders Portfolio - Initial shares	Dreyfus VIF Quality Bond Portfolio - Initial shares	Fidelity VIP Asset Manager Portfolio - Service Class 2	Fidelity VIP Contrafund Portfolio - Service Class 2
	<C>	<C>	<C>	<C>
<S>				
For the Year Ended December 31, 2004				
OPERATIONS:				
Net investment income (loss)	\$ (54,127)	\$ 267,117	\$ 65,857	\$ (66,511)
Net realized gain (loss) on investments	53,386	(20,434)	70,848	90,445
Capital gain distributions from mutual funds	--	--	--	--
Net change in unrealized appreciation (depreciation) of investments	1,125,190	(46,460)	62,578	1,927,155
Increase (decrease) in net assets resulting from operations	1,124,449	200,223	199,283	1,951,089
PRINCIPAL TRANSACTIONS:				
Net premiums	2,465,860	1,310,857	933,973	3,355,343
Net transfers from (to) other Divisions or fixed rate option	203,359	390,579	559,743	3,791,685
Internal rollovers	262	--	157,598	837
Cost of insurance and other charges	(1,335,731)	(936,290)	(482,855)	(1,402,062)
Administrative charges	(105,890)	(59,692)	(45,602)	(155,466)
Policy loans	(194,241)	(4,094)	84,463	(42,427)
Terminations and withdrawals	(388,999)	(574,477)	(289,998)	(172,311)
Increase (decrease) in net assets resulting from principal transactions	644,620	126,883	917,322	5,375,599
TOTAL INCREASE (DECREASE) IN NET ASSETS	1,769,069	327,106	1,116,605	7,326,688
NET ASSETS:				
Beginning of year	10,151,036	7,738,004	3,723,891	9,293,888
End of year	\$11,920,105	\$ 8,065,110	\$4,840,496	\$16,620,576

For the Year Ended December 31, 2003

OPERATIONS:				
Net investment income (loss)	\$ (58,484)	\$ 251,226+	\$ 63,609	\$ (32,722)
Net realized gain (loss) on investments	(182,784)	28,230	(8,047)	226,646
Capital gain distributions from mutual funds	--	165,946+	--	--
Net change in unrealized appreciation (depreciation) of investments	2,772,382	(124,635)	419,961	2,022,921
Increase (decrease) in net assets resulting from operations	2,531,114	320,767	475,523	2,216,845
PRINCIPAL TRANSACTIONS:				
Net premiums	2,503,579	1,567,678	565,088	2,107,417
Net transfers from (to) other Divisions or fixed rate option	287,248	99,791	974,862	2,236,877
Internal rollovers	--	--	--	--
Cost of insurance and other charges	(1,243,407)	(1,009,427)	(387,659)	(1,041,103)
Administrative charges	(106,929)	(70,077)	(26,659)	(101,730)
Policy loans	(86,656)	(225,675)	389,292	(92,869)
Terminations and withdrawals	(1,409,821)	(596,804)	(582,833)	(2,461,920)
Increase (decrease) in net assets resulting from principal transactions	(55,986)	(234,514)	932,091	646,672
TOTAL INCREASE (DECREASE) IN NET ASSETS	2,475,128	86,253	1,407,614	2,863,517
NET ASSETS:				
Beginning of year	7,675,908	7,651,751	2,316,277	6,430,371
End of year	\$10,151,036	\$ 7,738,004	\$3,723,891	\$ 9,293,888

</TABLE>

See accompanying notes.

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AMERICAN GENERAL LIFE INSURANCE COMPANY
SEPARATE ACCOUNT VL-R

STATEMENT OF CHANGES IN NET ASSETS - CONTINUED

<TABLE>
<CAPTION>

	Divisions			
	Fidelity VIP Equity- Income Portfolio - Service Class 2	Fidelity VIP Growth Portfolio - Service Class 2	Fidelity VIP Mid Cap Portfolio - Service Class 2	Franklin Templeton - Franklin Small Cap Fund - Class 2
<S>	<C>	<C>	<C>	<C>
For the Year Ended December 31, 2004				
OPERATIONS:				
Net investment income (loss)	\$ 78,586	\$ (57,379)	\$ (4,466)	\$ (1,064)
Net realized gain (loss) on investments	42,557	(58,095)	14,660	1,271
Capital gain distributions from mutual funds	46,017	--	--	--
Net change in unrealized appreciation (depreciation) of investments	1,408,052	407,041	158,424	14,818
Increase (decrease) in net assets resulting from operations	1,575,212	291,567	168,618	15,025
PRINCIPAL TRANSACTIONS:				
Net premiums	3,290,771	2,708,198	232,349	5,217
Net transfers from (to) other Divisions or fixed rate option	2,934,950	1,360,141	540,817	13,149
Internal rollovers	--	--	--	--
Cost of insurance and other charges	(1,457,940)	(1,365,721)	(89,163)	(3,831)
Administrative charges	(157,801)	(129,165)	(10,475)	--
Policy loans	(48,429)	(49,004)	(42,088)	(2,407)
Terminations and withdrawals	(163,564)	(124,273)	(6,703)	(5,086)
Increase (decrease) in net assets resulting from principal transactions	4,397,987	2,400,176	624,737	7,042
TOTAL INCREASE (DECREASE) IN NET ASSETS	5,973,199	2,691,743	793,355	22,067
NET ASSETS:				

Beginning of year	11,352,970	8,798,839	325,445	135,309
End of year	\$17,326,169	\$11,490,582	\$1,118,800	\$157,376
For the Year Ended December 31, 2003				
OPERATIONS:				
Net investment income (loss)	\$ 79,664	\$ (43,980)	\$ (438)	\$ (870)
Net realized gain (loss) on investments	(172,182)	(334,820)	119	(416)
Capital gain distributions from mutual funds	--	--	--	--
Net change in unrealized appreciation (depreciation) of investments	2,900,788	2,738,235	27,990	35,509
Increase (decrease) in net assets resulting from operations	2,808,270	2,359,435	27,671	34,223
PRINCIPAL TRANSACTIONS:				
Net premiums	2,363,111	2,194,072	23,093	5,767
Net transfers from (to) other Divisions or fixed rate option	2,127,316	1,244,332	281,977	6,443
Internal rollovers	--	--	--	--
Cost of insurance and other charges	(1,086,303)	(1,020,329)	(6,292)	(3,612)
Administrative charges	(114,113)	(107,447)	(1,004)	--
Policy loans	6,155	(9,205)	--	(44)
Terminations and withdrawals	(2,436,613)	(2,518,247)	--	(124)
Increase (decrease) in net assets resulting from principal transactions	859,553	(216,824)	297,774	8,430
TOTAL INCREASE (DECREASE) IN NET ASSETS	3,667,823	2,142,611	325,445	42,653
NET ASSETS:				
Beginning of year	7,685,147	6,656,228	--	92,656
End of year	\$11,352,970	\$ 8,798,839	\$ 325,445	\$135,309

</TABLE>

See accompanying notes.

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AMERICAN GENERAL LIFE INSURANCE COMPANY
SEPARATE ACCOUNT VL-R

STATEMENT OF CHANGES IN NET ASSETS - CONTINUED

<TABLE>
<CAPTION>

	Divisions			
	Franklin Templeton - Franklin Small Cap Value Securities Fund - Class 2	Franklin Templeton - Franklin U.S. Government Fund - Class 2	Franklin Templeton - Mutual Shares Securities Fund - Class 2	Franklin Templeton - Templeton Foreign Securities Fund - Class 2
<S>	<C>	<C>	<C>	<C>
For the Year Ended December 31, 2004				
OPERATIONS:				
Net investment income (loss)	\$ (3,499)	\$ 503,012	\$ 4,627	\$ 27,747
Net realized gain (loss) on investments	23,931	(40,394)	102,975	141,983
Capital gain distributions from mutual funds	--	--	--	--
Net change in unrealized appreciation (depreciation) of investments	157,413	(151,309)	682,712	1,433,732
Increase (decrease) in net assets resulting from operations	177,845	311,309	790,314	1,603,462
PRINCIPAL TRANSACTIONS:				
Net premiums	308,150	483,812	556,813	785,524
Net transfers from (to) other Divisions or fixed rate option	607,846	(94,845)	1,027,855	3,029,410
Internal rollovers	--	--	--	--
Cost of insurance and other charges	(97,500)	(920,094)	(511,405)	(576,892)
Administrative charges	(14,755)	(23,307)	(26,036)	(33,616)
Policy loans	(46,611)	14,642	(2,740)	13,595
Terminations and withdrawals	(3,749)	(51,752)	(101,897)	(64,380)
Increase (decrease) in net assets resulting				

from principal transactions	753,381	(591,544)	942,590	3,153,641
TOTAL INCREASE (DECREASE) IN NET ASSETS	931,226	(280,235)	1,732,904	4,757,103
NET ASSETS:				
Beginning of year	243,999	11,755,086	5,991,711	6,509,305
End of year	\$1,175,225	\$11,474,851	\$7,724,615	\$11,266,408
For the Year Ended December 31, 2003				
OPERATIONS:				
Net investment income (loss)	\$ (333)	\$ 409,789	\$ 16,569	\$ 49,505
Net realized gain (loss) on investments	714	(20,622)	18,441	26,313
Capital gain distributions from mutual funds	--	--	--	--
Net change in unrealized appreciation (depreciation) of investments	29,112	(230,914)	1,104,782	1,404,968
Increase (decrease) in net assets resulting from operations	29,493	158,253	1,139,792	1,480,786
PRINCIPAL TRANSACTIONS:				
Net premiums	19,349	490,325	248,378	231,810
Net transfers from (to) other Divisions or fixed rate option	201,273	3,185,489	665,193	856,708
Internal rollovers	--	--	--	--
Cost of insurance and other charges	(4,995)	(848,459)	(410,405)	(397,656)
Administrative charges	(876)	(24,478)	(11,828)	(9,953)
Policy loans	(245)	(2,967)	(644)	(4,301)
Terminations and withdrawals	--	(83,914)	(105,409)	(5,539)
Increase (decrease) in net assets resulting from principal transactions	214,506	2,715,996	385,285	671,069
TOTAL INCREASE (DECREASE) IN NET ASSETS	243,999	2,874,249	1,525,077	2,151,855
NET ASSETS:				
Beginning of year	--	8,880,837	4,466,634	4,357,450
End of year	\$ 243,999	\$11,755,086	\$5,991,711	\$ 6,509,305

</TABLE>

See accompanying notes.

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AMERICAN GENERAL LIFE INSURANCE COMPANY
SEPARATE ACCOUNT VL-R

STATEMENT OF CHANGES IN NET ASSETS - CONTINUED

<TABLE>
<CAPTION>

	Divisions			
	Goldman Sachs Capital Growth Fund	Janus Aspen Series International Growth Portfolio - Service Shares	Janus Aspen Series Mid Cap Growth Portfolio - Service Shares	Janus Aspen Series Worldwide Growth Portfolio - Service Shares
<S>	<C>	<C>	<C>	<C>
For the Year Ended December 31, 2004				
OPERATIONS:				
Net investment income (loss)	\$ 18,817	\$ 5,742	\$ (15,637)	\$ 9,958
Net realized gain (loss) on investments	19,744	44,263	35,873	(27,447)
Capital gain distributions from mutual funds	--	--	--	--
Net change in unrealized appreciation (depreciation) of investments	653,622	425,750	388,478	167,748
Increase (decrease) in net assets resulting from operations	692,183	475,755	408,714	150,259
PRINCIPAL TRANSACTIONS:				
Net premiums	--	621,695	684,998	1,027,383
Net transfers from (to) other Divisions or fixed rate option	192	481,455	(63,955)	39,909
Internal rollovers	--	--	--	--
Cost of insurance and other charges	(493,114)	(318,961)	(356,957)	(495,065)
Administrative charges	(250)	(30,145)	(33,627)	(50,894)

Policy loans	(3,400)	(45,337)	(26,889)	(16,897)
Terminations and withdrawals	(1,688)	(43,661)	(55,907)	(45,697)
	-----	-----	-----	-----
Increase (decrease) in net assets resulting from principal transactions	(498,260)	665,046	147,663	458,739
	-----	-----	-----	-----
TOTAL INCREASE (DECREASE) IN NET ASSETS	193,923	1,140,801	556,377	608,998
NET ASSETS:				
Beginning of year	8,501,182	2,140,097	2,087,513	3,410,075
	-----	-----	-----	-----
End of year	\$8,695,105	\$3,280,898	\$2,643,890	\$4,019,073
	=====	=====	=====	=====

For the Year Ended December 31, 2003

OPERATIONS:				
Net investment income (loss)	\$ (1,352)	\$ 4,644	\$ (10,749)	\$ 4,640
Net realized gain (loss) on investments	269	(50,569)	(27,446)	(108,229)
Capital gain distributions from mutual funds	--	--	--	--
Net change in unrealized appreciation (depreciation) of investments	186,155	577,849	504,583	717,239
	-----	-----	-----	-----
Increase (decrease) in net assets resulting from operations	185,072	531,924	466,388	613,650
	-----	-----	-----	-----
PRINCIPAL TRANSACTIONS:				
Net premiums	--	552,095	685,443	1,034,656
Net transfers from (to) other Divisions or fixed rate option	8,330,325	104,648	259,924	444,690
Internal rollovers	--	--	--	--
Cost of insurance and other charges	(13,551)	(210,933)	(324,758)	(454,566)
Administrative charges	(15)	(26,519)	(33,718)	(50,983)
Policy loans	--	(30,308)	(2,492)	(6,625)
Terminations and withdrawals	(649)	(45,629)	(34,006)	(273,289)
	-----	-----	-----	-----
Increase (decrease) in net assets resulting from principal transactions	8,316,110	343,354	550,393	693,883
	-----	-----	-----	-----
TOTAL INCREASE (DECREASE) IN NET ASSETS	8,501,182	875,278	1,016,781	1,307,533
NET ASSETS:				
Beginning of year	--	1,264,819	1,070,732	2,102,542
	-----	-----	-----	-----
End of year	\$8,501,182	\$2,140,097	\$2,087,513	\$3,410,075
	=====	=====	=====	=====

</TABLE>

See accompanying notes.

VL-R-11

AMERICAN GENERAL LIFE INSURANCE COMPANY
SEPARATE ACCOUNT VL-R

STATEMENT OF CHANGES IN NET ASSETS - CONTINUED

<TABLE>
<CAPTION>

	Divisions			
	JPMorgan Mid Cap Value Portfolio	JPMorgan Small Company Portfolio	MFS VIT Capital Opportunities Series - Initial Class	MFS VIT Emerging Growth Series - Initial Class
	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
For the Year Ended December 31, 2004				
OPERATIONS:				
Net investment income (loss)	\$ (1,451)	\$ (8,288)	\$ (12,388)	\$ (88,123)
Net realized gain (loss) on investments	4,481	26,522	(46,987)	(853,176)
Capital gain distributions from mutual funds	1,064	--	--	--
Net change in unrealized appreciation (depreciation) of investments	60,999	294,323	490,259	2,514,875
	-----	-----	-----	-----
Increase (decrease) in net assets resulting from operations	65,093	312,557	430,884	1,573,576
	-----	-----	-----	-----
PRINCIPAL TRANSACTIONS:				
Net premiums	186,753	359,973	1,023,618	3,316,924
Net transfers from (to) other Divisions or fixed				

rate option	195,630	506,674	149,381	1,069,813
Internal rollovers	--	--	471	--
Cost of insurance and other charges	(46,623)	(153,582)	(567,534)	(1,597,659)
Administrative charges	(8,208)	(17,399)	(50,372)	(135,864)
Policy loans	(355)	(10,883)	(17,494)	(90,796)
Terminations and withdrawals	(4,738)	(20,485)	(46,023)	(358,601)
	-----	-----	-----	-----
Increase (decrease) in net assets resulting from principal transactions	322,459	664,298	492,047	2,203,817
	-----	-----	-----	-----
TOTAL INCREASE (DECREASE) IN NET ASSETS	387,552	976,855	922,931	3,777,393
NET ASSETS:				
Beginning of year	122,097	808,287	3,294,819	10,890,953
	-----	-----	-----	-----
End of year	\$509,649	\$1,785,142	\$4,217,750	\$14,668,346
	=====	=====	=====	=====
For the Year Ended December 31, 2003				
OPERATIONS:				
Net investment income (loss)	\$ (201)	\$ (3,626)	\$ (12,512)	\$ (63,944)
Net realized gain (loss) on investments	--	1,128	(76,292)	(1,772,200)
Capital gain distributions from mutual funds	--	--	--	--
Net change in unrealized appreciation (depreciation) of investments	10,159	175,505	748,094	4,119,769
	-----	-----	-----	-----
Increase (decrease) in net assets resulting from operations	9,958	173,007	659,290	2,283,625
	-----	-----	-----	-----
PRINCIPAL TRANSACTIONS:				
Net premiums	6,420	184,262	978,715	2,882,107
Net transfers from (to) other Divisions or fixed rate option	111,047	242,922	242,910	636,191
Internal rollovers	--	--	--	--
Cost of insurance and other charges	(4,705)	(91,397)	(530,646)	(1,658,472)
Administrative charges	(316)	(9,053)	(48,492)	(105,154)
Policy loans	(307)	(2,767)	(1,264)	(60,579)
Terminations and withdrawals	--	(9,405)	(133,731)	(390,492)
	-----	-----	-----	-----
Increase (decrease) in net assets resulting from principal transactions	112,139	314,562	507,492	1,303,601
	-----	-----	-----	-----
TOTAL INCREASE (DECREASE) IN NET ASSETS	122,097	487,569	1,166,782	3,587,226
NET ASSETS:				
Beginning of year	--	320,718	2,128,037	7,303,727
	-----	-----	-----	-----
End of year	\$122,097	\$ 808,287	\$3,294,819	\$10,890,953
	=====	=====	=====	=====

</TABLE>

See accompanying notes.

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AMERICAN GENERAL LIFE INSURANCE COMPANY
SEPARATE ACCOUNT VL-R

STATEMENT OF CHANGES IN NET ASSETS - CONTINUED

	Divisions			
	MFS VIT New Discovery Series - Initial Class	MFS VIT Research Series - Initial Class	MFS VIT Total Return Series - Initial Class	Neuberger Berman AMT Mid-Cap Growth Portfolio - Class I
	<C>	<C>	<C>	<C>
<S>				
For the Year Ended December 31, 2004				
OPERATIONS:				
Net investment income (loss)	\$ (20,846)	\$ 5,082	\$ 7,334	\$ (15,534)
Net realized gain (loss) on investments	(79)	(3,382)	5,297	5,856
Capital gain distributions from mutual funds	--	--	--	--
Net change in unrealized appreciation (depreciation) of investments	246,557	222,855	72,622	369,446
	-----	-----	-----	-----
Increase (decrease) in net assets resulting from operations	225,632	224,555	85,253	359,768
	-----	-----	-----	-----

PRINCIPAL TRANSACTIONS:				
Net premiums	812,401	493,307	7,022	643,527
Net transfers from (to) other Divisions or fixed rate option	354,915	78,407	134,849	443,552
Internal rollovers	628	--	--	--
Cost of insurance and other charges	(436,972)	(263,159)	(56,987)	(338,096)
Administrative charges	(38,696)	(23,442)	--	(31,384)
Policy loans	(6,318)	216	57	(53,163)
Terminations and withdrawals	(540,934)	(13,043)	(10,043)	(77,549)

Increase (decrease) in net assets resulting from principal transactions	145,024	272,286	74,898	586,887

TOTAL INCREASE (DECREASE) IN NET ASSETS	370,656	496,841	160,151	946,655
NET ASSETS:				
Beginning of year	3,082,146	1,284,947	752,783	1,861,343

End of year	\$3,452,802	\$1,781,788	\$912,934	\$2,807,998
=====				

For the Year Ended December 31, 2003

OPERATIONS:				
Net investment income (loss)	\$ (16,667)	\$ (639)	\$ 6,275	\$ (12,820)
Net realized gain (loss) on investments	(77,770)	(31,868)	(5,273)	(59,197)
Capital gain distributions from mutual funds	--	--	--	--
Net change in unrealized appreciation (depreciation) of investments	763,494	260,832	96,968	622,686

Increase (decrease) in net assets resulting from operations	669,057	228,325	97,970	550,669

PRINCIPAL TRANSACTIONS:				
Net premiums	648,572	425,030	5,366	534,232
Net transfers from (to) other Divisions or fixed rate option	525,864	84,559	90,955	222,849
Internal rollovers	--	--	--	--
Cost of insurance and other charges	(319,494)	(221,546)	(51,740)	(266,006)
Administrative charges	(30,969)	(21,146)	--	(26,362)
Policy loans	(1,949)	(8,345)	--	(11,148)
Terminations and withdrawals	(80,358)	(19,454)	(54,153)	(929,746)

Increase (decrease) in net assets resulting from principal transactions	741,666	239,098	(9,572)	(476,181)

TOTAL INCREASE (DECREASE) IN NET ASSETS	1,410,723	467,423	88,398	74,488
NET ASSETS:				
Beginning of year	1,671,423	817,524	664,385	1,786,855

End of year	\$3,082,146	\$1,284,947	\$752,783	\$1,861,343
=====				

</TABLE>

See accompanying notes.

VL-R-13

AMERICAN GENERAL LIFE INSURANCE COMPANY
SEPARATE ACCOUNT VL-R

STATEMENT OF CHANGES IN NET ASSETS - CONTINUED

<TABLE>
<CAPTION>

	Divisions			
	Neuberger Berman AMT Partners Portfolio - Class I	Oppenheimer Balanced Fund/VA - Non-Service Shares	Oppenheimer Global Securities Fund/VA - Non- Service Shares	Oppenheimer High Income Fund/VA - Non-Service Shares
	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
For the Year Ended December 31, 2004				
OPERATIONS:				
Net investment income (loss)	\$ (904)	\$ 102	\$ 597	\$ 4,580
Net realized gain (loss) on investments	667	1,569	8,496	(150)
Capital gain distributions from mutual funds	--	--	--	--
Net change in unrealized appreciation				

(depreciation) of investments	21,027	50,025	139,006	2,560
Increase (decrease) in net assets resulting from operations	20,790	51,696	148,099	6,990
PRINCIPAL TRANSACTIONS:				
Net premiums	5,473	159,444	269,594	5,599
Net transfers from (to) other Divisions or fixed rate option	3,403	376,838	619,962	23,072
Internal rollovers	--	--	--	--
Cost of insurance and other charges	(3,270)	(37,445)	(97,905)	(3,399)
Administrative charges	--	(3,886)	(12,984)	--
Policy loans	--	(387)	(16,667)	(1,774)
Terminations and withdrawals	(5,347)	(2,591)	(2,087)	(1,803)
Increase (decrease) in net assets resulting from principal transactions	259	491,973	759,913	21,695
TOTAL INCREASE (DECREASE) IN NET ASSETS	21,049	543,669	908,012	28,685
NET ASSETS:				
Beginning of year	116,594	116,383	177,637	71,478
End of year	\$137,643	\$ 660,052	\$ 1,085,649	\$ 100,163

For the Year Ended December 31, 2003

OPERATIONS:				
Net investment income (loss)	\$ (788)	\$ (91)	\$ (134)	\$ 7,742
Net realized gain (loss) on investments	(226)	8	659	(8,505)
Capital gain distributions from mutual funds	--	--	--	--
Net change in unrealized appreciation (depreciation) of investments	30,029	6,321	19,921	17,487
Increase (decrease) in net assets resulting from operations	29,015	6,238	20,446	16,724
PRINCIPAL TRANSACTIONS:				
Net premiums	5,114	3,591	14,355	1,531
Net transfers from (to) other Divisions or fixed rate option	1,183	108,982	147,158	3,074
Internal rollovers	--	--	--	--
Cost of insurance and other charges	(2,976)	(1,950)	(3,274)	(2,533)
Administrative charges	--	(171)	(741)	--
Policy loans	--	(307)	(307)	--
Terminations and withdrawals	--	--	--	(57,763)
Increase (decrease) in net assets resulting from principal transactions	3,321	110,145	157,191	(55,691)
TOTAL INCREASE (DECREASE) IN NET ASSETS	32,336	116,383	177,637	(38,967)
NET ASSETS:				
Beginning of year	84,258	--	--	110,445
End of year	\$116,594	\$ 116,383	\$ 177,637	\$ 71,478

</TABLE>

See accompanying notes.

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AMERICAN GENERAL LIFE INSURANCE COMPANY
SEPARATE ACCOUNT VL-R

STATEMENT OF CHANGES IN NET ASSETS - CONTINUED

<TABLE>
<CAPTION>

<S>

For the Year Ended December 31, 2004

Divisions			
PIMCO VIT Real Return Portfolio- Administrative Class	PIMCO VIT Short -Term Portfolio- Administrative Class	PIMCO VIT Total Return Portfolio- Administrative Class	Pioneer Fund VCT Portfolio- Class I
<C>	<C>	<C>	<C>

OPERATIONS:				
Net investment income (loss)	\$ 36,578	\$ 32,807	\$ 134,551	\$ (1,358)
Net realized gain (loss) on investments	173,491	3,265	77,968	501
Capital gain distributions from mutual funds	394,221	13,531	170,475	--
Net change in unrealized appreciation (depreciation) of investments	311,719	(14,634)	57,924	73,097
Increase (decrease) in net assets resulting from operations	916,009	34,969	440,918	72,240
PRINCIPAL TRANSACTIONS:				
Net premiums	2,176,398	981,480	2,333,234	19,619
Net transfers from (to) other Divisions or fixed rate option	3,469,820	1,182,171	(39,015)	3,303,904
Internal rollovers	733	--	--	--
Cost of insurance and other charges	(1,664,055)	(533,184)	(1,319,888)	(19,125)
Administrative charges	(103,711)	(44,374)	(110,507)	(692)
Policy loans	(55,840)	(19,362)	46,506	432
Terminations and withdrawals	(214,073)	(101,086)	(230,772)	(31,037)
Increase (decrease) in net assets resulting from principal transactions	3,609,272	1,465,645	679,558	3,273,101
TOTAL INCREASE (DECREASE) IN NET ASSETS	4,525,281	1,500,614	1,120,476	3,345,341
NET ASSETS:				
Beginning of year	8,516,394	4,496,787	10,740,623	--
End of year	\$13,041,675	\$5,997,401	\$11,861,099	\$3,345,341

For the Year Ended December 31, 2003

OPERATIONS:				
Net investment income (loss)	\$ 133,974+	\$ 37,452	\$ 212,092 +	\$ --
Net realized gain (loss) on investments	304,617	4,733	75,409	--
Capital gain distributions from mutual funds	173,308+	5,940	83,844 +	--
Net change in unrealized appreciation (depreciation) of investments	(53,420)	1,466	17,793	--
Increase (decrease) in net assets resulting from operations	558,479	49,591	389,138	--
PRINCIPAL TRANSACTIONS:				
Net premiums	2,271,260	671,086	2,104,538	--
Net transfers from (to) other Divisions or fixed rate option	1,416,476	1,947,753	1,352,598	--
Internal rollovers	--	--	--	--
Cost of insurance and other charges	(983,514)	(426,413)	(1,103,217)	--
Administrative charges	(106,171)	(32,641)	(100,344)	--
Policy loans	(276,152)	11,267	(71,282)	--
Terminations and withdrawals	(486,420)	(167,101)	(272,047)	--
Increase (decrease) in net assets resulting from principal transactions	1,835,479	2,003,951	1,910,246	--
TOTAL INCREASE (DECREASE) IN NET ASSETS	2,393,958	2,053,542	2,299,384	--
NET ASSETS:				
Beginning of year	6,122,436	2,443,245	8,441,239	--
End of year	\$ 8,516,394	\$4,496,787	\$10,740,623	\$ --

</TABLE>

See accompanying notes.

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AMERICAN GENERAL LIFE INSURANCE COMPANY
SEPARATE ACCOUNT VL-R

STATEMENT OF CHANGES IN NET ASSETS - CONTINUED

<TABLE>
<CAPTION>

Divisions				
	Pioneer Growth Opportunities VCT Portfolio - Class I	Putnam VT Diversified Income Fund- Class IB	Putnam VT Growth and Income Fund- Class IB	Putnam VT International Growth and Income Fund - Class IB

<S>	<C>	<C>	<C>	<C>
For the Year Ended December 31, 2004				
OPERATIONS:				
Net investment income (loss)	\$ (2,330)	\$ 517,294	\$ 143,454	\$ 30,028
Net realized gain (loss) on investments	976	26,141	(55,906)	32,665
Capital gain distributions from mutual funds	--	--	--	--
Net change in unrealized appreciation (depreciation) of investments	156,168	(17,044)	1,522,181	857,207
Increase (decrease) in net assets resulting from operations	154,814	526,391	1,609,729	919,900
PRINCIPAL TRANSACTIONS:				
Net premiums	36,164	1,570,258	3,652,809	814,291
Net transfers from (to) other Divisions or fixed rate option	5,532,368	158,434	342,034	(655,262)
Internal rollovers	--	--	--	523
Cost of insurance and other charges	(30,992)	(293,089)	(1,469,258)	(518,773)
Administrative charges	(1,381)	(123,547)	(217,556)	(35,336)
Policy loans	(4,152)	(12,670)	(111,998)	(14,803)
Terminations and withdrawals	(54,128)	(161,734)	(243,358)	(88,279)
Increase (decrease) in net assets resulting from principal transactions	5,477,879	1,137,652	1,952,673	(497,639)
TOTAL INCREASE (DECREASE) IN NET ASSETS	5,632,693	1,664,043	3,562,402	422,261
NET ASSETS:				
Beginning of year	--	5,869,295	14,521,216	5,063,163
End of year	\$ 5,632,693	\$ 7,533,338	\$ 18,083,618	\$ 5,485,424

For the Year Ended December 31, 2003

OPERATIONS:				
Net investment income (loss)	\$ --	\$ 337,503	\$ 126,761	\$ 45,773
Net realized gain (loss) on investments	--	(10,841)	(366,503)	28,250
Capital gain distributions from mutual funds	--	--	--	--
Net change in unrealized appreciation (depreciation) of investments	--	444,180	3,033,842	1,725,291
Increase (decrease) in net assets resulting from operations	--	770,842	2,794,100	1,799,314
PRINCIPAL TRANSACTIONS:				
Net premiums	--	1,658,759	3,872,320	987,946
Net transfers from (to) other Divisions or fixed rate option	--	393,258	763,265	175,916
Internal rollovers	--	--	--	--
Cost of insurance and other charges	--	(266,249)	(1,433,233)	(463,675)
Administrative charges	--	(131,765)	(227,454)	(42,520)
Policy loans	--	(57,380)	(62,002)	(10,928)
Terminations and withdrawals	--	(84,372)	(781,349)	(1,825,361)
Increase (decrease) in net assets resulting from principal transactions	--	1,512,251	2,131,547	(1,178,622)
TOTAL INCREASE (DECREASE) IN NET ASSETS	--	2,283,093	4,925,647	620,692
NET ASSETS:				
Beginning of year	--	3,586,202	9,595,569	4,442,471
End of year	\$ --	\$ 5,869,295	\$ 14,521,216	\$ 5,063,163

</TABLE>

See accompanying notes.

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AMERICAN GENERAL LIFE INSURANCE COMPANY
SEPARATE ACCOUNT VL-R

STATEMENT OF CHANGES IN NET ASSETS - CONTINUED

<TABLE>

<CAPTION>

Divisions

Putnam VT Small

	Cap Value Fund - Class IB	Putnam VT Vista Fund - Class IB	Putnam VT Voyager Fund - Class IB	Safeco RST Core Equity Portfolio
<S>	<C>	<C>	<C>	<C>
For the Year Ended December 31, 2004				
OPERATIONS:				
Net investment income (loss)	\$ (1,711)	\$ (582)	\$ (1,615)	\$ 14,322
Net realized gain (loss) on investments	10,858	(433)	(5,058)	258,706
Capital gain distributions from mutual funds	--	--	--	--
Net change in unrealized appreciation (depreciation) of investments	91,048	13,691	19,350	(128,898)
Increase (decrease) in net assets resulting from operations	100,195	12,676	12,677	144,130
PRINCIPAL TRANSACTIONS:				
Net premiums	12,736	1,897	6,693	465,219
Net transfers from (to) other Divisions or fixed rate option	3,785	2,751	67,851	(3,365,906)
Internal rollovers	--	--	--	--
Cost of insurance and other charges	(12,817)	(1,917)	(17,531)	(302,345)
Administrative charges	--	--	--	(17,577)
Policy loans	(5,980)	(3,773)	(6,102)	(8,834)
Terminations and withdrawals	(7,874)	(501)	--	(71,255)
Increase (decrease) in net assets resulting from principal transactions	(10,150)	(1,543)	50,911	(3,300,698)
TOTAL INCREASE (DECREASE) IN NET ASSETS	90,045	11,133	63,588	(3,156,568)
NET ASSETS:				
Beginning of year	407,015	73,086	266,775	3,156,568
End of year	\$497,060	\$84,219	\$ 330,363	\$ --
For the Year Ended December 31, 2003				
OPERATIONS:				
Net investment income (loss)	\$ (1,469)	\$ (335)	\$ (780)	\$ 6,591
Net realized gain (loss) on investments	1,539	(23)	(19,611)	(246,197)
Capital gain distributions from mutual funds	--	--	--	--
Net change in unrealized appreciation (depreciation) of investments	132,063	17,731	63,728	878,719
Increase (decrease) in net assets resulting from operations	132,133	17,373	43,337	639,113
PRINCIPAL TRANSACTIONS:				
Net premiums	7,836	2,517	3,522	758,391
Net transfers from (to) other Divisions or fixed rate option	21,555	2,556	78,006	(190,682)
Internal rollovers	--	--	--	--
Cost of insurance and other charges	(12,245)	(1,845)	(13,251)	(367,928)
Administrative charges	--	--	--	(26,290)
Policy loans	(3,983)	--	(54)	(52,990)
Terminations and withdrawals	(183)	--	(55,887)	(416,636)
Increase (decrease) in net assets resulting from principal transactions	12,980	3,228	12,336	(296,135)
TOTAL INCREASE (DECREASE) IN NET ASSETS	145,113	20,601	55,673	342,978
NET ASSETS:				
Beginning of year	261,902	52,485	211,102	2,813,590
End of year	\$407,015	\$73,086	\$ 266,775	\$ 3,156,568

</TABLE>

See accompanying notes.

VL-R-17

AMERICAN GENERAL LIFE INSURANCE COMPANY
SEPARATE ACCOUNT VL-R

STATEMENT OF CHANGES IN NET ASSETS - CONTINUED

<TABLE>
<CAPTION>

Divisions

	Safeco RST Growth Opportunities Portfolio	Scudder International Portfolio	Scudder VIT EAFE Equity Index Fund - Class A	Scudder VIT Equity 500 Index Fund - Class A
<S>	<C>	<C>	<C>	<C>
For the Year Ended December 31, 2004				
OPERATIONS:				
Net investment income (loss)	\$ (35,015)	\$--	\$--	\$ 55
Net realized gain (loss) on investments	1,154,898	--	--	(110)
Capital gain distributions from mutual funds	--	--	--	--
Net change in unrealized appreciation (depreciation) of investments	(244,287)	--	--	1,752
Increase (decrease) in net assets resulting from operations	875,596	--	--	1,697
PRINCIPAL TRANSACTIONS:				
Net premiums	809,051	--	--	3,902
Net transfers from (to) other Divisions or fixed rate option	(5,863,505)	--	--	(1)
Internal rollovers	--	--	--	--
Cost of insurance and other charges	(523,246)	--	--	(2,197)
Administrative charges	(33,179)	--	--	--
Policy loans	(130,912)	--	--	--
Terminations and withdrawals	(162,819)	--	--	--
Increase (decrease) in net assets resulting from principal transactions	(5,904,610)	--	--	1,704
TOTAL INCREASE (DECREASE) IN NET ASSETS	(5,029,014)	--	--	3,401
NET ASSETS:				
Beginning of year	5,029,014	--	--	15,448
End of year	\$ --	\$--	\$--	\$18,849

For the Year Ended December 31, 2003

OPERATIONS:				
Net investment income (loss)	\$ (29,697)	\$--	\$--	\$ 88
Net realized gain (loss) on investments	(419,891)	--	--	(117)
Capital gain distributions from mutual funds	--	--	--	--
Net change in unrealized appreciation (depreciation) of investments	1,933,768	--	--	3,269
Increase (decrease) in net assets resulting from operations	1,484,180	--	--	3,240
PRINCIPAL TRANSACTIONS:				
Net premiums	1,109,783	--	--	2,601
Net transfers from (to) other Divisions or fixed rate option	(216,155)	(3)	(2)	1
Internal rollovers	--	--	--	--
Cost of insurance and other charges	(616,883)	--	--	(2,097)
Administrative charges	(44,183)	--	--	--
Policy loans	(89,094)	--	--	--
Terminations and withdrawals	(332,512)	--	--	--
Increase (decrease) in net assets resulting from principal transactions	(189,044)	(3)	(2)	505
TOTAL INCREASE (DECREASE) IN NET ASSETS	1,295,136	(3)	(2)	3,745
NET ASSETS:				
Beginning of year	3,733,878	3	2	11,703
End of year	\$ 5,029,014	\$--	\$--	\$15,448

</TABLE>

See accompanying notes.

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AMERICAN GENERAL LIFE INSURANCE COMPANY
SEPARATE ACCOUNT VL-R

STATEMENT OF CHANGES IN NET ASSETS - CONTINUED

<TABLE>
<CAPTION>

Divisions

	SunAmerica - Aggressive Growth Portfolio - Class 1	SunAmerica - SunAmerica Balanced Portfolio - Class 1	UIF Equity Growth Portfolio - Class I	UIF High Yield Portfolio - Class I
<S>	<C>	<C>	<C>	<C>
For the Year Ended December 31, 2004				
OPERATIONS:				
Net investment income (loss)	\$ (2,504)	\$ 5,922	\$ (20,326)	\$ 92,657
Net realized gain (loss) on investments	7,078	2,574	(366,107)	(82,802)
Capital gain distributions from mutual funds	--	--	--	--
Net change in unrealized appreciation (depreciation) of investments	59,599	30,488	618,080	133,762
Increase (decrease) in net assets resulting from operations	64,173	38,984	231,647	143,617
PRINCIPAL TRANSACTIONS:				
Net premiums	155,581	315,273	745,909	257,386
Net transfers from (to) other Divisions or fixed rate option	135,233	172,538	(322,697)	(178,468)
Internal rollovers	--	--	--	--
Cost of insurance and other charges	(67,546)	(122,587)	(450,162)	(149,087)
Administrative charges	(7,525)	(14,790)	(23,465)	(10,498)
Policy loans	(3,259)	(4,727)	(59,432)	(5,135)
Terminations and withdrawals	(5,419)	(11,795)	(172,684)	(132,288)
Increase (decrease) in net assets resulting from principal transactions	207,065	333,912	(282,531)	(218,090)
TOTAL INCREASE (DECREASE) IN NET ASSETS	271,238	372,896	(50,884)	(74,473)
NET ASSETS:				
Beginning of year	243,956	361,266	3,766,071	1,812,172
End of year	\$515,194	\$ 734,162	\$3,715,187	\$1,737,699

For the Year Ended December 31, 2003

OPERATIONS:				
Net investment income (loss)	\$ (955)	\$ 4,873	\$ (25,672)	\$ (11,182)
Net realized gain (loss) on investments	889	18	(808,862)	(71,559)
Capital gain distributions from mutual funds	--	--	--	--
Net change in unrealized appreciation (depreciation) of investments	30,987	27,522	1,605,587	430,126
Increase (decrease) in net assets resulting from operations	30,921	32,413	771,053	347,385
PRINCIPAL TRANSACTIONS:				
Net premiums	52,688	127,729	815,440	270,783
Net transfers from (to) other Divisions or fixed rate option	170,242	173,438	(425,787)	89,086
Internal rollovers	--	--	--	--
Cost of insurance and other charges	(25,036)	(58,435)	(508,401)	(152,488)
Administrative charges	(2,547)	(5,762)	(24,928)	(9,818)
Policy loans	(398)	(394)	(24,477)	(25,743)
Terminations and withdrawals	--	(444)	(292,607)	(82,763)
Increase (decrease) in net assets resulting from principal transactions	194,949	236,132	(460,760)	89,057
TOTAL INCREASE (DECREASE) IN NET ASSETS	225,870	268,545	310,293	436,442
NET ASSETS:				
Beginning of year	18,086	92,721	3,455,778	1,375,730
End of year	\$243,956	\$ 361,266	\$3,766,071	\$1,812,172

</TABLE>

See accompanying notes.

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AMERICAN GENERAL LIFE INSURANCE COMPANY
SEPARATE ACCOUNT VL-R

STATEMENT OF CHANGES IN NET ASSETS - CONTINUED

<TABLE>

<CAPTION>

	Divisions			
	VALIC Company I - International Equities Fund	VALIC Company I - Mid Cap Index Fund	VALIC Company I - Money Market I Fund	VALIC Company I - Nasdaq-100 Index Fund
<S>	<C>	<C>	<C>	<C>
For the Year Ended December 31, 2004				
OPERATIONS:				
Net investment income (loss)	\$ 12,125	\$ 18,461	\$ 36,933	\$ (2,879)
Net realized gain (loss) on investments	12,197	63,445	--	14,891
Capital gain distributions from mutual funds	--	261,970	--	--
Net change in unrealized appreciation (depreciation) of investments	260,211	1,692,164	--	286,502
Increase (decrease) in net assets resulting from operations	284,533	2,036,040	36,933	298,514
PRINCIPAL TRANSACTIONS:				
Net premiums	350,831	2,310,297	30,715,615	717,683
Net transfers from (to) other Divisions or fixed rate option	215,122	241,756	(28,049,796)	189,378
Internal rollovers	--	--	3,612,767	--
Cost of insurance and other charges	(167,435)	(1,277,626)	(5,543,294)	(373,262)
Administrative charges	(14,589)	(96,438)	(1,337,054)	(33,515)
Policy loans	(10,416)	(77,821)	287,668	(38,145)
Terminations and withdrawals	(589,948)	(1,072,007)	(1,854,404)	(43,092)
Increase (decrease) in net assets resulting from principal transactions	(216,435)	28,161	(2,168,498)	419,047
TOTAL INCREASE (DECREASE) IN NET ASSETS	68,098	2,064,201	(2,131,565)	717,561
NET ASSETS:				
Beginning of year	1,854,441	13,398,170	36,677,678	2,943,353
End of year	\$1,922,539	\$15,462,371	\$ 34,546,113	\$3,660,914

For the Year Ended December 31, 2003

OPERATIONS:				
Net investment income (loss)	\$ 11,779	\$ (2,608)	\$ (39,000)	\$ (14,653)
Net realized gain (loss) on investments	(188,763)	(420,348)	--	(153,402)
Capital gain distributions from mutual funds	--	101,586	--	--
Net change in unrealized appreciation (depreciation) of investments	576,934	3,596,532	--	960,016
Increase (decrease) in net assets resulting from operations	399,950	3,275,162	(39,000)	791,961
PRINCIPAL TRANSACTIONS:				
Net premiums	216,967	2,263,927	36,945,344	636,919
Net transfers from (to) other Divisions or fixed rate option	204,654	860,042	(36,108,365)	634,553
Internal rollovers	--	--	5,128,027	--
Cost of insurance and other charges	(145,751)	(1,213,346)	(6,913,801)	(281,546)
Administrative charges	(9,306)	(95,916)	(1,579,738)	(30,416)
Policy loans	(4,276)	(22,683)	239,468	107
Terminations and withdrawals	(138,241)	(411,368)	(2,937,192)	(98,553)
Increase (decrease) in net assets resulting from principal transactions	124,047	1,380,656	(5,226,257)	861,064
TOTAL INCREASE (DECREASE) IN NET ASSETS	523,997	4,655,818	(5,265,257)	1,653,025
NET ASSETS:				
Beginning of year	1,330,444	8,742,352	41,942,935	1,290,328
End of year	\$1,854,441	\$13,398,170	\$ 36,677,678	\$2,943,353

</TABLE>

See accompanying notes.

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AMERICAN GENERAL LIFE INSURANCE COMPANY
SEPARATE ACCOUNT VL-R

STATEMENT OF CHANGES IN NET ASSETS - CONTINUED

<TABLE>

<CAPTION>

	Divisions			
	VALIC Company I - Science & Technology Fund	VALIC Company I - Small Cap Index Fund	VALIC Company I - Stock Index Fund	Van Kampen LIT Emerging Growth Portfolio - Class I
<S>	<C>	<C>	<C>	<C>
For the Year Ended December 31, 2004				
OPERATIONS:				
Net investment income (loss)	\$ (7,500)	\$ 6,973	\$ 351,779	\$ (434)
Net realized gain (loss) on investments	(18,283)	104,457	(1,394,158)	(2,236)
Capital gain distributions from mutual funds	--	--	528,082	--
Net change in unrealized appreciation (depreciation) of investments	42,141	559,064	3,691,151	5,913
Increase (decrease) in net assets resulting from operations	16,358	670,494	3,176,854	3,243
PRINCIPAL TRANSACTIONS:				
Net premiums	258,685	896,293	8,057,419	7,310
Net transfers from (to) other Divisions or fixed rate option	253,735	228,512	(9,837,544)	(292)
Internal rollovers	--	--	--	--
Cost of insurance and other charges	(178,049)	(340,399)	(3,622,858)	(2,859)
Administrative charges	(12,547)	(40,272)	(346,012)	--
Policy loans	(11,499)	(86,800)	(428,055)	(8,306)
Terminations and withdrawals	(15,658)	(37,241)	(2,087,792)	(1,525)
Increase (decrease) in net assets resulting from principal transactions	294,667	620,093	(8,264,842)	(5,672)
TOTAL INCREASE (DECREASE) IN NET ASSETS	311,025	1,290,587	(5,087,988)	(2,429)
NET ASSETS:				
Beginning of year	927,047	3,649,382	43,967,435	59,393
End of year	\$1,238,072	\$4,939,969	\$38,879,447	\$ 56,964
For the Year Ended December 31, 2003				
OPERATIONS:				
Net investment income (loss)	\$ (4,284)	\$ (3,188)	\$ 239,190 +	\$ (417)
Net realized gain (loss) on investments	(20,757)	(52,742)	(2,794,127)	(21,092)
Capital gain distributions from mutual funds	--	--	143,318 +	--
Net change in unrealized appreciation (depreciation) of investments	285,268	1,005,025	11,335,046	34,653
Increase (decrease) in net assets resulting from operations	260,227	949,095	8,923,427	13,144
PRINCIPAL TRANSACTIONS:				
Net premiums	256,569	485,690	9,618,556	6,192
Net transfers from (to) other Divisions or fixed rate option	129,000	848,960	2,978,412	8,525
Internal rollovers	--	--	--	--
Cost of insurance and other charges	(109,973)	(233,702)	(3,775,692)	(2,590)
Administrative charges	(12,409)	(23,992)	(447,770)	--
Policy loans	(73)	(7,951)	(22,463)	--
Terminations and withdrawals	(17,464)	(57,319)	(1,925,003)	(37,276)
Increase (decrease) in net assets resulting from principal transactions	245,650	1,011,686	6,426,040	(25,149)
TOTAL INCREASE (DECREASE) IN NET ASSETS	505,877	1,960,781	15,349,467	(12,005)
NET ASSETS:				
Beginning of year	421,170	1,688,601	28,617,968	71,398
End of year	\$ 927,047	\$3,649,382	\$43,967,435	\$ 59,393

</TABLE>

See accompanying notes.

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AMERICAN GENERAL LIFE INSURANCE COMPANY
SEPARATE ACCOUNT VL-R

STATEMENT OF CHANGES IN NET ASSETS - CONTINUED

<TABLE>
<CAPTION>

	Divisions			
	Van Kampen LIT Government Portfolio - Class I	Van Kampen LIT Growth and Income Portfolio - Class I	Vanguard VIF High Yield Bond Portfolio	Vanguard VIF REIT Index Portfolio
<S>	<C>	<C>	<C>	<C>
For the Year Ended December 31, 2004				
OPERATIONS:				
Net investment income (loss)	\$ 7,002	\$ 10,127	\$ 282,963	\$ 147,065
Net realized gain (loss) on investments	(866)	51,123	94,067	151,782
Capital gain distributions from mutual funds	--	--	--	133,973
Net change in unrealized appreciation (depreciation) of investments	(347)	589,542	70,046	1,752,276
Increase (decrease) in net assets resulting from operations	5,789	650,792	447,076	2,185,096
PRINCIPAL TRANSACTIONS:				
Net premiums	5,034	1,172,509	1,796,629	2,016,307
Net transfers from (to) other Divisions or fixed rate option	31,808	854,019	1,437,341	1,385,398
Internal rollovers	--	837	--	785
Cost of insurance and other charges	(25,194)	(570,947)	(602,432)	(818,723)
Administrative charges	--	(52,766)	(88,902)	(92,824)
Policy loans	(1,542)	(51,964)	11,314	(62,371)
Terminations and withdrawals	(1,011)	(166,704)	(88,179)	(108,818)
Increase (decrease) in net assets resulting from principal transactions	9,095	1,184,984	2,465,771	2,319,754
TOTAL INCREASE (DECREASE) IN NET ASSETS	14,884	1,835,776	2,912,847	4,504,850
NET ASSETS:				
Beginning of year	163,224	3,820,368	4,294,531	6,098,146
End of year	\$178,108	\$5,656,144	\$7,207,378	\$10,602,996
For the Year Ended December 31, 2003				
OPERATIONS:				
Net investment income (loss)	\$ 5,142	\$ 5,869	\$ 154,330	\$ 117,989 +
Net realized gain (loss) on investments	577	(74,987)	32,404	29,227
Capital gain distributions from mutual funds	--	--	--	115,525 +
Net change in unrealized appreciation (depreciation) of investments	(4,265)	800,092	288,914	1,118,953
Increase (decrease) in net assets resulting from operations	1,454	730,974	475,648	1,381,694
PRINCIPAL TRANSACTIONS:				
Net premiums	2,634	891,596	725,583	1,247,148
Net transfers from (to) other Divisions or fixed rate option	60,630	811,551	1,395,290	1,224,911
Internal rollovers	--	--	--	--
Cost of insurance and other charges	(19,519)	(424,419)	(476,367)	(560,979)
Administrative charges	--	(40,176)	(34,883)	(60,804)
Policy loans	--	(45,305)	(12,655)	(209,742)
Terminations and withdrawals	(18,177)	(209,486)	(16,354)	(177,062)
Increase (decrease) in net assets resulting from principal transactions	25,568	983,761	1,580,614	1,463,472
TOTAL INCREASE (DECREASE) IN NET ASSETS	27,022	1,714,735	2,056,262	2,845,166
NET ASSETS:				
Beginning of year	136,202	2,105,633	2,238,269	3,252,980
End of year	\$163,224	\$3,820,368	\$4,294,531	\$ 6,098,146

</TABLE>

+ Net investment income (loss) and capital gain distributions from mutual funds for the respective Divisions have been restated due to a misclassification of short-term capital gains in prior years. See Note H

for further disclosure.

See accompanying notes.

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AMERICAN GENERAL LIFE INSURANCE COMPANY
SEPARATE ACCOUNT VL-R
NOTES TO FINANCIAL STATEMENTS

Note A - Organization

Separate Account VL-R (the "Separate Account") was established by resolution of the Board of Directors of American General Life Insurance Company (the "Company") on May 6, 1997 to fund variable universal life insurance policies issued by the Company. The following products are included in the Separate Account: AG Legacy Plus, Corporate America, Legacy Plus, Platinum Investor I, Platinum Investor II, Platinum Investor III, Platinum Investor FlexDirector, Platinum Investor PLUS, Platinum Investor Survivor, Platinum Investor Survivor II and The One VUL Solution. Of the products listed, Legacy Plus, Platinum Investor I, Platinum Investor Survivor and The One VUL Solution are no longer offered for sale. The Company is an indirect, wholly-owned subsidiary of American International Group, Inc. 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 Separate Account is divided into "Divisions", which invest in independently managed mutual fund portfolios ("Funds"). The Funds available to policy owners through the various Divisions are as follows:

AIM Variable Insurance Funds ("AIM V.I."):

AIM V.I. International Growth Fund - Series I
AIM V.I. Premier Equity Fund - Series I

The Alger American Fund:

Alger American Leveraged AllCap Portfolio - Class O Shares
Alger American MidCap Growth Portfolio - Class O Shares

American Century Variable Portfolios, Inc. ("American Century VP"):

American Century VP Value Fund - Class I

Ayco Series Trust:

Ayco Growth Fund (1)

Credit Suisse Trust ("Credit Suisse"):

Credit Suisse Small Cap Growth Portfolio

Dreyfus Investment Portfolios ("Dreyfus IP"):

Dreyfus IP MidCap Stock Portfolio - Initial shares

Dreyfus Variable Investment Fund ("Dreyfus VIF"):

Dreyfus VIF Developing Leaders Portfolio - Initial shares
Dreyfus VIF Quality Bond Portfolio - Initial shares

Fidelity(R) Variable Insurance Products ("Fidelity VIP"):

Fidelity(R) VIP Asset Manager(SM) Portfolio - Service Class 2
Fidelity(R) VIP Contrafund(R) Portfolio - Service Class 2
Fidelity(R) VIP Equity-Income Portfolio - Service Class 2
Fidelity(R) VIP Growth Portfolio - Service Class 2
Fidelity(R) VIP Mid Cap Portfolio - Service Class 2

Franklin Templeton Variable Insurance Products Trust

("Franklin Templeton"):

Franklin Templeton - Franklin Small Cap Fund - Class 2
Franklin Templeton - Franklin Small Cap Value Securities Fund - Class 2
Franklin Templeton - Franklin U.S. Government Fund - Class 2
Franklin Templeton - Mutual Shares Securities Fund - Class 2
Franklin Templeton - Templeton Foreign Securities Fund - Class 2

Goldman Sachs Variable Insurance Trust:

Goldman Sachs Capital Growth Fund (1)

Janus Aspen Series:

Janus Aspen Series International Growth Portfolio - Service Shares
Janus Aspen Series Mid Cap Growth Portfolio - Service Shares
Janus Aspen Series Worldwide Growth Portfolio - Service Shares

J.P. Morgan Series Trust II:

JPMorgan Mid Cap Value Portfolio
JPMorgan Small Company Portfolio

MFS (R) Variable Insurance Trust(SM) ("MFS(R)VIT"):

MFS (R) VIT Capital Opportunities Series - Initial Class

MFS(R) VIT Emerging Growth Series - Initial Class
MFS(R) VIT New Discovery Series - Initial Class
MFS(R) VIT Research Series - Initial Class
MFS(R) VIT Total Return Series - Initial Class

Neuberger Berman Advisers Management Trust ("Neuberger Berman AMT"):

Neuberger Berman AMT Mid-Cap Growth Portfolio - Class I
Neuberger Berman AMT Partners Portfolio - Class I

Oppenheimer Variable Account Funds:

Oppenheimer Balanced Fund/VA - Non-Service Shares (2)
Oppenheimer Global Securities Fund/VA - Non-Service Shares
Oppenheimer High Income Fund/VA - Non-Service Shares

PIMCO Variable Insurance Trust ("PIMCO VIT"):

PIMCO VIT Real Return Portfolio - Administrative Class
PIMCO VIT Short-Term Portfolio - Administrative Class
PIMCO VIT Total Return Portfolio - Administrative Class

Pioneer Variable Contracts Trust:

Pioneer Fund VCT Portfolio - Class I (3)
Pioneer Growth Opportunities VCT Portfolio - Class I (3)

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AMERICAN GENERAL LIFE INSURANCE COMPANY
SEPARATE ACCOUNT VL-R
NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note A - Organization - Continued

Putnam Variable Trust ("Putnam VT"):

Putnam VT Diversified Income Fund - Class IB
Putnam VT Growth and Income Fund - Class IB
Putnam VT International Growth and Income Fund - Class IB
Putnam VT Small Cap Value Fund - Class IB
Putnam VT Vista Fund - Class IB
Putnam VT Voyager Fund - Class IB

Safeco Resource Series Trust ("Safeco RST"):

Safeco RST Core Equity Portfolio (3)
Safeco RST Growth Opportunities Portfolio (3)

Scudder Investments VIT Funds:

Scudder International Portfolio (4)
Scudder VIT EAFE(R) Equity Index Fund - Class A
Scudder VIT Equity 500 Index Fund - Class A

SunAmerica Series Trust ("SunAmerica"):

SunAmerica - Aggressive Growth Portfolio - Class 1
SunAmerica - SunAmerica Balanced Portfolio - Class 1

The Universal Institutional Funds, Inc. ("UIF"):

UIF Equity Growth Portfolio - Class I
UIF High Yield Portfolio - Class I

VALIC Company I:

VALIC Company I - International Equities Fund
VALIC Company I - Mid Cap Index Fund
VALIC Company I - Money Market I Fund
VALIC Company I - Nasdaq-100(R) Index Fund
VALIC Company I - Science & Technology Fund
VALIC Company I - Small Cap Index Fund
VALIC Company I - Stock Index Fund

Van Kampen Life Investment Trust ("Van Kampen LIT"):

Van Kampen LIT Emerging Growth Portfolio - Class I
Van Kampen LIT Government Portfolio - Class I
Van Kampen LIT Growth and Income Portfolio - Class I

Vanguard(R) Variable Insurance Fund ("Vanguard VIF"):

Vanguard(R) VIF High Yield Bond Portfolio
Vanguard(R) VIF REIT Index Portfolio

- (1) Effective December 19, 2003, Ayco Growth Fund (which was not available for new investments as of May 1, 2003) was reorganized into Goldman Sachs Capital Growth Fund. Goldman Sachs Capital Growth Fund is not available for new investments.
- (2) Effective May 1, 2004, Oppenheimer Multiple Strategies Fund/VA changed its name to Oppenheimer Balanced Fund/VA.
- (3) Effective December 10, 2004, Safeco RST Core Equity Portfolio and Safeco RST Growth Opportunities Portfolio were reorganized into Pioneer Fund VCT

Portfolio - Class I and Pioneer Growth Opportunities VCT Portfolio - Class I, respectively. Policy owners invested in either of the Pioneer portfolios on December 10, 2004 are the only ones who may continue to use these portfolios.

(4) Scudder International Portfolio is no longer an investment option.

AIG SunAmerica Asset Management Corp., an affiliate of the Company, serves as the investment advisor to SunAmerica Series Trust.

The Variable Annuity Life Insurance Company, an affiliate of the Company, serves as the investment advisor to VALIC Company I.

In addition to the Divisions above, policy owners may allocate funds to a fixed account that is part of the Company's general account. Policy owners should refer to the prospectus and prospectus supplements for a complete description of the available Funds and the fixed account.

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.

Net premiums from the policies are allocated to the Divisions and invested in the Funds in accordance with policy owner instructions. The premiums are recorded as principal transactions in the Statement of Changes in Net Assets.

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AMERICAN GENERAL LIFE INSURANCE COMPANY
SEPARATE ACCOUNT VL-R
NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note B - Summary of Significant Accounting Policies and Basis of Presentation

The accompanying financial statements of the Separate Account have been prepared on the basis of accounting principles generally accepted in the United States of America ("GAAP"). The accounting principles followed by the Separate Account and the methods of applying those principles are presented below.

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 year. Actual results could differ from those estimates.

Security valuation - The investments in shares of the Funds are stated at the net asset value of the respective portfolio as determined by the fund, which value their securities at fair value.

Security transactions and related investment income - Security transactions which represent purchases and sales of investments are accounted for on the trade date at fair value. Realized gains and losses from security transactions are determined on the basis of first-in first-out. Dividend income and distributions of capital gains are recorded on the ex-dividend date and reinvested upon receipt.

Policy loans - When a policy loan is made, the loan amount is transferred to the Company from the policy owner's selected investment Division(s), and held as collateral. Interest on this collateral amount is credited to the policy. Loan repayments are invested in the policy owner's selected investment Division(s), after they are first used to repay all loans taken from the declared fixed interest account option.

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. As a result, the Separate Account is not taxed as a "Regulated Investment Company" under subchapter M of the Internal Revenue Code. Under existing 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.

Accumulation unit - This is a measuring unit used to calculate the policy owner's interest. Such units are valued daily to reflect investment performance and the prorated daily deduction for mortality and expense risk charges.

Note C - Policy Charges

Deductions from premium payments - Certain jurisdictions require that a deduction be made from each premium payment for premium taxes. The amount of such deduction currently ranges from 0% to 3.5%. For Corporate America policies, the Company deducts from each premium payment a charge to cover costs associated with the issuance of the policy, administrative services the Company performs and a premium tax that is applicable to the Company in the state or other jurisdiction of the policy owner. The amount the Company deducts in policy year 1 through 7 is 9% up to the "target premium" and 5% on any premium amounts in

excess of the target premium. The amount the Company deducts in year 8 and thereafter is 5% of all premium payments. The target premium is an amount of premium that is approximately equal to the seven-pay premium, which is the maximum amount of premium that may be paid without the policy becoming a modified endowment contract.

For other policies offered through the Separate Account (except for Corporate America, AG Legacy Plus, and Legacy Plus), the following premium expense charge may be deducted from each after-tax premium payment, prior to allocation to the Separate Account.

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AMERICAN GENERAL LIFE INSURANCE COMPANY
SEPARATE ACCOUNT VL-R
NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note C - Policy Charges - Continued

Policies	Current Premium Expense
Platinum Investor I and II	2.50%
Platinum Investor III	5.00%
Platinum Investor FlexDirector	5.00%
Platinum Investor PLUS	5.00%
Platinum Investor Survivor	6.50%
Platinum Investor Survivor II	5.00%

Separate Account charges - Currently, charges are assessed through the daily unit value calculation at the following annual rates from the daily net asset value of the Divisions and are paid to the Company. These charges are made in return for the Company's assumption of mortality and expense risks associated with the policies issued. A summary of these charges by policy follows:

<TABLE>
<CAPTION>

Policies	Expense Risk Current Annual Rate	First Reduction in Mortality and Expense Risk Rate	After Policy Year	Second Reduction in Mortality and Expense Risk Rate	After Policy Year
AG Legacy Plus	0.75%	0.10%	10	0.25%	20
Corporate America	0.35%	0.10%	10	0.10%	20
Corporate America (reduced surrender charge)	0.65%	0.25%	10	0.25%	20
Legacy Plus	0.75%	0.25%	10	0.25%	20
Platinum Investor I and II	0.75%	0.25%	10	0.25%	20
Platinum Investor III	0.70%	0.25%	10	0.35%	20
Platinum Investor FlexDirector	0.70%	0.25%	10	0.35%	20
Platinum Investor PLUS	0.70%	0.25%	10	0.35%	20
Platinum Investor Survivor	0.40%	0.20%	10	0.10%	30
Platinum Investor Survivor II	0.75%	0.25%	15	0.35%	30

</TABLE>

Other charges paid to the Company by redemption of units outstanding include the deductions for the maintenance charges, cost of insurance, additional benefit riders, transfer fees and surrender charges.

Monthly maintenance charges are paid to the Company for the cost of administrative services we provide under current policies.

Since determination of both the insurance rate and the Company's net amount at risk depends upon several factors, the cost of insurance deduction may vary from month to month. Policy accumulation value, specified amount of insurance and certain characteristics of the insured person are among the variables included

in the calculation for the monthly cost of insurance deduction.

Monthly charges are deducted, if the policy owner selects additional benefit riders for certain policies. The charges for any rider selected will vary by policy within a range based on either the personal characteristics of the insured person or the specific coverage chosen under the rider.

The Company reserves the right to charge a \$25 transfer fee for each transfer in excess of 12 during the policy year. Transfer requests are subject to the Company's published rules concerning market timing. A policy owner who violates these rules will for a period of time (typically six months), have certain restrictions placed on transfers.

A surrender charge may be applicable to certain withdrawal amounts and is payable to the Company. The amount of the surrender charge depends on the age and other insurance characteristics of the insured person. For partial surrender, the Company may charge a maximum transaction fee per policy equal to the lesser of 2% of the amount withdrawn or \$25. Currently, a \$10 transaction fee per policy is charged for each partial surrender.

A loan may be requested against the policy while the policy has a net cash surrender value. The daily interest charge on the loan is paid to the Company for the expenses of administering and providing policy loans. The interest charge is collected through any loan repayment from the policyholder.

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AMERICAN GENERAL LIFE INSURANCE COMPANY
SEPARATE ACCOUNT VL-R
NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note D - Security Purchases and Sales

For the year ended December 31, 2004, the aggregate cost of purchases and proceeds from the sales of investments were:

<TABLE>
<CAPTION>

Divisions	Cost of Purchases	Proceeds from Sales
<S>	<C>	<C>
AIM V.I. International Growth Fund - Series I	\$2,634,667	\$ 813,389
AIM V.I. Premier Equity Fund - Series I	2,035,612	1,508,801
Alger American Leveraged AllCap Portfolio - Class O Shares	298,449	26,942
Alger American MidCap Growth Portfolio - Class O Shares	691,971	108,094
American Century VP Value Fund - Class I	4,455,830	1,107,575
Credit Suisse Small Cap Growth Portfolio	706,678	246,708
Dreyfus IP MidCap Stock Portfolio - Initial shares	1,111,169	489,261
Dreyfus VIF Developing Leaders Portfolio - Initial shares	1,840,998	1,250,277
Dreyfus VIF Quality Bond Portfolio - Initial shares	1,623,010	1,228,899
Fidelity VIP Asset Manager Portfolio - Service Class 2	1,625,144	641,906
Fidelity VIP Contrafund Portfolio - Service Class 2	5,830,439	521,071
Fidelity VIP Equity-Income Portfolio - Service Class 2	5,219,416	696,594
Fidelity VIP Growth Portfolio - Service Class 2	3,208,948	865,955
Fidelity VIP Mid Cap Portfolio - Service Class 2	696,689	76,413
Franklin Templeton - Franklin Small Cap Fund - Class 2	19,536	13,555
Franklin Templeton - Franklin Small Cap Value Securities Fund - Class 2	883,850	133,962
Franklin Templeton - Franklin U.S. Government Fund - Class 2	1,065,403	1,153,664
Franklin Templeton - Mutual Shares Securities Fund - Class 2	1,414,833	467,467
Franklin Templeton - Templeton Foreign Securities Fund - Class 2	3,722,235	540,662
Goldman Sachs Capital Growth Fund	61,644	540,976
Janus Aspen Series International Growth Portfolio - Service Shares	1,182,099	511,277
Janus Aspen Series Mid Cap Growth Portfolio - Service Shares	801,586	669,511
Janus Aspen Series Worldwide Growth Portfolio - Service Shares	1,141,735	672,979
JPMorgan Mid Cap Value Portfolio	353,074	31,002
JPMorgan Small Company Portfolio	769,964	113,927
MFS VIT Capital Opportunities Series - Initial Class	881,644	401,891
MFS VIT Emerging Growth Series - Initial Class	3,401,976	1,286,127
MFS VIT New Discovery Series - Initial Class	1,105,456	981,207
MFS VIT Research Series - Initial Class	382,111	104,691
MFS VIT Total Return Series - Initial Class	150,567	68,320
Neuberger Berman AMT Mid-Cap Growth Portfolio - Class I	911,226	339,828
Neuberger Berman AMT Partners Portfolio - Class I	9,056	9,699
Oppenheimer Balanced Fund/VA - Non-Service Shares	517,818	25,746
Oppenheimer Global Securities Fund/VA - Non-Service Shares	823,115	62,606
Oppenheimer High Income Fund/VA - Non-Service Shares	30,914	4,639
PIMCO VIT Real Return Portfolio - Administrative Class	5,330,556	1,290,105
PIMCO VIT Short-Term Portfolio - Administrative Class	2,288,700	776,693
PIMCO VIT Total Return Portfolio - Administrative Class	3,287,456	2,302,628
Pioneer Fund VCT Portfolio - Class I	3,311,359	39,616
Pioneer Growth Opportunities VCT Portfolio - Class I	5,571,057	95,506
Putnam VT Diversified Income Fund - Class IB	2,363,801	708,895

Putnam VT Growth and Income Fund - Class IB	3,450,439	1,354,071
Putnam VT International Growth and Income Fund - Class IB	650,245	1,117,844
Putnam VT Small Cap Value Fund - Class IB	19,928	31,783
Putnam VT Vista Fund - Class IB	4,839	6,963
Putnam VT Voyager Fund - Class IB	90,138	40,837
Safeco RST Core Equity Portfolio	314,509	3,600,917
Safeco RST Growth Opportunities Portfolio	430,020	6,369,626
Scudder VIT Equity 500 Index Fund - Class A	3,501	1,760
SunAmerica - Aggressive Growth Portfolio - Class 1	237,636	33,073

</TABLE>

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AMERICAN GENERAL LIFE INSURANCE COMPANY
SEPARATE ACCOUNT VL-R
NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note D - Security Purchases and Sales - Continued

For the year ended December 31, 2004, the aggregate cost of purchases and proceeds from the sales of investments were:

<TABLE>

<CAPTION>

Divisions	Cost of Purchases	Proceeds from Sales
<S>	<C>	<C>
SunAmerica - SunAmerica Balanced Portfolio - Class 1	\$ 380,119	\$ 40,223
UIF Equity Growth Portfolio - Class I	524,983	827,809
UIF High Yield Portfolio - Class I	442,261	567,777
VALIC Company I - International Equities Fund	556,905	761,026
VALIC Company I - Mid Cap Index Fund	2,871,211	2,562,294
VALIC Company I - Money Market I Fund	28,173,647	30,304,391
VALIC Company I - Nasdaq-100 Index Fund	860,844	444,573
VALIC Company I - Science & Technology Fund	446,915	159,766
VALIC Company I - Small Cap Index Fund	1,488,481	861,311
VALIC Company I - Stock Index Fund	9,103,972	16,487,890
Van Kampen LIT Emerging Growth Portfolio - Class I	6,283	12,386
Van Kampen LIT Government Portfolio - Class I	43,123	27,021
Van Kampen LIT Growth and Income Portfolio - Class I	1,792,353	597,128
Vanguard VIF High Yield Bond Portfolio	5,442,603	2,693,793
Vanguard VIF REIT Index Portfolio	3,702,224	1,101,275

</TABLE>

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AMERICAN GENERAL LIFE INSURANCE COMPANY
SEPARATE ACCOUNT VL-R
NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note E - Investments

The following is a summary of fund shares owned as of December 31, 2004.

<TABLE>

<CAPTION>

Divisions	Shares	Net Asset Value	Value of Shares at Fair Value	Cost of Shares Held
<S>	<C>	<C>	<C>	<C>
AIM V.I. International Growth Fund - Series I	382,557	\$19.77	\$ 7,563,147	\$ 6,020,580
AIM V.I. Premier Equity Fund - Series I	617,477	21.30	13,152,254	13,501,940
Alger American Leveraged AllCap Portfolio - Class O Shares	17,944	30.39	545,330	503,216
Alger American MidCap Growth Portfolio - Class O Shares	47,751	20.80	993,231	870,180
American Century VP Value Fund - Class I	1,654,245	8.75	14,474,643	11,589,658
Credit Suisse Small Cap Growth Portfolio	123,778	15.30	1,893,798	1,578,705
Dreyfus IP MidCap Stock Portfolio - Initial shares	218,318	17.62	3,846,771	3,104,155
Dreyfus VIF Developing Leaders Portfolio - Initial shares	286,886	41.55	11,920,104	9,889,476
Dreyfus VIF Quality Bond Portfolio - Initial shares	706,846	11.41	8,065,115	8,120,836
Fidelity VIP Asset Manager Portfolio - Service Class 2	330,635	14.64	4,840,496	4,432,425
Fidelity VIP Contrafund Portfolio - Service Class 2	630,762	26.35	16,620,579	13,220,459
Fidelity VIP Equity-Income Portfolio - Service Class 2	690,561	25.09	17,326,174	14,460,889
Fidelity VIP Growth Portfolio - Service Class 2	363,166	31.64	11,490,581	10,365,912
Fidelity VIP Mid Cap Portfolio - Service Class 2	37,443	29.88	1,118,796	932,381
Franklin Templeton - Franklin Small Cap Fund - Class 2	8,100	19.43	157,374	134,468
Franklin Templeton - Franklin Small Cap Value Securities Fund - Class 2	75,094	15.65	1,175,221	988,696
Franklin Templeton - Franklin U.S. Government Fund - Class 2	893,681	12.84	11,474,861	11,704,592
Franklin Templeton - Mutual Shares Securities Fund - Class 2	464,219	16.64	7,724,611	5,866,910
Franklin Templeton - Templeton Foreign Securities Fund - Class 2	785,115	14.35	11,266,401	8,327,486
Goldman Sachs Capital Growth Fund	836,872	10.39	8,695,097	7,855,320

Janus Aspen Series International Growth Portfolio - Service Shares	121,786	26.94	3,280,905	2,577,675
Janus Aspen Series Mid Cap Growth Portfolio - Service Shares	104,254	25.36	2,643,890	1,958,672
Janus Aspen Series Worldwide Growth Portfolio - Service Shares	150,979	26.62	4,019,074	3,541,737
JPMorgan Mid Cap Value Portfolio	19,662	25.92	509,644	438,487
JPMorgan Small Company Portfolio	99,840	17.88	1,785,141	1,370,351
MFS VIT Capital Opportunities Series - Initial Class	310,815	13.57	4,217,754	3,595,382
MFS VIT Emerging Growth Series - Initial Class	837,235	17.52	14,668,356	13,624,093
MFS VIT New Discovery Series - Initial Class	232,199	14.87	3,452,798	2,944,070
MFS VIT Research Series - Initial Class	116,458	15.30	1,781,804	1,478,105
MFS VIT Total Return Series - Initial Class	42,601	21.43	912,933	782,409
Neuberger Berman AMT Mid-Cap Growth Portfolio - Class I	157,487	17.83	2,808,001	2,303,479
Neuberger Berman AMT Partners Portfolio - Class I	7,513	18.32	137,641	109,927
Oppenheimer Balanced Fund/VA - Non-Service Shares	38,043	17.35	660,047	603,700
Oppenheimer Global Securities Fund/VA - Non-Service Shares	36,789	29.51	1,085,642	926,716
Oppenheimer High Income Fund/VA - Non-Service Shares	11,382	8.80	100,163	90,771
PIMCO VIT Real Return Portfolio - Administrative Class	1,009,418	12.92	13,041,675	12,365,825
PIMCO VIT Short-Term Portfolio - Administrative Class	594,980	10.08	5,997,396	6,003,174
PIMCO VIT Total Return Portfolio - Administrative Class	1,128,551	10.51	11,861,073	11,631,199
Pioneer Fund VCT Portfolio - Class I	162,632	20.57	3,345,341	3,272,244
Pioneer Growth Opportunities VCT Portfolio - Class I	236,867	23.78	5,632,694	5,476,527
Putnam VT Diversified Income Fund - Class IB	821,519	9.17	7,533,333	7,138,085
Putnam VT Growth and Income Fund - Class IB	710,834	25.44	18,083,616	15,640,091
Putnam VT International Growth and Income Fund - Class IB	406,026	13.51	5,485,413	3,890,006
Putnam VT Small Cap Value Fund - Class IB	21,810	22.79	497,050	316,861
Putnam VT Vista Fund - Class IB	6,775	12.43	84,210	69,025
Putnam VT Voyager Fund - Class IB	12,146	27.20	330,361	302,749
Scudder VIT Equity 500 Index Fund - Class A	1,481	12.73	18,849	17,598
SunAmerica - Aggressive Growth Portfolio - Class 1	50,559	10.19	515,184	425,156
SunAmerica - SunAmerica Balanced Portfolio - Class 1	52,455	14.00	734,164	678,535

</TABLE>

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AMERICAN GENERAL LIFE INSURANCE COMPANY
SEPARATE ACCOUNT VL-R
NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note E - Investments

The following is a summary of fund shares owned as of December 31, 2004.

<TABLE>
<CAPTION>

Divisions	Shares	Net Asset Value	Value of Shares at Fair Value	Cost of Shares Held
<S>	<C>	<C>	<C>	<C>
UIF Equity Growth Portfolio - Class I	270,195	\$13.75	\$ 3,715,185	\$ 3,593,545
UIF High Yield Portfolio - Class I	238,695	7.28	1,737,699	1,585,683
VALIC Company I - International Equities Fund	244,597	7.86	1,922,532	1,525,868
VALIC Company I - Mid Cap Index Fund	725,933	21.30	15,462,377	12,445,450
VALIC Company I - Money Market I Fund	34,546,134	1.00	34,546,134	34,546,134
VALIC Company I - Nasdaq-100 Index Fund	811,732	4.51	3,660,913	2,791,295
VALIC Company I - Science & Technology Fund	108,412	11.42	1,238,061	1,088,071
VALIC Company I - Small Cap Index Fund	307,978	16.04	4,939,968	3,804,437
VALIC Company I - Stock Index Fund	1,186,435	32.77	38,879,463	34,175,164
Van Kampen LIT Emerging Growth Portfolio - Class I	2,189	26.02	56,966	48,229
Van Kampen LIT Government Portfolio - Class I	18,787	9.48	178,102	179,552
Van Kampen LIT Growth and Income Portfolio - Class I	292,761	19.32	5,656,142	4,525,281
Vanguard VIF High Yield Bond Portfolio	799,045	9.02	7,207,387	6,804,057
Vanguard VIF REIT Index Portfolio	527,775	20.09	10,602,996	7,805,370

</TABLE>

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AMERICAN GENERAL LIFE INSURANCE COMPANY
SEPARATE ACCOUNT VL-R
NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note F - Summary of Changes in Units

Summary of Changes in Units for the year ended December 31, 2004.

<TABLE>
<CAPTION>

Divisions	Accumulation Units Issued	Accumulation Units Redeemed	Net Increase (Decrease)
<S>	<C>	<C>	<C>
AIM V.I. International Growth Fund - Series I			
AG Legacy Plus	8,359	(1,179)	7,180

Corporate America	600	(229)	371
Corporate America (reduced surrender charge)	680	(1)	679
Platinum Investor I & II	49,192	(55,963)	(6,771)
Platinum Investor III	211,190	(29,025)	182,165
Platinum Investor PLUS	7,344	(1,271)	6,073
Platinum Investor Survivor	27,183	(5,899)	21,284
Platinum Investor Survivor II	15,918	(218)	15,700
AIM V.I. Premier Equity Fund - Series I			
Corporate America	78	(236)	(158)
Platinum Investor I & II	146,834	(152,515)	(5,681)
Platinum Investor III	160,395	(94,147)	66,248
Platinum Investor FlexDirector	205	(1)	204
Platinum Investor PLUS	10,275	(2,475)	7,800
Platinum Investor Survivor	24,355	(17,775)	6,580
Platinum Investor Survivor II	4,256	(1,177)	3,079
Alger American Leveraged AllCap Portfolio - Class O Shares			
Platinum Investor I & II	141	(43)	98
Platinum Investor III	19,000	(4,298)	14,702
Platinum Investor PLUS	8,707	(879)	7,828
Platinum Investor Survivor	163	(151)	12
Platinum Investor Survivor II	37	(12)	25
Alger American MidCap Growth Portfolio - Class O Shares			
Platinum Investor I & II	9,145	(266)	8,879
Platinum Investor III	31,988	(6,373)	25,615
Platinum Investor FlexDirector	5,715	(28)	5,687
Platinum Investor PLUS	6,929	(1,158)	5,771
Platinum Investor Survivor	--	(1,929)	(1,929)
Platinum Investor Survivor II	726	(139)	587
American Century VP Value Fund - Class I			
AG Legacy Plus	5,289	(1,997)	3,292
Corporate America	--	(1,685)	(1,685)
Platinum Investor I & II	49,139	(27,229)	21,910
Platinum Investor III	221,222	(63,883)	157,339
Platinum Investor FlexDirector	34	(3)	31
Platinum Investor PLUS	26,107	(6,885)	19,222
Platinum Investor Survivor	12,134	(5,109)	7,025
Platinum Investor Survivor II	40,828	(7,494)	33,334
Credit Suisse Small Cap Growth Portfolio			
Platinum Investor I & II	27,987	(4,094)	23,893
Platinum Investor III	45,006	(19,750)	25,256
Platinum Investor FlexDirector	4,748	(25)	4,723
Platinum Investor PLUS	6,102	(1,515)	4,587
Platinum Investor Survivor	402	(2,133)	(1,731)
Platinum Investor Survivor II	697	(171)	526
Dreyfus IP MidCap Stock Portfolio - Initial shares			
Platinum Investor I & II	8,668	(8,177)	491
Platinum Investor III	75,184	(32,259)	42,925
Platinum Investor FlexDirector	3	(2)	1
Platinum Investor PLUS	8,283	(2,677)	5,606
Platinum Investor Survivor	3,020	(3,958)	(938)
Platinum Investor Survivor II	2,006	(717)	1,289

</TABLE>

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AMERICAN GENERAL LIFE INSURANCE COMPANY
SEPARATE ACCOUNT VL-R
NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note F - Summary of Changes in Units - Continued

Summary of Changes in Units for the year ended December 31, 2004.

<TABLE>

<CAPTION>

Divisions	Accumulation Units Issued	Accumulation Units Redeemed	Net Increase (Decrease)
<S>	<C>	<C>	<C>
Dreyfus VIF Developing Leaders Portfolio - Initial shares			
Corporate America	468	(1,604)	(1,136)
Platinum Investor I & II	54,050	(83,708)	(29,658)
Platinum Investor III	146,301	(78,420)	67,881
Platinum Investor PLUS	17,107	(4,983)	12,124
Platinum Investor Survivor	12,265	(7,038)	5,227
Platinum Investor Survivor II	20,505	(5,012)	15,493
Dreyfus VIF Quality Bond Portfolio - Initial shares			
Corporate America	24	(203)	(179)
Platinum Investor I & II	21,635	(62,172)	(40,537)
Platinum Investor III	91,238	(48,132)	43,106
Platinum Investor PLUS	10,901	(5,630)	5,271
Platinum Investor Survivor	6,629	(3,817)	2,812
Platinum Investor Survivor II	3,327	(1,063)	2,264

Fidelity VIP Asset Manager Portfolio - Service Class 2			
AG Legacy Plus	7,329	(595)	6,734
Platinum Investor I & II	47,912	(38,617)	9,295
Platinum Investor III	95,379	(33,406)	61,973
Platinum Investor PLUS	13,302	(3,053)	10,249
Platinum Investor Survivor	1,454	(934)	520
Platinum Investor Survivor II	4,038	(1,253)	2,785
Fidelity VIP Contrafund Portfolio - Service Class 2			
AG Legacy Plus	6,210	(1,554)	4,656
Corporate America	453	(1,743)	(1,290)
Platinum Investor I & II	128,641	(24,241)	104,400
Platinum Investor III	439,390	(111,853)	327,537
Platinum Investor FlexDirector	327	(6)	321
Platinum Investor PLUS	54,739	(11,102)	43,637
Platinum Investor Survivor	45,650	(6,646)	39,004
Platinum Investor Survivor II	24,415	(1,801)	22,614
Fidelity VIP Equity-Income Portfolio - Service Class 2			
AG Legacy Plus	14,306	(3,762)	10,544
Corporate America	1,851	(1,696)	155
Corporate America (reduced surrender charge)	716	(2)	714
Platinum Investor I & II	92,724	(23,135)	69,589
Platinum Investor III	366,492	(107,400)	259,092
Platinum Investor FlexDirector	631	(11)	620
Platinum Investor PLUS	33,742	(8,632)	25,110
Platinum Investor Survivor	51,525	(9,991)	41,534
Platinum Investor Survivor II	21,676	(4,040)	17,636
Fidelity VIP Growth Portfolio - Service Class 2			
AG Legacy Plus	4,814	(1,430)	3,384
Corporate America	--	(112)	(112)
Corporate America (reduced surrender charge)	254	(1)	253
Platinum Investor I & II	73,632	(29,373)	44,259
Platinum Investor III	397,150	(163,927)	233,223
Platinum Investor FlexDirector	7,441	(37)	7,404
Platinum Investor PLUS	59,607	(12,115)	47,492
Platinum Investor Survivor	9,347	(17,977)	(8,630)
Platinum Investor Survivor II	9,417	(3,959)	5,458
Fidelity VIP Mid Cap Portfolio - Service Class 2			
Platinum Investor I & II	3,529	(715)	2,814
Platinum Investor III	35,382	(4,501)	30,881

</TABLE>

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AMERICAN GENERAL LIFE INSURANCE COMPANY
SEPARATE ACCOUNT VL-R
NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note F - Summary of Changes in Units - Continued

Summary of Changes in Units for the year ended December 31, 2004.

Divisions	Accumulation Units Issued	Accumulation Units Redeemed	Net Increase (Decrease)
<S>	<C>	<C>	<C>
Fidelity VIP Mid Cap Portfolio - Service Class 2 - Continued			
Platinum Investor FlexDirector	290	(2)	288
Platinum Investor PLUS	6,300	(1,038)	5,262
Platinum Investor Survivor	1,844	(28)	1,816
Platinum Investor Survivor II	399	(56)	343
Franklin Templeton - Franklin Small Cap Fund - Class 2			
AG Legacy Plus	2,485	(1,391)	1,094
Franklin Templeton - Franklin Small Cap Value Securities Fund - Class 2			
Corporate America (reduced surrender charge)	464	(1)	463
Platinum Investor I & II	12,041	(359)	11,682
Platinum Investor III	31,683	(4,692)	26,991
Platinum Investor FlexDirector	185	(10)	175
Platinum Investor PLUS	11,724	(1,567)	10,157
Platinum Investor Survivor	4,580	(301)	4,279
Platinum Investor Survivor II	437	(342)	95
Franklin Templeton - Franklin U.S. Government Fund - Class 2			
Platinum Investor I & II	1,491	(14,608)	(13,117)
Platinum Investor III	29,741	(77,166)	(47,425)
Platinum Investor PLUS	10,411	(4,384)	6,027
Platinum Investor Survivor	338	(12)	326
Platinum Investor Survivor II	3,449	(2,022)	1,427
Franklin Templeton - Mutual Shares Securities Fund - Class 2			
Platinum Investor I & II	38,458	(8,120)	30,338
Platinum Investor III	81,677	(40,862)	40,815
Platinum Investor FlexDirector	317	(5)	312
Platinum Investor PLUS	14,479	(3,887)	10,592

Platinum Investor Survivor	428	(1,103)	(675)
Platinum Investor Survivor II	4,287	(1,398)	2,889
Franklin Templeton - Templeton Foreign Securities Fund - Class 2			
AG Legacy Plus	6,490	(1,168)	5,322
Platinum Investor I & II	78,175	(8,968)	69,207
Platinum Investor III	211,466	(40,525)	170,941
Platinum Investor FlexDirector	441	(4)	437
Platinum Investor PLUS	12,149	(2,478)	9,671
Platinum Investor Survivor	16,008	(2,411)	13,597
Platinum Investor Survivor II	24,828	(2,596)	22,232
Goldman Sachs Capital Growth Fund			
Platinum Investor I & II	--	(867)	(867)
Platinum Investor III	--	(1,846)	(1,846)
Platinum Investor PLUS	--	(2)	(2)
Platinum Investor Survivor	--	(36,264)	(36,264)
Platinum Investor Survivor II	--	(17,089)	(17,089)
Janus Aspen Series International Growth Portfolio - Service Shares			
Corporate America	--	(30)	(30)
Platinum Investor I & II	42,750	(11,601)	31,149
Platinum Investor III	77,373	(32,460)	44,913
Platinum Investor FlexDirector	12,854	(70)	12,784
Platinum Investor PLUS	5,291	(1,325)	3,966
Platinum Investor Survivor	10,189	(13,854)	(3,665)
Platinum Investor Survivor II	866	(782)	84
Janus Aspen Series Mid Cap Growth Portfolio - Service Shares			
Corporate America	--	(1,858)	(1,858)
Platinum Investor I & II	7,609	(7,789)	(180)

</TABLE>

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AMERICAN GENERAL LIFE INSURANCE COMPANY
SEPARATE ACCOUNT VL-R
NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note F - Summary of Changes in Units - Continued

Summary of Changes in Units for the year ended December 31, 2004.

<TABLE>

<CAPTION>

Divisions	Accumulation Units Issued	Accumulation Units Redeemed	Net Increase (Decrease)
<S>	<C>	<C>	<C>
Janus Aspen Series Mid Cap Growth Portfolio - Service Shares - Continued			
Platinum Investor III	120,674	(95,407)	25,267
Platinum Investor PLUS	3,912	(1,441)	2,471
Platinum Investor Survivor	4,546	(7,662)	(3,116)
Platinum Investor Survivor II	958	(166)	792
Janus Aspen Series Worldwide Growth Portfolio - Service Shares			
Corporate America	591	(1,990)	(1,399)
Platinum Investor I & II	7,808	(11,429)	(3,621)
Platinum Investor III	114,343	(61,554)	52,789
Platinum Investor PLUS	6,624	(2,480)	4,144
Platinum Investor Survivor	7,099	(6,713)	386
Platinum Investor Survivor II	16,801	(3,939)	12,862
JPMorgan Mid Cap Value Portfolio			
Platinum Investor I & II	2,011	(74)	1,937
Platinum Investor III	20,807	(3,070)	17,737
Platinum Investor PLUS	4,946	(552)	4,394
Platinum Investor Survivor	245	(38)	207
Platinum Investor Survivor II	200	(74)	126
JPMorgan Small Company Portfolio			
Platinum Investor I & II	18,310	(2,141)	16,169
Platinum Investor III	55,923	(13,980)	41,943
Platinum Investor PLUS	5,376	(992)	4,384
Platinum Investor Survivor	1,248	(514)	734
Platinum Investor Survivor II	2,774	(97)	2,677
MFS VIT Capital Opportunities Series - Initial Class			
Corporate America	--	(3,396)	(3,396)
Platinum Investor I & II	6,040	(15,921)	(9,881)
Platinum Investor III	136,038	(72,326)	63,712
Platinum Investor FlexDirector	173	--	173
Platinum Investor PLUS	24,398	(4,467)	19,931
Platinum Investor Survivor	7,259	(12,843)	(5,584)
Platinum Investor Survivor II	1,246	(534)	712
MFS VIT Emerging Growth Series - Initial Class			
AG Legacy Plus	845	(942)	(97)
Corporate America	--	(232)	(232)

Corporate America (reduced surrender charge)	922	(2)	920
Platinum Investor I & II	132,247	(133,405)	(1,158)
Platinum Investor III	441,801	(127,638)	314,163
Platinum Investor FlexDirector	207	(10)	197
Platinum Investor PLUS	23,594	(4,912)	18,682
Platinum Investor Survivor	64,099	(23,781)	40,318
Platinum Investor Survivor II	30,736	(607)	30,129
MFS VIT New Discovery Series - Initial Class			
AG Legacy Plus	5,396	(1,056)	4,340
Corporate America	--	(1,449)	(1,449)
Platinum Investor I & II	41,557	(71,031)	(29,474)
Platinum Investor III	96,661	(39,991)	56,670
Platinum Investor FlexDirector	262	(6)	256
Platinum Investor PLUS	11,611	(2,679)	8,932
Platinum Investor Survivor	4,788	(7,198)	(2,410)
Platinum Investor Survivor II	1,002	(12,978)	(11,976)
MFS VIT Research Series - Initial Class			
Corporate America	--	(39)	(39)

</TABLE>

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AMERICAN GENERAL LIFE INSURANCE COMPANY
SEPARATE ACCOUNT VL-R
NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note F - Summary of Changes in Units - Continued

Summary of Changes in Units for the year ended December 31, 2004.

<TABLE>

<CAPTION>

Divisions	Accumulation Units Issued	Accumulation Units Redeemed	Net Increase (Decrease)
<S>	<C>	<C>	<C>
MFS VIT Research Series - Initial Class - Continued			
Platinum Investor I & II	9,479	(6,756)	2,723
Platinum Investor III	60,663	(29,059)	31,604
Platinum Investor FlexDirector	106	--	106
Platinum Investor PLUS	3,785	(963)	2,822
Platinum Investor Survivor	2,449	(2,900)	(451)
Platinum Investor Survivor II	2,114	(630)	1,484
MFS VIT Total Return Series - Initial Class			
AG Legacy Plus	24,630	(11,595)	13,035
Neuberger Berman AMT Mid-Cap Growth Portfolio - Class I			
Corporate America	788	--	788
Corporate America (reduced surrender charge)	233	--	233
Platinum Investor I & II	16,311	(7,773)	8,538
Platinum Investor III	90,413	(48,788)	41,625
Platinum Investor FlexDirector	166	--	166
Platinum Investor PLUS	23,788	(4,275)	19,513
Platinum Investor Survivor	20,342	(6,966)	13,376
Platinum Investor Survivor II	3,008	(1,449)	1,559
Neuberger Berman AMT Partners Portfolio - Class I			
AG Legacy Plus	867	(870)	(3)
Oppenheimer Balanced Fund/VA - Non-Service Shares			
Platinum Investor I & II	2,533	(140)	2,393
Platinum Investor III	27,006	(2,991)	24,015
Platinum Investor PLUS	14,666	(718)	13,948
Platinum Investor Survivor	--	--	--
Platinum Investor Survivor II	802	(129)	673
Oppenheimer Global Securities Fund/VA - Non-Service Shares			
Platinum Investor I & II	2,120	(3)	2,117
Platinum Investor III	49,013	(5,649)	43,364
Platinum Investor FlexDirector	4	(2)	2
Platinum Investor PLUS	6,285	(926)	5,359
Platinum Investor Survivor	1,214	(110)	1,104
Platinum Investor Survivor II	328	(266)	62
Oppenheimer High Income Fund/VA - Non-Service Shares			
AG Legacy Plus	2,267	(440)	1,827
PIMCO VIT Real Return Portfolio - Administrative Class			
AG Legacy Plus	4,782	(3,606)	1,176
Corporate America	--	(88)	(88)
Corporate America (reduced surrender charge)	754	(1)	753
Platinum Investor I & II	22,076	(17,998)	4,078

Platinum Investor III	298,192	(93,486)	204,706
Platinum Investor FlexDirector	305	(7)	298
Platinum Investor PLUS	18,544	(7,623)	10,921
Platinum Investor Survivor	14,284	(4,508)	9,776
Platinum Investor Survivor II	27,071	(3,206)	23,865
PIMCO VIT Short-Term Portfolio -			
Administrative Class			
Corporate America	9,348	(3,303)	6,045
Platinum Investor I & II	46,142	(24,793)	21,349
Platinum Investor III	99,222	(24,830)	74,392
Platinum Investor FlexDirector	4,080	(21)	4,059
Platinum Investor PLUS	10,935	(1,838)	9,097
Platinum Investor Survivor	20,906	(3,262)	17,644
Platinum Investor Survivor II	3,316	(2,712)	604

</TABLE>

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AMERICAN GENERAL LIFE INSURANCE COMPANY
SEPARATE ACCOUNT VL-R
NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note F - Summary of Changes in Units - Continued

Summary of Changes in Units for the year ended December 31, 2004.

<TABLE>

<CAPTION>

Divisions	Accumulation Units Issued	Accumulation Units Redeemed	Net Increase (Decrease)
<S>	<C>	<C>	<C>
PIMCO VIT Total Return Portfolio -			
Administrative Class			
AG Legacy Plus	5,160	(2,003)	3,157
Corporate America	2,167	(132)	2,035
Platinum Investor I & II	24,815	(34,860)	(10,045)
Platinum Investor III	132,133	(100,920)	31,213
Platinum Investor FlexDirector	6,336	(41)	6,295
Platinum Investor PLUS	30,649	(8,015)	22,634
Platinum Investor Survivor	2,284	(6,870)	(4,586)
Platinum Investor Survivor II	9,997	(4,158)	5,839
Pioneer Fund VCT Portfolio - Class I			
Platinum Investor I & II	246,612	(4,263)	242,349
Platinum Investor III	55,941	(498)	55,443
Platinum Investor PLUS	1,005	(7)	998
Platinum Investor Survivor	28,357	(185)	28,172
Platinum Investor Survivor II	392	(4)	388
Pioneer Growth Opportunities VCT Portfolio -			
Class I			
Corporate America	3,482	(8)	3,474
Platinum Investor I & II	354,695	(6,863)	347,832
Platinum Investor III	139,194	(1,261)	137,933
Platinum Investor PLUS	5,023	(44)	4,979
Platinum Investor Survivor	14,562	(243)	14,319
Platinum Investor Survivor II	39,332	(6)	39,326
Putnam VT Diversified Income Fund - Class IB			
AG Legacy Plus	4,542	(434)	4,108
Corporate America	105,949	(4,451)	101,498
Platinum Investor I & II	5,981	(35,410)	(29,429)
Platinum Investor III	18,349	(13,628)	4,721
Platinum Investor FlexDirector	65	--	65
Platinum Investor PLUS	3,002	(1,082)	1,920
Platinum Investor Survivor	270	(3,345)	(3,075)
Platinum Investor Survivor II	1,417	(202)	1,215
Putnam VT Growth and Income Fund - Class IB			
Corporate America	134,475	(6,520)	127,955
Platinum Investor I & II	56,218	(73,889)	(17,671)
Platinum Investor III	146,421	(89,431)	56,990
Platinum Investor FlexDirector	9,193	(45)	9,148
Platinum Investor PLUS	18,714	(5,059)	13,655
Platinum Investor Survivor	15,931	(20,215)	(4,284)
Platinum Investor Survivor II	1,590	(1,201)	389
Putnam VT International Growth and Income Fund			
- Class IB			
Corporate America	960	(1)	959
Platinum Investor I & II	22,238	(57,145)	(34,907)
Platinum Investor III	40,988	(48,322)	(7,334)
Platinum Investor FlexDirector	114	(2)	112
Platinum Investor PLUS	5,982	(1,774)	4,208
Platinum Investor Survivor	5,195	(10,780)	(5,585)
Platinum Investor Survivor II	1,346	(6,192)	(4,846)
Putnam VT Small Cap Value Fund - Class IB			

AG Legacy Plus	712	(1,359)	(647)
Putnam VT Vista Fund - Class IB			
AG Legacy Plus	386	(713)	(327)
Putnam VT Voyager Fund - Class IB			
AG Legacy Plus	12,280	(3,201)	9,079

</TABLE>

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AMERICAN GENERAL LIFE INSURANCE COMPANY
SEPARATE ACCOUNT VL-R
NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note F - Summary of Changes in Units - Continued

Summary of Changes in Units for the year ended December 31, 2004.

<TABLE>

<CAPTION>

Divisions	Accumulation Units Issued	Accumulation Units Redeemed	Net Increase (Decrease)
<S>	<C>	<C>	<C>
Safeco RST Core Equity Portfolio			
Platinum Investor I & II	29,337	(305,514)	(276,177)
Platinum Investor III	16,668	(80,604)	(63,936)
Platinum Investor PLUS	203	(1,041)	(838)
Platinum Investor Survivor	6,952	(39,189)	(32,237)
Platinum Investor Survivor II	274	(461)	(187)
Safeco RST Growth Opportunities Portfolio			
Corporate America	31	(3,402)	(3,371)
Platinum Investor I & II	33,254	(429,745)	(396,491)
Platinum Investor III	31,627	(152,584)	(120,957)
Platinum Investor PLUS	1,137	(4,704)	(3,567)
Platinum Investor Survivor	2,113	(19,131)	(17,018)
Platinum Investor Survivor II	11,326	(34,569)	(23,243)
Scudder VIT Equity 500 Index Fund - Class A			
Legacy Plus	419	(232)	187
SunAmerica - Aggressive Growth Portfolio - Class 1			
Platinum Investor I & II	337	(643)	(306)
Platinum Investor III	19,952	(5,233)	14,719
Platinum Investor PLUS	5,224	(1,000)	4,224
Platinum Investor Survivor	1,065	(46)	1,019
Platinum Investor Survivor II	189	(70)	119
SunAmerica - SunAmerica Balanced Portfolio - Class 1			
Platinum Investor I & II	223	(171)	52
Platinum Investor III	34,706	(10,404)	24,302
Platinum Investor PLUS	9,680	(2,392)	7,288
Platinum Investor Survivor II	1,009	(166)	843
UIF Equity Growth Portfolio - Class I			
Platinum Investor I & II	56,887	(94,152)	(37,265)
Platinum Investor III	27,185	(14,533)	12,652
Platinum Investor PLUS	2,823	(643)	2,180
Platinum Investor Survivor	4,070	(10,690)	(6,620)
Platinum Investor Survivor II	99	(21)	78
UIF High Yield Portfolio - Class I			
Platinum Investor I & II	10,395	(42,991)	(32,596)
Platinum Investor FlexDirector	1,743	(8)	1,735
Platinum Investor III	13,057	(5,364)	7,693
Platinum Investor PLUS	2,069	(307)	1,762
Platinum Investor Survivor	3,093	(3,719)	(626)
Platinum Investor Survivor II	1,483	(932)	551
VALIC Company I - International Equities Fund			
AG Legacy Plus	6,548	(804)	5,744
Platinum Investor I & II	15,764	(67,617)	(51,853)
Platinum Investor III	31,840	(12,819)	19,021
Platinum Investor FlexDirector	359	(10)	349
Platinum Investor PLUS	5,046	(738)	4,308
Platinum Investor Survivor	3,192	(1,798)	1,394
Platinum Investor Survivor II	1,290	(330)	960
VALIC Company I - Mid Cap Index Fund			
AG Legacy Plus	5,627	(931)	4,696
Corporate America	48	(1,030)	(982)
Corporate America (reduced surrender charge)	705	(1)	704
Platinum Investor I & II	40,325	(118,088)	(77,763)
Platinum Investor III	131,262	(55,612)	75,650

</TABLE>

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Note F - Summary of Changes in Units - Continued

Summary of Changes in Units for the year ended December 31, 2004.

<TABLE>
 <CAPTION>

Divisions	Accumulation Units Issued	Accumulation Units Redeemed	Net Increase (Decrease)
<S>	<C>	<C>	<C>
VALIC Company I - Mid Cap Index Fund - Continued			
Platinum Investor PLUS	26,921	(4,209)	22,712
Platinum Investor Survivor	11,171	(8,306)	2,865
Platinum Investor Survivor II	16,206	(3,972)	12,234
VALIC Company I - Money Market I Fund			
AG Legacy Plus	100,017	(102,487)	(2,470)
Corporate America	64,846	(63,733)	1,113
Corporate America (reduced surrender charge)	32,328	(5,241)	27,087
Legacy Plus	190	(107)	83
Platinum Investor I & II	278,917	(518,582)	(239,665)
Platinum Investor III	1,940,255	(1,875,974)	64,281
Platinum Investor FlexDirector	62,864	(57,978)	4,886
Platinum Investor PLUS	448,303	(438,160)	10,143
Platinum Investor Survivor	63,233	(87,075)	(23,842)
Platinum Investor Survivor II	162,859	(184,079)	(21,220)
VALIC Company I - Nasdaq-100 Index Fund			
Platinum Investor I & II	33,616	(13,320)	20,296
Platinum Investor III	105,366	(83,209)	22,157
Platinum Investor FlexDirector	51	(3)	48
Platinum Investor PLUS	7,518	(1,658)	5,860
Platinum Investor Survivor	12,152	(2,977)	9,175
Platinum Investor Survivor II	11,245	(74)	11,171
VALIC Company I - Science & Technology Fund			
Platinum Investor I & II	60,602	(17,466)	43,136
Platinum Investor III	58,249	(29,890)	28,359
Platinum Investor FlexDirector	55	(4)	51
Platinum Investor PLUS	2,112	(1,007)	1,105
Platinum Investor Survivor	4,225	(1,398)	2,827
Platinum Investor Survivor II	572	(193)	379
VALIC Company I - Small Cap Index Fund			
Corporate America	--	(507)	(507)
Platinum Investor I & II	8,079	(32,964)	(24,885)
Platinum Investor III	86,323	(21,958)	64,365
Platinum Investor FlexDirector	34	(2)	32
Platinum Investor PLUS	18,047	(2,261)	15,786
Platinum Investor Survivor	2,854	(8,362)	(5,508)
Platinum Investor Survivor II	1,893	(499)	1,394
VALIC Company I - Stock Index Fund			
AG Legacy Plus	33,622	(3,730)	29,892
Corporate America	78	(354)	(276)
Platinum Investor I & II	189,803	(383,612)	(193,809)
Platinum Investor III	539,017	(1,016,672)	(477,655)
Platinum Investor FlexDirector	87	--	87
Platinum Investor PLUS	27,769	(6,712)	21,057
Platinum Investor Survivor	45,262	(293,260)	(247,998)
Platinum Investor Survivor II	54,155	(185,824)	(131,669)
Van Kampen LIT Emerging Growth Portfolio - Class I			
AG Legacy Plus	1,652	(2,943)	(1,291)
Van Kampen LIT Government Portfolio - Class I			
AG Legacy Plus	2,796	(2,071)	725
Van Kampen LIT Growth and Income Portfolio - Class I			
Platinum Investor I & II	38,086	(24,886)	13,200
Platinum Investor III	119,619	(32,697)	86,922

</TABLE>

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Note F - Summary of Changes in Units - Continued

Summary of Changes in Units for the year ended December 31, 2004.

<TABLE>
 <CAPTION>

Divisions	Accumulation Units Issued	Accumulation Units Redeemed	Net Increase (Decrease)

<S>	<C>	<C>	<C>
Van Kampen LIT Growth and Income Portfolio - Class I - Continued			
Platinum Investor FlexDirector	34	(2)	32
Platinum Investor PLUS	9,642	(3,075)	6,567
Platinum Investor Survivor	7,296	(5,764)	1,532
Platinum Investor Survivor II	2,936	(1,055)	1,881
Vanguard VIF High Yield Bond Portfolio			
Platinum Investor I & II	36,007	(9,450)	26,557
Platinum Investor III	161,594	(34,787)	126,807
Platinum Investor FlexDirector	34	(2)	32
Platinum Investor PLUS	16,258	(3,487)	12,771
Platinum Investor Survivor	22,712	(7,868)	14,844
Platinum Investor Survivor II	21,213	(909)	20,304
Vanguard VIF REIT Index Portfolio			
Corporate America	--	(3,135)	(3,135)
Platinum Investor I & II	28,989	(8,935)	20,054
Platinum Investor III	98,189	(34,459)	63,730
Platinum Investor FlexDirector	3,872	(23)	3,849
Platinum Investor PLUS	31,592	(5,804)	25,788
Platinum Investor Survivor	11,750	(2,148)	9,602
Platinum Investor Survivor II	15,521	(1,475)	14,046

</TABLE>

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AMERICAN GENERAL LIFE INSURANCE COMPANY
SEPARATE ACCOUNT VL-R
NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note F - Summary of Changes in Units - Continued

Summary of Changes in Units for the year ended December 31, 2003.

<TABLE>

<CAPTION>

Divisions	Accumulation Units Issued	Accumulation Units Redeemed	Net Increase (Decrease)
-----	-----	-----	-----
<S>	<C>	<C>	<C>
AIM V.I. International Growth Fund - Series I			
AG Legacy Plus	6,274	(11,281)	(5,007)
Corporate America	1,186	(256)	930
Platinum Investor I & II	76,995	(116,962)	(39,967)
Platinum Investor III	65,980	(22,903)	43,077
Platinum Investor PLUS	3,953	(620)	3,333
Platinum Investor Survivor	8,299	(11,973)	(3,674)
Platinum Investor Survivor II	135	(308)	(173)
AIM V.I. Premier Equity Fund - Series I			
Corporate America	85	(228)	(143)
Legacy Plus	--	(1)	(1)
Platinum Investor I & II	173,672	(274,866)	(101,194)
Platinum Investor III	183,281	(97,216)	86,065
Platinum Investor PLUS	8,508	(1,310)	7,198
Platinum Investor Survivor	37,635	(33,390)	4,245
Platinum Investor Survivor II	1,853	(1,142)	711
Alger American Leveraged AllCap Portfolio - Class O Shares			
Platinum Investor III	18,270	(263)	18,007
Platinum Investor PLUS	1,275	(69)	1,206
Platinum Investor Survivor	190	(52)	138
Platinum Investor Survivor II	104	(1)	103
Alger American MidCap Growth Portfolio - Class O Shares			
Platinum Investor III	19,295	(510)	18,785
Platinum Investor PLUS	1,063	(78)	985
Platinum Investor Survivor	2,294	(120)	2,174
Platinum Investor Survivor II	355	(12)	343
American Century VP Value Fund - Class I			
AG Legacy Plus	4,709	(6,085)	(1,376)
Corporate America	703	(1,159)	(456)
Platinum Investor I & II	90,261	(59,760)	30,501
Platinum Investor III	209,686	(61,824)	147,862
Platinum Investor PLUS	19,264	(3,542)	15,722
Platinum Investor Survivor	18,947	(6,047)	12,900
Platinum Investor Survivor II	31,849	(7,441)	24,408
Ayco Growth Fund			
Platinum Investor I & II	151	(29,217)	(29,066)
Platinum Investor III	5,914	(36,062)	(30,148)
Platinum Investor PLUS	26	(27)	(1)
Platinum Investor Survivor	--	(789,598)	(789,598)
Platinum Investor Survivor II	--	(222,735)	(222,735)
Credit Suisse Small Cap Growth Portfolio			
Platinum Investor I & II	18,634	(7,048)	11,586
Platinum Investor III	77,055	(13,952)	63,103
Platinum Investor PLUS	3,551	(585)	2,966

Platinum Investor Survivor	2,739	(1,575)	1,164
Platinum Investor Survivor II	721	(96)	625
Dreyfus IP MidCap Stock Portfolio - Initial shares			
Platinum Investor I & II	16,562	(6,547)	10,015
Platinum Investor III	71,478	(31,070)	40,408
Platinum Investor PLUS	9,409	(1,374)	8,035
Platinum Investor Survivor	2,359	(4,035)	(1,676)
Platinum Investor Survivor II	3,173	(634)	2,539

</TABLE>

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AMERICAN GENERAL LIFE INSURANCE COMPANY
SEPARATE ACCOUNT VL-R
NOTES TO FINANCIAL STATEMENTS

Note F - Summary of Changes in Units - Continued

Summary of Changes in Units for the Year Ended December 31, 2003.

<TABLE>
<CAPTION>

Divisions	Accumulation Units Issued	Accumulation Units Redeemed	Net Increase (Decrease)
<S>	<C>	<C>	<C>
Dreyfus VIF Developing Leaders Portfolio - Initial shares			
Corporate America	3,022	(790)	2,232
Platinum Investor I & II	76,960	(97,790)	(20,830)
Platinum Investor III	180,173	(73,729)	106,444
Platinum Investor PLUS	13,861	(3,210)	10,651
Platinum Investor Survivor	13,161	(115,971)	(102,810)
Platinum Investor Survivor II	28,864	(4,922)	23,942
Dreyfus VIF Quality Bond Portfolio - Initial shares			
Corporate America	25	(176)	(151)
Platinum Investor I & II	24,238	(106,898)	(82,660)
Platinum Investor III	102,634	(45,402)	57,232
Platinum Investor PLUS	11,577	(4,000)	7,577
Platinum Investor Survivor	7,219	(4,159)	3,060
Platinum Investor Survivor II	2,068	(644)	1,424
Fidelity VIP Asset Manager Portfolio - Service Class 2			
AG Legacy Plus	5,803	(384)	5,419
Platinum Investor I & II	96,784	(76,390)	20,394
Platinum Investor III	93,269	(25,955)	67,314
Platinum Investor PLUS	6,980	(1,227)	5,753
Platinum Investor Survivor	2,490	(2,092)	398
Platinum Investor Survivor II	4,796	(982)	3,814
Fidelity VIP Contrafund Portfolio - Service Class 2			
AG Legacy Plus	12,725	(1,041)	11,684
Corporate America	1,303	(984)	319
Platinum Investor I & II	81,721	(50,361)	31,360
Platinum Investor III	371,144	(94,138)	277,006
Platinum Investor PLUS	28,044	(3,874)	24,170
Platinum Investor Survivor	8,069	(242,684)	(234,615)
Platinum Investor Survivor II	6,563	(1,572)	4,991
Fidelity VIP Equity-Income Portfolio - Service Class 2			
AG Legacy Plus	15,655	(2,344)	13,311
Corporate America	3,103	(1,155)	1,948
Platinum Investor I & II	82,850	(45,650)	37,200
Platinum Investor III	358,761	(98,918)	259,843
Platinum Investor PLUS	26,542	(4,475)	22,067
Platinum Investor Survivor	17,519	(214,156)	(196,637)
Platinum Investor Survivor II	7,414	(4,125)	3,289
Fidelity VIP Growth Portfolio - Service Class 2			
AG Legacy Plus	5,164	(1,480)	3,684
Corporate America	1,277	(107)	1,170
Platinum Investor I & II	50,769	(54,295)	(3,526)
Platinum Investor III	423,033	(144,998)	278,035
Platinum Investor PLUS	33,584	(4,617)	28,967
Platinum Investor Survivor	32,144	(351,681)	(319,537)
Platinum Investor Survivor II	7,150	(4,205)	2,945
Fidelity VIP Mid Cap Portfolio - Service Class 2			
Platinum Investor I & II	14,015	(85)	13,930
Platinum Investor III	7,829	(239)	7,590
Platinum Investor PLUS	1,215	(132)	1,083
Platinum Investor Survivor II	648	(2)	646
Franklin Templeton - Franklin Small Cap Fund - Class 2			
AG Legacy Plus	2,125	(690)	1,435

</TABLE>

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AMERICAN GENERAL LIFE INSURANCE COMPANY
 SEPARATE ACCOUNT VL-R
 NOTES TO FINANCIAL STATEMENTS

Note F - Summary of Changes in Units - Continued

Summary of Changes in Units for the Year Ended December 31, 2003.

<TABLE>
 <CAPTION>

Divisions	Accumulation Units Issued	Accumulation Units Redeemed	Net Increase (Decrease)
<S>	<C>	<C>	<C>
Franklin Templeton - Franklin Small Cap Value Securities Fund - Class 2			
Platinum Investor I & II	827	(4)	823
Platinum Investor III	14,291	(371)	13,920
Platinum Investor PLUS	2,335	(61)	2,274
Platinum Investor Survivor	954	-	954
Platinum Investor Survivor II	410	(3)	407
Franklin Templeton - Franklin U.S. Government Fund - Class 2			
Platinum Investor I & II	17,746	(7,146)	10,600
Platinum Investor III	298,886	(71,552)	227,334
Platinum Investor PLUS	33,379	(2,565)	30,814
Platinum Investor Survivor	9,864	(34,612)	(24,748)
Platinum Investor Survivor II	5,006	(938)	4,068
Franklin Templeton - Mutual Shares Securities Fund - Class 2			
Platinum Investor I & II	24,039	(12,173)	11,866
Platinum Investor III	52,285	(39,157)	13,128
Platinum Investor PLUS	7,694	(1,441)	6,253
Platinum Investor Survivor	1,493	(109)	1,384
Platinum Investor Survivor II	9,312	(1,349)	7,963
Franklin Templeton - Templeton Foreign Securities Fund - Class 2			
AG Legacy Plus	7,261	(401)	6,860
Platinum Investor I & II	50,792	(3,608)	47,184
Platinum Investor III	35,180	(38,586)	(3,406)
Platinum Investor PLUS	4,181	(675)	3,506
Platinum Investor Survivor	6,322	(962)	5,360
Platinum Investor Survivor II	18,548	(1,884)	16,664
Goldman Sachs Capital Growth Fund			
Platinum Investor I & II	14,862	(1)	14,861
Platinum Investor III	16,345	(121)	16,224
Platinum Investor PLUS	115	-	115
Platinum Investor Survivor	740,046	(8)	740,038
Platinum Investor Survivor II	203,960	(1,450)	202,510
Janus Aspen Series International Growth Portfolio - Service Shares			
Corporate America	1,379	(33)	1,346
Platinum Investor I & II	16,648	(9,377)	7,271
Platinum Investor III	87,331	(33,171)	54,160
Platinum Investor PLUS	3,395	(805)	2,590
Platinum Investor Survivor	15,434	(5,554)	9,880
Platinum Investor Survivor II	-	(5,923)	(5,923)
Janus Aspen Series Mid Cap Growth Portfolio - Service Shares			
Corporate America	951	(742)	209
Platinum Investor I & II	13,052	(11,566)	1,486
Platinum Investor III	198,336	(78,828)	119,508
Platinum Investor PLUS	5,512	(919)	4,593
Platinum Investor Survivor	21,349	(6,331)	15,018
Platinum Investor Survivor II	1,031	(35)	996
Janus Aspen Series Worldwide Growth Portfolio - Service Shares			
Corporate America	3,676	(977)	2,699
Platinum Investor I & II	32,338	(57,763)	(25,425)
Platinum Investor III	167,354	(58,998)	108,356
Platinum Investor PLUS	8,615	(1,421)	7,194
Platinum Investor Survivor	20,463	(5,284)	15,179
Platinum Investor Survivor II	18,111	(4,402)	13,709

</TABLE>

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AMERICAN GENERAL LIFE INSURANCE COMPANY
 SEPARATE ACCOUNT VL-R
 NOTES TO FINANCIAL STATEMENTS

Note F - Summary of Changes in Units - Continued

Summary of Changes in Units for the Year Ended December 31, 2003.

Divisions	Accumulation Units Issued	Accumulation Units Redeemed	Net Increase (Decrease)
JPMorgan Mid Cap Value Portfolio			

Platinum Investor I & II	45	(6)	39
Platinum Investor III	9,715	(383)	9,332
Platinum Investor PLUS	177	(38)	139
Platinum Investor Survivor II	378	(19)	359
JPMorgan Small Company Portfolio			
Platinum Investor I & II	12,196	(1,758)	10,438
Platinum Investor III	40,853	(10,824)	30,029
Platinum Investor PLUS	1,835	(373)	1,462
Platinum Investor Survivor	390	(1,093)	(703)
Platinum Investor Survivor II	376	(23)	353
MFS VIT Capital Opportunities			
Series - Initial Class			
Corporate America	1,425	(1,058)	367
Platinum Investor I & II	19,736	(34,270)	(14,534)
Platinum Investor III	169,426	(79,215)	90,211
Platinum Investor PLUS	12,954	(1,681)	11,273
Platinum Investor Survivor	16,183	(12,148)	4,035
Platinum Investor Survivor II	910	(450)	460
MFS VIT Emerging Growth Series -			
Initial Class			
AG Legacy Plus	2,675	(495)	2,180
Corporate America	--	(199)	(199)
Platinum Investor I & II	193,938	(220,645)	(26,707)
Platinum Investor III	430,275	(126,793)	303,482
Platinum Investor PLUS	11,349	(1,779)	9,570
Platinum Investor Survivor	44,672	(28,380)	16,292
Platinum Investor Survivor II	1,583	(480)	1,103
MFS VIT New Discovery Series -			
Initial Class			
AG Legacy Plus	4,697	(376)	4,321
Corporate America	956	(627)	329
Platinum Investor I & II	24,131	(15,701)	8,430
Platinum Investor III	116,943	(35,732)	81,211
Platinum Investor PLUS	6,773	(1,248)	5,525
Platinum Investor Survivor	8,502	(2,059)	6,443
Platinum Investor Survivor II	4,111	(2,036)	2,075
MFS VIT Research Series - Initial			
Class			
Corporate America	1,235	(40)	1,195
Platinum Investor I & II	7,453	(5,841)	1,612
Platinum Investor III	63,584	(31,790)	31,794
Platinum Investor PLUS	3,315	(433)	2,882
Platinum Investor Survivor	4,536	(3,991)	545
Platinum Investor Survivor II	2,230	(709)	1,521
MFS VIT Total Return Series -			
Initial Class			
AG Legacy Plus	18,728	(21,260)	(2,532)
Neuberger Berman AMT Mid-Cap			
Growth Portfolio - Class I			
Corporate America	1,001	--	1,001
Platinum Investor I & II	6,196	(12,872)	(6,676)
Platinum Investor III	121,148	(46,044)	75,104
Platinum Investor PLUS	9,131	(1,367)	7,764
Platinum Investor Survivor	5,537	(166,619)	(161,082)
Platinum Investor Survivor II	4,511	(1,083)	3,428
Neuberger Berman AMT Partners			
Portfolio - Class I			
AG Legacy Plus	745	(368)	377

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AMERICAN GENERAL LIFE INSURANCE COMPANY
SEPARATE ACCOUNT VL-R
NOTES TO FINANCIAL STATEMENTS

Note F - Summary of Changes in Units - Continued

Summary of Changes in Units for the Year Ended December 31, 2003.

Divisions	Accumulation Units Issued	Accumulation Units Redeemed	Net Increase (Decrease)

Oppenheimer Global Securities			
Fund/VA - Non-Service Shares			
Platinum Investor I & II	2,681	--	2,681
Platinum Investor III	8,184	(220)	7,964
Platinum Investor PLUS	305	(51)	254
Platinum Investor Survivor	1,282	(11)	1,271
Platinum Investor Survivor II	316	--	316
Oppenheimer High Income Fund/VA -			
Non-Service Shares			
AG Legacy Plus	385	(5,952)	(5,567)
Oppenheimer Balanced Fund/VA -			

Non - Service Shares			
Platinum Investor I & II	2	--	2
Platinum Investor III	5,806	(131)	5,675
Platinum Investor PLUS	516	(25)	491
Platinum Investor Survivor	433	--	433
Platinum Investor Survivor II	3,205	(8)	3,197
PIMCO VIT Real Return Portfolio - Administrative Class			
AG Legacy Plus	16,602	(2,635)	13,967
Corporate America	--	(611)	(611)
Platinum Investor I & II	16,412	(90,663)	(74,251)
Platinum Investor III	233,810	(51,006)	182,804
Platinum Investor PLUS	19,578	(5,144)	14,434
Platinum Investor Survivor	2,239	(7,254)	(5,015)
Platinum Investor Survivor II	8,856	(2,022)	6,834
PIMCO VIT Short-Term Portfolio - Administrative Class			
Corporate America	10,598	(1,405)	9,193
Platinum Investor I & II	143,781	(25,585)	118,196
Platinum Investor III	70,718	(20,485)	50,233
Platinum Investor PLUS	5,191	(686)	4,505
Platinum Investor Survivor	8,661	(3,200)	5,461
Platinum Investor Survivor II	517	(5,514)	(4,997)
PIMCO VIT Total Return Portfolio - Administrative Class			
AG Legacy Plus	11,616	(1,278)	10,338
Corporate America	2,197	(117)	2,080
Platinum Investor I & II	21,369	(38,960)	(17,591)
Platinum Investor III	194,268	(59,111)	135,157
Platinum Investor PLUS	23,717	(4,211)	19,506
Platinum Investor Survivor	4,035	(4,271)	(236)
Platinum Investor Survivor II	18,599	(9,935)	8,664
Putnam VT Diversified Income Fund - Class IB			
AG Legacy Plus	4,575	(3,626)	949
Corporate America	108,853	(4,426)	104,427
Platinum Investor I & II	11,663	(21,868)	(10,205)
Platinum Investor III	32,744	(9,086)	23,658
Platinum Investor PLUS	4,722	(738)	3,984
Platinum Investor Survivor	673	(1,075)	(402)
Platinum Investor Survivor II	169	(47)	122
Putnam VT Growth and Income Fund - Class IB			
Corporate America	145,817	(8,235)	137,582
Platinum Investor I & II	98,870	(146,149)	(47,279)
Platinum Investor III	226,325	(85,716)	140,609
Platinum Investor PLUS	12,291	(2,934)	9,357
Platinum Investor Survivor	23,293	(21,645)	1,648
Platinum Investor Survivor II	2,668	(816)	1,852

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AMERICAN GENERAL LIFE INSURANCE COMPANY
SEPARATE ACCOUNT VL-R
NOTES TO FINANCIAL STATEMENTS

Note F - Summary of Changes in Units - Continued

Summary of Changes in Units for the Year Ended December 31, 2003.

Divisions	Accumulation Units Issued	Accumulation Units Redeemed	Net Increase (Decrease)

Putnam VT International Growth and Income Fund - Class IB			
Corporate America	1,334	--	1,334
Platinum Investor I & II	37,885	(33,704)	4,181
Platinum Investor III	89,392	(26,550)	62,842
Platinum Investor PLUS	4,877	(1,030)	3,847
Platinum Investor Survivor	11,217	(198,788)	(187,571)
Platinum Investor Survivor II	1,769	(1,385)	384
Putnam VT Small Cap Value Fund - Class IB			
AG Legacy Plus	2,146	(1,007)	1,139
Putnam VT Vista Fund - Class IB			
AG Legacy Plus	1,222	(436)	786
Putnam VT Voyager Fund - Class IB			
AG Legacy Plus	15,918	(15,002)	916
Safeco RST Core Equity Portfolio			
Platinum Investor I & II	64,154	(120,454)	(56,300)
Platinum Investor III	28,556	(12,632)	15,924
Platinum Investor PLUS	760	(213)	547
Platinum Investor Survivor	8,890	(3,839)	5,051

Platinum Investor Survivor II	108	(66)	42
Safeco RST Growth Opportunities Portfolio			
Corporate America	40	(114)	(74)
Platinum Investor I & II	68,084	(117,012)	(48,928)
Platinum Investor III	60,372	(45,033)	15,339
Platinum Investor PLUS	2,604	(780)	1,824
Platinum Investor Survivor	4,534	(17,533)	(12,999)
Platinum Investor Survivor II	14,123	(3,527)	10,596
Scudder VIT Equity 500 Index Fund - Class A			
Legacy Plus	319	(259)	60
SunAmerica - Aggressive Growth Portfolio - Class 1			
Platinum Investor I & II	7,929	(462)	7,467
Platinum Investor III	14,465	(2,117)	12,348
Platinum Investor PLUS	2,091	(241)	1,850
Platinum Investor Survivor II	377	(48)	329
SunAmerica - SunAmerica Balanced Portfolio - Class 1			
Platinum Investor I & II	293	(114)	179
Platinum Investor III	24,791	(4,748)	20,043
Platinum Investor PLUS	5,774	(1,323)	4,451
Platinum Investor Survivor II	414	(7)	407
UIF Equity Growth Portfolio - Class I			
Platinum Investor I & II	77,426	(133,018)	(55,592)
Platinum Investor III	25,800	(8,754)	17,046
Platinum Investor PLUS	2,115	(273)	1,842
Platinum Investor Survivor	4,492	(23,372)	(18,880)
Platinum Investor Survivor II	62	(20)	42
UIF High Yield Portfolio - Class I			
Platinum Investor I & II	18,326	(20,554)	(2,228)
Platinum Investor III	10,378	(2,877)	7,501
Platinum Investor PLUS	486	(54)	432
Platinum Investor Survivor	3,592	(2,026)	1,566
Platinum Investor Survivor II	1,940	(452)	1,488

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AMERICAN GENERAL LIFE INSURANCE COMPANY
SEPARATE ACCOUNT VL-R
NOTES TO FINANCIAL STATEMENTS

Note F - Summary of Changes in Units - Continued

Summary of Changes in Units for the Year Ended December 31, 2003.

<TABLE>
<CAPTION>

Divisions	Accumulation Units Issued	Accumulation Units Redeemed	Net Increase (Decrease)
<S>	<C>	<C>	<C>
VALIC Company I - International Equities Fund			
AG Legacy Plus	3,721	(379)	3,342
Platinum Investor I & II	14,055	(25,193)	(11,138)
Platinum Investor III	34,202	(9,794)	24,408
Platinum Investor PLUS	3,992	(325)	3,667
Platinum Investor Survivor	4,488	(5,823)	(1,335)
Platinum Investor Survivor II	186	(119)	67
VALIC Company I - Mid Cap Index Fund			
AG Legacy Plus	3,410	(920)	2,490
Corporate America	57	(594)	(537)
Platinum Investor I & II	63,297	(68,946)	(5,649)
Platinum Investor III	181,298	(55,897)	125,401
Platinum Investor PLUS	15,086	(2,512)	12,574
Platinum Investor Survivor	14,035	(9,553)	4,482
Platinum Investor Survivor II	19,634	(4,657)	14,977
VALIC Company I - Money Market I Fund			
AG Legacy Plus	114,388	(107,298)	7,090
Corporate America	8,810	(32,489)	(23,679)
Legacy Plus	126	(100)	26
Platinum Investor I & II	493,219	(882,514)	(389,295)
Platinum Investor III	2,571,974	(2,662,921)	(90,947)
Platinum Investor PLUS	409,481	(326,086)	83,395
Platinum Investor Survivor	62,134	(93,379)	(31,245)
Platinum Investor Survivor II	180,009	(187,843)	(7,834)
VALIC Company I - Nasdaq-100 Index Fund			
Platinum Investor I & II	106,295	(18,873)	87,422
Platinum Investor III	203,983	(82,688)	121,295
Platinum Investor PLUS	6,092	(700)	5,392

Platinum Investor Survivor	13,066	(3,056)	10,010
Platinum Investor Survivor II	168	(6)	162
VALIC Company I - Science & Technology Fund			
Platinum Investor I & II	21,955	(6,346)	15,609
Platinum Investor III	76,376	(31,248)	45,128
Platinum Investor PLUS	2,679	(335)	2,344
Platinum Investor Survivor	7,504	(1,215)	6,289
Platinum Investor Survivor II	350	(154)	196
VALIC Company I - Small Cap Index Fund			
Corporate America	1,669	(271)	1,398
Platinum Investor I & II	35,176	(4,858)	30,318
Platinum Investor III	84,471	(23,419)	61,052
Platinum Investor PLUS	7,613	(1,030)	6,583
Platinum Investor Survivor	8,774	(2,773)	6,001
Platinum Investor Survivor II	1,118	(466)	652
VALIC Company I - Stock Index Fund			
AG Legacy Plus	1,453	(13,055)	(11,602)
Corporate America	2,288	(356)	1,932
Platinum Investor I & II	241,252	(353,492)	(112,240)
Platinum Investor III	1,118,995	(294,247)	824,748
Platinum Investor PLUS	45,208	(4,939)	40,269
Platinum Investor Survivor	174,452	(53,637)	120,815
Platinum Investor Survivor II	113,720	(22,458)	91,262

</TABLE>

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AMERICAN GENERAL LIFE INSURANCE COMPANY
SEPARATE ACCOUNT VL-R
NOTES TO FINANCIAL STATEMENTS

Note F - Summary of Changes in Units - Continued

Summary of Changes in Units for the Year Ended December 31, 2003.

<TABLE>

<CAPTION>

Divisions	Accumulation Units Issued	Accumulation Units Redeemed	Net Increase (Decrease)
<S>	<C>	<C>	<C>
Van Kampen LIT Emerging Growth Portfolio - Class I			
AG Legacy Plus	3,986	(10,885)	(6,899)
Van Kampen LIT Government Portfolio - Class I			
AG Legacy Plus	5,096	(3,038)	2,058
Van Kampen LIT Growth and Income Portfolio - Class I			
Platinum Investor I & II	57,649	(33,657)	23,992
Platinum Investor III	105,186	(27,683)	77,503
Platinum Investor PLUS	9,332	(1,497)	7,835
Platinum Investor Survivor	2,602	(7,379)	(4,777)
Platinum Investor Survivor II	4,472	(429)	4,043
Vanguard VIF High Yield Bond Portfolio			
Platinum Investor I & II	34,333	(6,396)	27,937
Platinum Investor III	120,919	(27,695)	93,224
Platinum Investor PLUS	8,946	(1,634)	7,312
Platinum Investor Survivor	20,196	(7,959)	12,237
Platinum Investor Survivor II	2,427	(620)	1,807
Vanguard VIF REIT Index Portfolio			
Corporate America	455	(1,097)	(642)
Platinum Investor I & II	23,225	(14,530)	8,695
Platinum Investor III	112,032	(30,244)	81,788
Platinum Investor PLUS	11,806	(3,363)	8,443
Platinum Investor Survivor	5,293	(2,330)	2,963
Platinum Investor Survivor II	5,156	(1,266)	3,890

</TABLE>

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AMERICAN GENERAL LIFE INSURANCE COMPANY
SEPARATE ACCOUNT VL-R
NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note G - Financial Highlights

A summary of units outstanding, unit values, and net assets for the variable life policies and the investment income ratios, expense ratios (excluding expenses of the underlying Divisions) and total returns for the years ended December 31, 2004, 2003, 2002 and 2001, are as follows:

<TABLE>

<CAPTION>

Divisions	Units	Unit Value	Net Assets	Investment Income Ratio (a)	Expense Ratio (b)	Total Return (c)
<S>	<C>	<C>	<C>	<C>	<C>	<C>
2004						
AIM V.I. International Growth Fund - Series I						
AG Legacy Plus	24,949	\$ 8.04	\$ 200,562	0.74%	0.75%	23.08%
Corporate America	7,229	7.78	56,259	0.70%	0.35%	23.57%
Corporate America (reduced surrender charge)	679	11.67	7,918	0.70%	0.65%	16.65%
Platinum Investor I & II	322,093	11.13	3,583,368	0.64%	0.75%	23.08%
Platinum Investor III	303,164	9.34	2,832,247	0.86%	0.70%	23.14%
Platinum Investor PLUS	9,886	12.93	127,771	0.84%	0.70%	23.14%
Platinum Investor Survivor	67,704	7.77	526,286	0.75%	0.40%	23.51%
Platinum Investor Survivor II	16,895	13.54	228,742	1.10%	0.75%	23.08%
AIM V.I. Premier Equity Fund - Series I						
Corporate America	5,835	6.24	36,396	0.46%	0.35%	5.40%
Platinum Investor I & II	850,688	9.94	8,454,221	0.46%	0.75%	4.98%
Platinum Investor III	499,376	7.39	3,690,457	0.49%	0.70%	5.03%
Platinum Investor FlexDirector	204	10.20	2,077	0.01%	0.70%	1.98%
Platinum Investor PLUS	16,704	10.72	179,141	0.59%	0.70%	5.03%
Platinum Investor Survivor	116,072	6.23	723,141	0.47%	0.40%	5.35%
Platinum Investor Survivor II	7,228	9.24	66,822	0.59%	0.75%	4.98%
Alger American Leveraged AllCap Portfolio - Class O Shares						
Platinum Investor I & II	98	12.94	1,274	0.00%	0.75%	7.38%
Platinum Investor III	32,709	12.95	423,493	0.00%	0.70%	7.43%
Platinum Investor PLUS	9,034	12.95	116,963	0.00%	0.70%	7.43%
Platinum Investor Survivor	150	13.01	1,949	0.00%	0.40%	7.76%
Platinum Investor Survivor II	128	12.94	1,657	0.00%	0.75%	7.38%
Alger American MidCap Growth Portfolio - Class O Shares						
Platinum Investor I & II	8,879	15.23	135,202	0.00%	0.75%	12.20%
Platinum Investor III	44,400	15.24	676,660	0.00%	0.70%	12.25%
Platinum Investor FlexDirector	5,687	10.64	60,491	0.00%	0.70%	6.37%
Platinum Investor PLUS	6,756	15.24	102,960	0.00%	0.70%	12.25%
Platinum Investor Survivor	245	15.32	3,755	0.00%	0.40%	12.59%
Platinum Investor Survivor II	930	15.23	14,167	0.00%	0.75%	12.20%
American Century VP Value Fund - Class I						
AG Legacy Plus	34,128	16.83	574,449	0.90%	0.75%	13.48%
Corporate America	2,990	15.46	46,225	1.19%	0.35%	13.93%
Platinum Investor I & II	232,577	15.21	3,536,470	0.95%	0.75%	13.48%
Platinum Investor III	526,802	15.12	7,963,343	0.86%	0.70%	13.54%
Platinum Investor FlexDirector	31	10.82	339	0.00%	0.70%	8.25%
Platinum Investor PLUS	39,732	12.81	508,822	0.74%	0.70%	13.54%
Platinum Investor Survivor	32,550	15.43	502,214	0.97%	0.40%	13.88%
Platinum Investor Survivor II	100,250	13.39	1,342,791	0.80%	0.75%	13.48%
Credit Suisse Small Cap Growth Portfolio						
Platinum Investor I & II	70,710	8.18	578,349	0.00%	0.75%	10.04%
Platinum Investor III	139,946	8.01	1,121,164	0.00%	0.70%	10.10%
Platinum Investor FlexDirector	4,723	10.13	47,865	0.00%	0.70%	1.34%
Platinum Investor PLUS	8,424	12.79	107,735	0.00%	0.70%	10.10%
Platinum Investor Survivor	2,799	8.30	23,229	0.00%	0.40%	10.43%
Platinum Investor Survivor II	1,275	12.12	15,451	0.00%	0.75%	10.04%

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AMERICAN GENERAL LIFE INSURANCE COMPANY
SEPARATE ACCOUNT VL-R
NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note G - Financial Highlights - Continued

A summary of units outstanding, unit values, and net assets for the variable life policies and the investment income ratios, expense ratios (excluding expenses of the underlying Divisions) and total returns for the years ended December 31, 2004, 2003, 2002 and 2001, are as follows:

Divisions	Units	Unit Value	Net Assets	Investment Income Ratio (a)	Expense Ratio (b)	Total Return (c)
<S>	<C>	<C>	<C>	<C>	<C>	<C>
2004 - Continued						
Dreyfus IP MidCap Stock Portfolio - Initial shares						
Platinum Investor I & II	73,512	\$12.16	\$ 893,684	0.38%	0.75%	13.62%
Platinum Investor III	204,536	11.96	2,445,717	0.42%	0.70%	13.68%
Platinum Investor FlexDirector	1	10.87	16	0.63%	0.70%	8.66%
Platinum Investor PLUS	16,660	12.56	209,222	0.45%	0.70%	13.68%
Platinum Investor Survivor	17,825	12.34	219,877	0.38%	0.40%	14.02%
Platinum Investor Survivor II	5,689	13.76	78,254	0.43%	0.75%	13.62%
Dreyfus VIF Developing Leaders Portfolio - Initial shares						

Corporate America	11,224	11.52	129,279	0.19%	0.35%	10.95%
Platinum Investor I & II	375,824	13.92	5,230,135	0.20%	0.75%	10.51%
Platinum Investor III	445,399	10.72	4,775,432	0.21%	0.70%	10.56%
Platinum Investor PLUS	27,075	11.57	313,377	0.25%	0.70%	10.56%
Platinum Investor Survivor	63,847	11.50	734,526	0.21%	0.40%	10.90%
Platinum Investor Survivor II	58,627	12.58	737,356	0.23%	0.75%	10.51%
Dreyfus VIF Quality Bond Portfolio - Initial shares						
Corporate America	6,905	13.36	92,230	4.03%	0.35%	3.01%
Platinum Investor I & II	311,327	13.33	4,150,241	4.03%	0.75%	2.60%
Platinum Investor III	253,777	12.63	3,204,132	4.15%	0.70%	2.65%
Platinum Investor PLUS	17,726	11.19	198,410	4.24%	0.70%	2.65%
Platinum Investor Survivor	25,471	13.34	339,808	4.25%	0.40%	2.96%
Platinum Investor Survivor II	7,145	11.24	80,289	4.21%	0.75%	2.60%
Fidelity VIP Asset Manager Portfolio - Service Class 2						
AG Legacy Plus	20,658	10.69	220,876	2.06%	0.75%	4.39%
Platinum Investor I & II	203,845	10.18	2,074,624	2.45%	0.75%	4.39%
Platinum Investor III	208,895	10.16	2,121,544	2.09%	0.70%	4.44%
Platinum Investor PLUS	17,720	11.61	205,736	1.51%	0.70%	4.44%
Platinum Investor Survivor	9,381	10.33	96,879	2.46%	0.40%	4.76%
Platinum Investor Survivor II	10,659	11.34	120,837	2.09%	0.75%	4.39%
Fidelity VIP Contrafund Portfolio - Service Class 2						
AG Legacy Plus	42,128	12.40	522,390	0.19%	0.75%	14.30%
Corporate America	3,812	11.05	42,136	0.23%	0.35%	14.76%
Platinum Investor I & II	379,667	10.87	4,127,445	0.18%	0.75%	14.30%
Platinum Investor III	906,499	10.73	9,726,130	0.18%	0.70%	14.36%
Platinum Investor FlexDirector	321	10.95	3,516	0.00%	0.70%	9.52%
Platinum Investor PLUS	71,987	12.84	924,266	0.13%	0.70%	14.36%
Platinum Investor Survivor	76,772	11.03	846,864	0.16%	0.40%	14.70%
Platinum Investor Survivor II	31,607	13.54	427,829	0.10%	0.75%	14.30%
Fidelity VIP Equity-Income Portfolio - Service Class 2						
AG Legacy Plus	63,754	11.02	702,770	1.29%	0.75%	10.40%
Corporate America	19,433	11.33	220,183	1.33%	0.35%	10.84%
Corporate America (reduced surrender charge)	714	10.81	7,720	1.33%	0.65%	8.09%
Platinum Investor I & II	370,900	11.14	4,133,032	1.26%	0.75%	10.40%
Platinum Investor III	877,982	11.16	9,797,110	1.24%	0.70%	10.46%
Platinum Investor FlexDirector	620	10.62	6,583	0.00%	0.70%	6.24%
Platinum Investor PLUS	53,918	12.02	647,840	1.03%	0.70%	10.46%
Platinum Investor Survivor	107,323	11.31	1,213,488	1.21%	0.40%	10.79%
Platinum Investor Survivor II	49,011	12.19	597,443	1.07%	0.75%	10.40%

</TABLE>

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AMERICAN GENERAL LIFE INSURANCE COMPANY
SEPARATE ACCOUNT VL-R
NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note G - Financial Highlights - Continued

A summary of units outstanding, unit values, and net assets for the variable life policies and the investment income ratios, expense ratios (excluding expenses of the underlying Divisions) and total returns for the years ended December 31, 2004, 2003, 2002 and 2001, are as follows:

<TABLE>

Divisions	Units	Unit Value	Net Assets	Investment Income Ratio (a)	Expense Ratio (b)	Total Return (c)
<S>	<C>	<C>	<C>	<C>	<C>	<C>
2004 - Continued						
Fidelity VIP Growth Portfolio - Service Class 2						
AG Legacy Plus	28,730	\$ 8.12	\$ 233,262	0.12%	0.75%	2.35%
Corporate America	5,424	6.91	37,464	0.13%	0.35%	2.76%
Corporate America (reduced surrender charge)	253	10.71	2,709	0.13%	0.65%	7.06%
Platinum Investor I & II	345,944	6.79	2,349,941	0.13%	0.75%	2.35%
Platinum Investor III	1,039,582	6.73	6,997,775	0.12%	0.70%	2.40%
Platinum Investor FlexDirector	7,404	9.75	72,173	0.00%	0.70%	-2.52%
Platinum Investor PLUS	82,830	10.83	897,299	0.08%	0.70%	2.40%
Platinum Investor Survivor	76,126	6.89	524,713	0.12%	0.40%	2.71%
Platinum Investor Survivor II	38,957	9.63	375,246	0.12%	0.75%	2.35%
Fidelity VIP Mid Cap Portfolio - Service Class 2						
Platinum Investor I & II	16,744	17.32	289,966	0.00%	0.75%	23.73%
Platinum Investor III	38,471	17.33	666,778	0.00%	0.70%	23.79%
Platinum Investor FlexDirector	288	11.59	3,338	0.00%	0.70%	15.86%
Platinum Investor PLUS	6,345	17.33	109,964	0.00%	0.70%	23.79%
Platinum Investor Survivor	1,816	17.42	31,630	0.00%	0.40%	24.16%
Platinum Investor Survivor II	989	17.32	17,124	0.00%	0.75%	23.73%
Franklin Templeton - Franklin Small Cap Fund - Class 2						
AG Legacy Plus	22,445	7.01	157,376	0.00%	0.75%	10.64%
Franklin Templeton - Franklin Small Cap Value Securities Fund - Class 2						

Corporate America (reduced surrender charge)	463	11.29	5,231	0.00%	0.65%	12.87%
Platinum Investor I & II	12,505	16.30	203,817	0.24%	0.75%	22.82%
Platinum Investor III	40,911	16.31	667,374	0.17%	0.70%	22.88%
Platinum Investor FlexDirector	175	11.66	2,046	0.00%	0.70%	16.59%
Platinum Investor PLUS	12,431	16.31	202,794	0.12%	0.70%	22.88%
Platinum Investor Survivor	5,233	16.39	85,788	0.09%	0.40%	23.25%
Platinum Investor Survivor II	502	16.30	8,175	0.18%	0.75%	22.82%
Franklin Templeton - Franklin U.S. Government Fund - Class 2						
Platinum Investor I & II	16,861	11.39	191,999	3.63%	0.75%	2.70%
Platinum Investor III	945,822	11.40	10,786,424	5.06%	0.70%	2.75%
Platinum Investor PLUS	38,284	11.03	422,331	5.20%	0.70%	2.75%
Platinum Investor Survivor	633	11.51	7,288	0.00%	0.40%	3.06%
Platinum Investor Survivor II	5,867	11.39	66,809	4.55%	0.75%	2.70%
Franklin Templeton - Mutual Shares Securities Fund - Class 2						
Platinum Investor I & II	54,608	12.16	664,214	0.92%	0.75%	11.79%
Platinum Investor III	539,268	12.18	6,569,138	0.74%	0.70%	11.85%
Platinum Investor FlexDirector	312	10.73	3,345	0.00%	0.70%	7.29%
Platinum Investor PLUS	19,639	11.98	235,235	0.70%	0.70%	11.85%
Platinum Investor Survivor	1,777	12.29	21,841	0.87%	0.40%	12.18%
Platinum Investor Survivor II	18,978	12.16	230,842	0.74%	0.75%	11.79%
Franklin Templeton - Templeton Foreign Securities Fund - Class 2						
AG Legacy Plus	18,777	9.92	186,284	1.11%	0.75%	17.64%
Platinum Investor I & II	123,981	12.42	1,539,261	1.04%	0.75%	17.64%
Platinum Investor III	685,074	12.43	8,518,121	1.00%	0.70%	17.70%
Platinum Investor FlexDirector	437	11.10	4,852	0.00%	0.70%	11.04%
Platinum Investor PLUS	14,282	12.02	171,694	0.97%	0.70%	17.70%
Platinum Investor Survivor	19,552	12.55	245,299	0.68%	0.40%	18.06%
Platinum Investor Survivor II	48,400	12.42	600,897	0.90%	0.75%	17.64%

</TABLE>

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AMERICAN GENERAL LIFE INSURANCE COMPANY
SEPARATE ACCOUNT VL-R
NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note G - Financial Highlights - Continued

A summary of units outstanding, unit values, and net assets for the variable life policies and the investment income ratios, expense ratios (excluding expenses of the underlying Divisions) and total returns for the years ended December 31, 2004, 2003, 2002 and 2001, are as follows:

<TABLE>

<CAPTION>

Divisions	Units	Unit Value	Net Assets	Investment Income Ratio (a)	Expense Ratio (b)	Total Return (c)
<S>	<C>	<C>	<C>	<C>	<C>	<C>
2004 - Continued						
Goldman Sachs Capital Growth Fund						
Platinum Investor I & II	13,994	\$ 9.26	\$ 129,523	0.69%	0.75%	8.27%
Platinum Investor III	14,378	9.27	133,348	0.67%	0.70%	8.33%
Platinum Investor PLUS	113	11.33	1,284	0.70%	0.70%	8.33%
Platinum Investor Survivor	703,774	9.39	6,607,533	0.69%	0.40%	8.65%
Platinum Investor Survivor II	185,421	9.83	1,823,417	0.68%	0.75%	8.27%
Janus Aspen Series International Growth Portfolio - Service Shares						
Corporate America	3,189	8.02	25,585	0.82%	0.35%	18.27%
Platinum Investor I & II	115,724	7.89	913,122	0.96%	0.75%	17.80%
Platinum Investor III	229,457	7.84	1,798,205	0.86%	0.70%	17.86%
Platinum Investor FlexDirector	12,784	10.87	139,004	0.67%	0.70%	8.73%
Platinum Investor PLUS	7,613	12.56	95,613	0.87%	0.70%	17.86%
Platinum Investor Survivor	31,781	8.01	254,455	0.78%	0.40%	18.21%
Platinum Investor Survivor II	4,427	12.40	54,914	0.83%	0.75%	17.80%
Janus Aspen Series Mid Cap Growth Portfolio - Service Shares						
Corporate America	486	5.40	2,624	0.00%	0.35%	20.05%
Platinum Investor I & II	52,125	5.31	276,772	0.00%	0.75%	19.58%
Platinum Investor III	402,410	5.18	2,084,632	0.00%	0.70%	19.63%
Platinum Investor PLUS	8,596	13.54	116,353	0.00%	0.70%	19.63%
Platinum Investor Survivor	26,338	5.39	141,904	0.00%	0.40%	19.99%
Platinum Investor Survivor II	1,788	12.08	21,605	0.00%	0.75%	19.58%
Janus Aspen Series Worldwide Growth Portfolio - Service Shares						
Corporate America	9,360	6.60	61,819	0.90%	0.35%	4.16%
Platinum Investor I & II	125,130	6.50	812,781	0.89%	0.75%	3.75%
Platinum Investor III	367,344	6.44	2,365,764	0.94%	0.70%	3.80%
Platinum Investor PLUS	12,476	10.28	128,308	1.00%	0.70%	3.80%

Platinum Investor Survivor	37,089	6.59	244,452	0.87%	0.40%	4.11%
Platinum Investor Survivor II	41,215	9.85	405,949	0.92%	0.75%	3.75%
JPMorgan Mid Cap Value Portfolio						
Platinum Investor I & II	1,976	14.86	29,370	0.28%	0.75%	20.15%
Platinum Investor III	27,069	14.87	402,580	0.21%	0.70%	20.22%
Platinum Investor PLUS	4,533	14.87	67,410	0.07%	0.70%	20.22%
Platinum Investor Survivor	207	14.95	3,088	0.00%	0.40%	20.58%
Platinum Investor Survivor II	485	14.86	7,201	0.24%	0.75%	20.15%
JPMorgan Small Company Portfolio						
Platinum Investor I & II	40,867	11.41	466,324	0.00%	0.75%	26.22%
Platinum Investor III	104,066	11.23	1,168,558	0.00%	0.70%	26.28%
Platinum Investor PLUS	5,929	13.98	82,890	0.00%	0.70%	26.28%
Platinum Investor Survivor	1,835	11.58	21,241	0.00%	0.40%	26.66%
Platinum Investor Survivor II	3,146	14.66	46,129	0.00%	0.75%	26.22%
MFS VIT Capital Opportunities Series - Initial Class						
Corporate America	--	6.79	--	0.72%	0.35%	12.07%
Platinum Investor I & II	113,938	6.67	760,376	0.35%	0.75%	11.62%
Platinum Investor III	415,444	6.74	2,798,020	0.33%	0.70%	11.68%
Platinum Investor FlexDirector	173	10.58	1,832	0.00%	0.70%	5.78%
Platinum Investor PLUS	33,139	11.34	375,934	0.28%	0.70%	11.68%
Platinum Investor Survivor	36,766	6.77	248,968	0.32%	0.40%	12.01%
Platinum Investor Survivor II	3,156	10.33	32,620	0.39%	0.75%	11.62%

</TABLE>

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AMERICAN GENERAL LIFE INSURANCE COMPANY
SEPARATE ACCOUNT VL-R
NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note G - Financial Highlights - Continued

A summary of units outstanding, unit values, and net assets for the variable life policies and the investment income ratios, expense ratios (excluding expenses of the underlying Divisions) and total returns for the years ended December 31, 2004, 2003, 2002 and 2001, are as follows:

<TABLE>

Divisions	Units	Unit Value	Net Assets	Investment Income Ratio (a)	Expense Ratio (b)	Total Return (c)
<S>	<C>	<C>	<C>	<C>	<C>	<C>
2004 - Continued						
MFS VIT Emerging Growth Series - Initial Class						
AG Legacy Plus	9,619	\$10.72	\$ 103,163	0.00%	0.75%	12.12%
Corporate America	1,040	4.95	5,148	0.00%	0.35%	12.56%
Corporate America (reduced surrender charge)	920	11.38	10,472	0.00%	0.65%	13.78%
Platinum Investor I & II	706,671	10.44	7,378,706	0.00%	0.75%	12.12%
Platinum Investor III	1,024,961	5.53	5,666,609	0.00%	0.70%	12.17%
Platinum Investor FlexDirector	197	10.52	2,070	0.00%	0.70%	5.25%
Platinum Investor PLUS	29,670	11.64	345,413	0.00%	0.70%	12.17%
Platinum Investor Survivor	168,768	4.94	834,232	0.00%	0.40%	12.51%
Platinum Investor Survivor II	32,210	10.01	322,533	0.00%	0.75%	12.12%
MFS VIT New Discovery Series - Initial Class						
AG Legacy Plus	16,207	7.83	126,844	0.00%	0.75%	5.72%
Corporate America	2,716	8.52	23,152	0.00%	0.35%	6.15%
Platinum Investor I & II	88,892	8.38	745,230	0.00%	0.75%	5.72%
Platinum Investor III	266,177	8.21	2,185,903	0.00%	0.70%	5.78%
Platinum Investor FlexDirector	256	9.96	2,551	0.00%	0.70%	-0.45%
Platinum Investor PLUS	16,920	11.16	188,768	0.00%	0.70%	5.78%
Platinum Investor Survivor	10,480	8.51	89,153	0.00%	0.40%	6.09%
Platinum Investor Survivor II	8,483	10.75	91,201	0.00%	0.75%	5.72%
MFS VIT Research Series - Initial Class						
Corporate America	3,158	7.62	24,069	1.02%	0.35%	15.45%
Platinum Investor I & II	48,222	7.50	361,482	1.09%	0.75%	14.98%
Platinum Investor III	159,378	7.47	1,190,107	0.98%	0.70%	15.04%
Platinum Investor FlexDirector	106	10.76	1,145	0.00%	0.70%	7.60%
Platinum Investor PLUS	6,148	11.80	72,553	0.87%	0.70%	15.04%
Platinum Investor Survivor	9,692	7.61	73,719	1.08%	0.40%	15.39%
Platinum Investor Survivor II	5,340	10.99	58,713	0.86%	0.75%	14.98%
MFS VIT Total Return Series - Initial Class						
AG Legacy Plus	146,574	6.23	912,934	1.62%	0.75%	10.49%
Neuberger Berman AMT Mid-Cap Growth Portfolio - Class I						
Corporate America	1,789	6.50	11,630	0.00%	0.35%	15.90%
Corporate America (reduced surrender charge)	233	11.35	2,641	0.00%	0.65%	13.51%
Platinum Investor I & II	59,627	6.39	381,211	0.00%	0.75%	15.44%
Platinum Investor III	288,190	6.29	1,811,647	0.00%	0.70%	15.50%
Platinum Investor FlexDirector	166	11.06	1,834	0.00%	0.70%	10.58%
Platinum Investor PLUS	28,648	11.72	335,784	0.00%	0.70%	15.50%
Platinum Investor Survivor	27,565	6.49	178,820	0.00%	0.40%	15.84%
Platinum Investor Survivor II	7,849	10.76	84,431	0.00%	0.75%	15.44%

Neuberger Berman AMT Partners Portfolio - Class I						
AG Legacy Plus	12,141	11.34	137,643	0.01%	0.75%	18.09%
Oppenheimer Balanced Fund/VA - Non-Service Shares**						
Platinum Investor I & II	2,395	12.98	31,076	1.98%	0.75%	9.28%
Platinum Investor III	29,690	12.99	385,585	0.45%	0.70%	9.33%
Platinum Investor PLUS	14,439	12.99	187,517	1.68%	0.70%	9.33%
Platinum Investor Survivor	433	13.05	5,656	0.99%	0.40%	9.66%
Platinum Investor Survivor II	3,870	12.98	50,218	0.90%	0.75%	9.28%

</TABLE>

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AMERICAN GENERAL LIFE INSURANCE COMPANY
SEPARATE ACCOUNT VL-R
NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note G - Financial Highlights - Continued

A summary of units outstanding, unit values, and net assets for the variable life policies and the investment income ratios, expense ratios (excluding expenses of the underlying Divisions) and total returns for the years ended December 31, 2004, 2003, 2002 and 2001, are as follows:

<TABLE>

<CAPTION>

Divisions	Units	Unit Value	Net Assets	Investment Income Ratio (a)	Expense Ratio (b)	Total Return (c)
<S>	<C>	<C>	<C>	<C>	<C>	<C>
2004 - Continued						
Oppenheimer Global Securities Fund/VA - Non-Service Shares						
Platinum Investor I & II	4,798	\$16.82	\$ 80,687	0.83%	0.75%	18.27%
Platinum Investor III	51,328	16.83	863,930	0.82%	0.70%	18.33%
Platinum Investor FlexDirector	2	11.17	24	0.00%	0.70%	11.74%
Platinum Investor PLUS	5,613	16.83	94,470	0.18%	0.70%	18.33%
Platinum Investor Survivor	2,375	16.92	40,174	1.20%	0.40%	18.69%
Platinum Investor Survivor II	378	16.82	6,364	1.49%	0.75%	18.27%
Oppenheimer High Income Fund/VA - Non-Service Shares						
AG Legacy Plus	8,004	12.51	100,163	6.11%	0.75%	8.15%
PIMCO VIT Real Return Portfolio - Administrative Class						
AG Legacy Plus	47,824	14.00	669,702	0.99%	0.75%	8.11%
Corporate America	2,327	15.51	36,096	0.91%	0.35%	8.54%
Corporate America (reduced surrender charge)	753	10.31	7,759	0.91%	0.65%	3.11%
Platinum Investor I & II	119,851	15.25	1,828,190	0.99%	0.75%	8.11%
Platinum Investor III	561,931	15.32	8,607,213	1.05%	0.70%	8.16%
Platinum Investor FlexDirector	298	10.38	3,095	1.06%	0.70%	3.79%
Platinum Investor PLUS	30,515	12.93	394,609	1.02%	0.70%	8.16%
Platinum Investor Survivor	65,768	15.48	1,017,948	0.99%	0.40%	8.48%
Platinum Investor Survivor II	36,406	13.10	477,063	0.96%	0.75%	8.11%
PIMCO VIT Short-Term Portfolio - Administrative Class						
Corporate America	21,965	11.30	248,233	1.37%	0.35%	0.95%
Platinum Investor I & II	220,025	11.11	2,445,451	1.30%	0.75%	0.54%
Platinum Investor III	210,849	11.13	2,346,366	1.34%	0.70%	0.60%
Platinum Investor FlexDirector	4,059	10.04	40,769	1.29%	0.70%	0.44%
Platinum Investor PLUS	14,162	10.36	146,681	1.31%	0.70%	0.60%
Platinum Investor Survivor	40,126	11.28	452,530	1.70%	0.40%	0.90%
Platinum Investor Survivor II	30,365	10.45	317,371	1.25%	0.75%	0.54%
PIMCO VIT Total Return Portfolio - Administrative Class						
AG Legacy Plus	38,594	12.43	479,631	1.93%	0.75%	4.11%
Corporate America	8,965	13.24	118,722	1.93%	0.35%	4.53%
Platinum Investor I & II	248,730	13.02	3,239,319	1.90%	0.75%	4.11%
Platinum Investor III	468,339	13.09	6,132,293	1.91%	0.70%	4.16%
Platinum Investor FlexDirector	6,295	10.24	64,463	1.65%	0.70%	2.40%
Platinum Investor PLUS	47,130	11.41	537,919	1.83%	0.70%	4.16%
Platinum Investor Survivor	46,766	13.21	617,992	1.77%	0.40%	4.47%
Platinum Investor Survivor II	58,228	11.52	670,760	1.81%	0.75%	4.11%
Pioneer Fund VCT Portfolio - Class I						
Platinum Investor I & II	242,349	10.22	2,476,631	0.00%	0.75%	2.19%
Platinum Investor III	55,443	10.22	566,601	0.00%	0.70%	2.20%
Platinum Investor PLUS	998	10.22	10,195	0.00%	0.70%	2.20%
Platinum Investor Survivor	28,172	10.22	287,951	0.00%	0.40%	2.21%
Platinum Investor Survivor II	388	10.22	3,963	0.00%	0.75%	2.19%
Pioneer Growth Opportunities VCT Portfolio - Class I						
Corporate America	3,474	10.28	35,720	0.00%	0.35%	2.83%
Platinum Investor I & II	347,832	10.28	3,576,078	0.00%	0.75%	2.81%
Platinum Investor III	137,933	10.28	1,418,142	0.00%	0.70%	2.81%
Platinum Investor PLUS	4,979	10.28	51,195	0.00%	0.70%	2.81%
Platinum Investor Survivor	14,319	10.28	147,243	0.00%	0.40%	2.83%

</TABLE>

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AMERICAN GENERAL LIFE INSURANCE COMPANY
 SEPARATE ACCOUNT VL-R
 NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note G - Financial Highlights - Continued

A summary of units outstanding, unit values, and net assets for the variable life policies and the investment income ratios, expense ratios (excluding expenses of the underlying Divisions) and total returns for the years ended December 31, 2004, 2003, 2002 and 2001, are as follows:

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2004 - Continued						
Pioneer Growth Opportunities VCT Portfolio - Class I - Continued						
Platinum Investor Survivor II	39,326	\$10.28	\$ 404,315	0.00%	0.75%	2.81%
Putnam VT Diversified Income Fund - Class IB						
AG Legacy Plus	12,958	13.72	177,740	8.10%	0.75%	8.39%
Corporate America	396,103	14.01	5,549,288	8.00%	0.35%	8.82%
Platinum Investor I & II	60,463	13.25	801,033	8.55%	0.75%	8.39%
Platinum Investor III	62,541	14.19	887,670	8.73%	0.70%	8.44%
Platinum Investor FlexDirector	65	10.63	689	0.00%	0.70%	6.27%
Platinum Investor PLUS	6,150	13.15	80,902	7.70%	0.70%	8.44%
Platinum Investor Survivor	1,282	13.99	17,943	4.60%	0.40%	8.77%
Platinum Investor Survivor II	1,337	13.51	18,073	11.52%	0.75%	8.39%
Putnam VT Growth and Income Fund - Class IB						
Corporate America	499,841	11.25	5,623,805	1.35%	0.35%	10.72%
Platinum Investor I & II	491,902	11.66	5,734,037	1.53%	0.75%	10.28%
Platinum Investor III	524,351	10.53	5,520,350	1.50%	0.70%	10.34%
Platinum Investor FlexDirector	9,148	10.55	96,528	0.00%	0.70%	5.52%
Platinum Investor PLUS	26,657	11.78	314,093	1.26%	0.70%	10.34%
Platinum Investor Survivor	66,114	11.24	743,001	1.40%	0.40%	10.67%
Platinum Investor Survivor II	4,481	11.56	51,804	1.48%	0.75%	10.28%
Putnam VT International Growth and Income Fund - Class IB						
Corporate America	2,293	11.09	25,426	0.85%	0.35%	20.56%
Platinum Investor I & II	204,673	12.88	2,635,270	1.20%	0.75%	20.08%
Platinum Investor III	191,264	11.40	2,179,999	1.28%	0.70%	20.14%
Platinum Investor FlexDirector	112	11.31	1,269	0.00%	0.70%	13.08%
Platinum Investor PLUS	8,737	13.39	117,028	0.86%	0.70%	20.14%
Platinum Investor Survivor	37,612	11.07	416,520	1.18%	0.40%	20.50%
Platinum Investor Survivor II	7,551	14.56	109,912	1.49%	0.75%	20.08%
Putnam VT Small Cap Value Fund - Class IB						
AG Legacy Plus	25,092	19.81	497,060	0.34%	0.75%	25.27%
Putnam VT Vista Fund - Class IB						
AG Legacy Plus	15,137	5.56	84,219	0.00%	0.75%	17.72%
Putnam VT Voyager Fund - Class IB						
AG Legacy Plus	57,401	5.76	330,363	0.24%	0.75%	4.25%
Safeco RST Core Equity Portfolio						
Platinum Investor I & II	--	9.17	--	2.18%	0.75%	4.59%
Platinum Investor III	--	8.00	--	2.43%	0.70%	4.64%
Platinum Investor PLUS	--	10.96	--	2.43%	0.70%	4.64%
Platinum Investor Survivor	--	7.68	--	2.59%	0.40%	4.94%
Platinum Investor Survivor II	--	9.67	--	4.87%	0.75%	4.59%
Safeco RST Growth Opportunities Portfolio						
Corporate America	--	10.51	--	0.00%	0.35%	18.54%
Platinum Investor I & II	--	10.26	--	0.00%	0.75%	18.09%
Platinum Investor III	--	10.98	--	0.00%	0.70%	18.15%
Platinum Investor PLUS	--	11.86	--	0.00%	0.70%	18.15%
Platinum Investor Survivor	--	10.50	--	0.00%	0.40%	18.48%
Platinum Investor Survivor II	--	12.30	--	0.00%	0.75%	18.09%
Scudder VIT EAFE Equity Index Fund - Class A						
Legacy Plus	--	9.81	--	0.00%	0.75%	18.18%

</TABLE>

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AMERICAN GENERAL LIFE INSURANCE COMPANY
 SEPARATE ACCOUNT VL-R
 NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note G - Financial Highlights - Continued

A summary of units outstanding, unit values, and net assets for the variable life policies and the investment income ratios, expense ratios (excluding expenses of the underlying Divisions) and total returns for the years ended December 31, 2004, 2003, 2002 and 2001, are as follows:

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2004 - Continued						
Scudder VIT Equity 500 Index Fund - Class A Legacy Plus	1,857	\$10.15	\$ 18,849	1.05%	0.75%	9.77%
SunAmerica - Aggressive Growth Portfolio - Class 1						
Platinum Investor I & II	7,269	11.57	84,137	0.00%	0.75%	15.91%
Platinum Investor III	29,137	11.59	337,687	0.00%	0.70%	15.97%
Platinum Investor PLUS	6,198	12.31	76,281	0.00%	0.70%	15.97%
Platinum Investor Survivor	1,019	11.68	11,899	0.00%	0.40%	16.32%
Platinum Investor Survivor II	448	11.57	5,190	0.00%	0.75%	15.91%
SunAmerica - SunAmerica Balanced Portfolio - Class 1						
Platinum Investor I & II	247	10.72	2,648	1.65%	0.75%	5.98%
Platinum Investor III	52,736	10.73	565,994	1.80%	0.70%	6.03%
Platinum Investor PLUS	13,740	11.07	152,117	1.70%	0.70%	6.03%
Platinum Investor Survivor II	1,250	10.72	13,403	1.57%	0.75%	5.98%
UIF Equity Growth Portfolio - Class I						
Platinum Investor I & II	288,941	10.27	2,966,331	0.17%	0.75%	6.97%
Platinum Investor III	79,302	6.89	546,540	0.18%	0.70%	7.02%
Platinum Investor PLUS	4,155	10.98	45,596	0.19%	0.70%	7.02%
Platinum Investor Survivor	23,521	6.57	154,598	0.17%	0.40%	7.34%
Platinum Investor Survivor II	219	9.69	2,122	0.12%	0.75%	6.97%
UIF High Yield Portfolio - Class I						
Platinum Investor I & II	93,804	11.14	1,044,759	5.86%	0.75%	8.67%
Platinum Investor III	28,634	11.55	330,711	6.14%	0.70%	8.72%
Platinum Investor FlexDirector	1,735	10.79	18,729	0.00%	0.70%	7.94%
Platinum Investor PLUS	2,194	12.90	28,302	5.96%	0.70%	8.72%
Platinum Investor Survivor	24,176	10.83	261,899	6.03%	0.40%	9.05%
Platinum Investor Survivor II	4,234	12.59	53,299	5.42%	0.75%	8.67%
VALIC Company I - International Equities Fund						
AG Legacy Plus	20,142	8.21	165,429	1.50%	0.75%	16.98%
Platinum Investor I & II	70,577	10.54	743,609	1.09%	0.75%	16.98%
Platinum Investor III	86,492	9.11	788,095	1.37%	0.70%	17.03%
Platinum Investor FlexDirector	349	11.20	3,911	0.09%	0.70%	12.00%
Platinum Investor PLUS	8,032	11.93	95,823	1.49%	0.70%	17.03%
Platinum Investor Survivor	13,559	8.07	109,465	1.43%	0.40%	17.39%
Platinum Investor Survivor II	1,307	12.40	16,207	1.14%	0.75%	16.98%
VALIC Company I - Mid Cap Index Fund						
AG Legacy Plus	24,611	12.87	316,673	0.81%	0.75%	15.18%
Corporate America	6,003	13.98	83,891	0.79%	0.35%	15.64%
Corporate America (reduced surrender charge)	704	11.26	7,926	0.79%	0.65%	12.64%
Platinum Investor I & II	396,205	19.08	7,558,938	0.79%	0.75%	15.18%
Platinum Investor III	430,957	12.53	5,400,920	0.82%	0.70%	15.24%
Platinum Investor PLUS	37,895	12.90	488,950	0.92%	0.70%	15.24%
Platinum Investor Survivor	67,872	13.96	947,463	0.83%	0.40%	15.58%
Platinum Investor Survivor II	46,722	14.07	657,610	0.73%	0.75%	15.18%
VALIC Company I - Money Market I Fund						
AG Legacy Plus	51,953	10.52	546,390	0.80%	0.75%	0.05%
Corporate America	6,349	10.94	69,436	0.34%	0.35%	0.45%
Corporate America (reduced surrender charge)	27,087	10.02	271,377	0.34%	0.65%	0.19%
Legacy Plus	1,086	11.08	12,032	0.81%	0.75%	0.05%

</TABLE>

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AMERICAN GENERAL LIFE INSURANCE COMPANY
SEPARATE ACCOUNT VL-R
NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note G - Financial Highlights - Continued

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2004 - Continued

VALIC Company I - Money Market I Fund - Continued

Platinum Investor I & II	947,402	\$11.59	\$10,981,940	0.74%	0.75%	0.05%
Platinum Investor III	1,222,031	10.44	12,755,775	0.72%	0.70%	0.10%
Platinum Investor FlexDirector	4,886	10.01	48,931	0.86%	0.70%	0.14%
Platinum Investor PLUS	108,353	10.03	1,086,673	0.58%	0.70%	0.10%
Platinum Investor Survivor	356,356	10.92	3,892,926	0.76%	0.40%	0.40%
Platinum Investor Survivor II	485,564	10.05	4,880,633	0.82%	0.75%	0.05%
VALIC Company I - Nasdaq-100 Index Fund						
Platinum Investor I & II	195,759	4.85	949,081	0.58%	0.75%	9.23%
Platinum Investor III	480,541	4.76	2,289,462	0.56%	0.70%	9.28%
Platinum Investor FlexDirector	48	10.78	516	1.00%	0.70%	7.84%
Platinum Investor PLUS	11,709	13.66	159,943	0.73%	0.70%	9.28%
Platinum Investor Survivor	29,567	4.92	145,457	0.65%	0.40%	9.61%
Platinum Investor Survivor II	11,333	10.28	116,455	1.05%	0.75%	9.23%
VALIC Company I - Science & Technology Fund						
Platinum Investor I & II	92,336	3.95	364,650	0.00%	0.75%	0.04%
Platinum Investor III	193,053	3.92	756,120	0.00%	0.70%	0.09%
Platinum Investor FlexDirector	51	9.96	507	0.00%	0.70%	-0.41%
Platinum Investor PLUS	3,497	12.14	42,443	0.00%	0.70%	0.09%
Platinum Investor Survivor	16,097	4.01	64,505	0.00%	0.40%	0.39%
Platinum Investor Survivor II	1,081	9.11	9,847	0.00%	0.75%	0.04%
VALIC Company I - Small Cap Index Fund						
Corporate America	4,416	13.46	59,441	0.82%	0.35%	17.48%
Platinum Investor I & II	107,394	13.24	1,421,650	0.84%	0.75%	17.01%
Platinum Investor III	215,034	13.03	2,802,678	0.82%	0.70%	17.07%
Platinum Investor FlexDirector	32	10.97	349	0.46%	0.70%	9.69%
Platinum Investor PLUS	23,667	13.79	326,254	0.98%	0.70%	17.07%
Platinum Investor Survivor	20,859	13.43	280,186	0.85%	0.40%	17.42%
Platinum Investor Survivor II	3,333	14.83	49,411	0.84%	0.75%	17.01%
VALIC Company I - Stock Index Fund						
AG Legacy Plus	70,818	8.35	591,082	1.57%	0.75%	9.68%
Corporate America	14,690	8.36	122,821	1.54%	0.35%	10.12%
Platinum Investor I & II	1,406,720	11.44	16,087,376	1.55%	0.75%	9.68%
Platinum Investor III	1,990,719	8.65	17,228,974	1.55%	0.70%	9.74%
Platinum Investor FlexDirector	87	10.55	916	0.00%	0.70%	5.46%
Platinum Investor PLUS	63,224	11.86	749,828	1.64%	0.70%	9.74%
Platinum Investor Survivor	437,170	8.35	3,650,823	1.50%	0.40%	10.07%
Platinum Investor Survivor II	40,549	11.04	447,627	1.55%	0.75%	9.68%
Van Kampen LIT Emerging Growth Portfolio - Class I						
AG Legacy Plus	11,991	4.75	56,964	0.00%	0.75%	6.23%
Van Kampen LIT Government Portfolio - Class I						
AG Legacy Plus	13,807	12.90	178,108	4.89%	0.75%	3.39%
Van Kampen LIT Growth and Income Portfolio - Class I						
Platinum Investor I & II	191,703	11.93	2,287,879	0.96%	0.75%	13.52%
Platinum Investor III	242,172	11.95	2,894,060	0.90%	0.70%	13.58%
Platinum Investor FlexDirector	32	10.83	343	0.00%	0.70%	8.26%
Platinum Investor PLUS	16,160	12.18	196,763	0.82%	0.70%	13.58%
Platinum Investor Survivor	16,686	12.05	201,015	1.03%	0.40%	13.92%

</TABLE>

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AMERICAN GENERAL LIFE INSURANCE COMPANY
SEPARATE ACCOUNT VL-R
NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note G - Financial Highlights - Continued

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2004 - Continued						
Van Kampen LIT Growth and Income Portfolio - Class I - Continued						
Platinum Investor Survivor II	6,375	\$11.93	\$ 76,084	0.94%	0.75%	13.52%
Vanguard VIF High Yield Bond Portfolio						
Platinum Investor I & II	100,018	12.76	1,276,287	7.19%	0.75%	7.71%
Platinum Investor III	330,232	12.86	4,246,662	6.58%	0.70%	7.77%
Platinum Investor FlexDirector	32	10.66	337	0.00%	0.70%	6.58%
Platinum Investor PLUS	22,057	12.37	272,761	4.95%	0.70%	7.77%
Platinum Investor Survivor	86,078	12.95	1,114,534	1.13%	0.40%	8.09%
Platinum Investor Survivor II	23,456	12.65	296,797	2.45%	0.75%	7.71%
Vanguard VIF REIT Index Portfolio						

Corporate America	708	22.10	15,640	4.59%	0.35%	30.06%
Platinum Investor I & II	99,576	21.74	2,164,676	2.49%	0.75%	29.54%
Platinum Investor III	303,258	21.75	6,594,879	2.48%	0.70%	29.60%
Platinum Investor FlexDirector	3,849	12.10	46,590	0.00%	0.70%	21.03%
Platinum Investor PLUS	40,045	16.36	655,114	2.42%	0.70%	29.60%
Platinum Investor Survivor	30,818	22.06	679,778	2.05%	0.40%	29.99%
Platinum Investor Survivor II	23,561	18.94	446,319	1.46%	0.75%	29.54%
2003						
AIM V.I. International Growth Fund - Series I						
AG Legacy Plus	17,769	6.53	116,061	0.48%	0.75%	28.10%
Corporate America	6,858	6.30	43,188	0.57%	0.35%	28.61%
Platinum Investor I & II	328,864	9.04	2,972,642	0.51%	0.75%	28.10%
Platinum Investor III	120,999	7.59	917,986	0.60%	0.70%	28.16%
Platinum Investor PLUS	3,813	10.50	40,027	0.82%	0.70%	28.16%
Platinum Investor Survivor	46,420	6.29	292,156	0.52%	0.40%	28.55%
Platinum Investor Survivor II	1,195	11.00	13,144	0.51%	0.75%	28.10%
AIM V.I. Premier Equity Fund - Series I						
Corporate America	5,993	5.92	35,462	0.30%	0.35%	24.64%
Legacy Plus	--	6.34	--	0.00%	0.75%	20.44%
Platinum Investor I & II	856,369	9.47	8,106,816	0.29%	0.75%	24.15%
Platinum Investor III	433,128	7.04	3,047,453	0.33%	0.70%	24.21%
Platinum Investor PLUS	8,904	10.21	90,916	0.46%	0.70%	24.21%
Platinum Investor Survivor	109,492	5.91	647,508	0.31%	0.40%	24.58%
Platinum Investor Survivor II	4,149	8.81	36,534	0.33%	0.75%	24.15%
Alger American Leveraged AllCap Portfolio - Class O Shares						
Platinum Investor III	18,007	12.05	217,007	0.00%	0.70%	20.51%
Platinum Investor PLUS	1,206	12.05	14,534	0.00%	0.70%	20.51%
Platinum Investor Survivor	138	12.08	1,666	0.00%	0.40%	20.75%
Platinum Investor Survivor II	103	12.05	1,236	0.00%	0.75%	20.47%
Alger American MidCap Growth Portfolio - Class O Shares						
Platinum Investor III	18,785	13.58	255,035	0.00%	0.70%	35.76%
Platinum Investor PLUS	985	13.58	13,374	0.00%	0.70%	35.76%
Platinum Investor Survivor	2,174	13.60	29,576	0.00%	0.40%	36.03%
Platinum Investor Survivor II	343	13.57	4,651	0.00%	0.75%	35.72%
American Century VP Value Fund - Class I						
AG Legacy Plus	30,836	14.83	457,376	1.07%	0.75%	28.00%
Corporate America	4,675	13.57	63,443	1.07%	0.35%	28.51%

</TABLE>

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AMERICAN GENERAL LIFE INSURANCE COMPANY
SEPARATE ACCOUNT VL-R
NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note G - Financial Highlights - Continued

A summary of units outstanding, unit values, and net assets for the variable life policies and the investment income ratios, expense ratios (excluding expenses of the underlying Divisions) and total returns for the years ended December 31, 2004, 2003, 2002 and 2001, are as follows:

<TABLE>

<CAPTION>

Divisions	Units	Unit Value	Net Assets	Investment		Total Return (c)
				Income Ratio (a)	Expense Ratio (b)	
<S>	<C>	<C>	<C>	<C>	<C>	<C>
2003 - Continued						
American Century VP Value Fund - Class I - Continued						
Platinum Investor I & II	210,667	\$13.40	\$2,822,824	0.96%	0.75%	28.00%
Platinum Investor III	369,463	13.31	4,919,113	0.80%	0.70%	28.06%
Platinum Investor PLUS	20,510	11.28	231,350	0.69%	0.70%	28.06%
Platinum Investor Survivor	25,525	13.55	345,829	0.72%	0.40%	28.44%
Platinum Investor Survivor II	66,916	11.80	789,838	0.79%	0.75%	28.00%
Ayco Growth Fund						
Platinum Investor I & II	--	8.36	--	0.47%	0.75%	26.35%
Platinum Investor III	--	8.38	--	0.52%	0.70%	26.41%
Platinum Investor PLUS	--	10.23	--	120.86%	0.70%	26.41%
Platinum Investor Survivor	--	8.45	--	0.86%	0.40%	26.78%
Platinum Investor Survivor II	--	8.89	--	0.83%	0.75%	26.35%
Credit Suisse Small Cap Growth Portfolio						
Platinum Investor I & II	46,817	7.43	347,984	0.00%	0.75%	47.44%
Platinum Investor III	114,690	7.28	834,569	0.00%	0.70%	47.51%
Platinum Investor PLUS	3,837	11.62	44,567	0.00%	0.70%	47.51%
Platinum Investor Survivor	4,530	7.52	34,045	0.00%	0.40%	47.95%
Platinum Investor Survivor II	749	11.01	8,249	0.00%	0.75%	47.44%
Dreyfus IP MidCap Stock Portfolio - Initial shares						
Platinum Investor I & II	73,021	10.70	781,298	0.29%	0.75%	30.74%
Platinum Investor III	161,611	10.52	1,699,951	0.30%	0.70%	30.80%
Platinum Investor PLUS	11,054	11.05	122,113	0.39%	0.70%	30.80%

Platinum Investor Survivor	18,763	10.82	202,999	0.27%	0.40%	31.20%
Platinum Investor Survivor II	4,400	12.11	53,278	0.36%	0.75%	30.74%
Dreyfus VIF Developing Leaders Portfolio - Initial shares						
Corporate America	12,360	10.38	128,308	0.03%	0.35%	31.23%
Platinum Investor I & II	405,482	12.59	5,106,276	0.03%	0.75%	30.71%
Platinum Investor III	377,518	9.70	3,660,894	0.03%	0.70%	30.77%
Platinum Investor PLUS	14,951	10.47	156,515	0.04%	0.70%	30.77%
Platinum Investor Survivor	58,620	10.37	608,130	0.04%	0.40%	31.16%
Platinum Investor Survivor II	43,134	11.38	490,913	0.04%	0.75%	30.71%
Dreyfus VIF Quality Bond Portfolio - Initial shares						
Corporate America	7,084	12.97	91,852	4.08%+	0.35%	4.58%
Platinum Investor I & II	351,864	12.99	4,571,955	3.97%+	0.75%	4.16%
Platinum Investor III	210,671	12.30	2,591,291	4.04%+	0.70%	4.21%
Platinum Investor PLUS	12,455	10.90	135,822	4.16%+	0.70%	4.21%
Platinum Investor Survivor	22,659	12.96	293,621	4.08%+	0.40%	4.52%
Platinum Investor Survivor II	4,881	10.95	53,463	4.05%+	0.75%	4.16%
Fidelity VIP Asset Manager Portfolio - Service Class 2						
AG Legacy Plus	13,924	10.24	142,609	2.47%	0.75%	16.78%
Platinum Investor I & II	194,550	9.75	1,896,730	3.14%	0.75%	16.78%
Platinum Investor III	146,922	9.72	1,428,653	2.37%	0.70%	16.84%
Platinum Investor PLUS	7,471	11.12	83,043	1.34%	0.70%	16.84%
Platinum Investor Survivor	8,861	9.86	87,351	3.52%	0.40%	17.19%
Platinum Investor Survivor II	7,874	10.86	85,505	2.22%	0.75%	16.78%
Fidelity VIP Contrafund Portfolio - Service Class 2						
AG Legacy Plus	37,472	10.85	406,531	0.24%	0.75%	27.24%
Corporate America	5,102	9.63	49,147	0.29%	0.35%	27.75%

</TABLE>

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AMERICAN GENERAL LIFE INSURANCE COMPANY
SEPARATE ACCOUNT VL-R
NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note G - Financial Highlights - Continued

A summary of units outstanding, unit values, and net assets for the variable life policies and the investment income ratios, expense ratios (excluding expenses of the underlying Divisions) and total returns for the years ended December 31, 2004, 2003, 2002 and 2001, are as follows:

Divisions	Units	Unit Value	Net Assets	Investment Income Ratio (a)	Expense Ratio (b)	Total Return (c)
<S>	<C>	<C>	<C>	<C>	<C>	<C>
2003 - Continued						
Fidelity VIP Contrafund Portfolio - Service Class 2 - Continued						
Platinum Investor I & II	275,267	\$ 9.51	\$ 2,618,131	0.26%	0.75%	27.24%
Platinum Investor III	578,962	9.38	5,432,050	0.23%	0.70%	27.30%
Platinum Investor PLUS	28,350	11.23	318,302	0.09%	0.70%	27.30%
Platinum Investor Survivor	37,768	9.62	363,221	0.54%	0.40%	27.68%
Platinum Investor Survivor II	8,993	11.84	106,506	0.19%	0.75%	27.24%
Fidelity VIP Equity-Income Portfolio - Service Class 2						
AG Legacy Plus	53,210	9.98	531,275	1.36%	0.75%	29.06%
Corporate America	19,278	10.22	197,063	1.46%	0.35%	29.57%
Platinum Investor I & II	301,311	10.09	3,041,231	1.46%	0.75%	29.06%
Platinum Investor III	618,890	10.10	6,252,170	1.23%	0.70%	29.12%
Platinum Investor PLUS	28,808	10.88	313,370	0.72%	0.70%	29.12%
Platinum Investor Survivor	65,789	10.21	671,430	2.70%	0.40%	29.51%
Platinum Investor Survivor II	31,375	11.04	346,431	1.49%	0.75%	29.06%
Fidelity VIP Growth Portfolio - Service Class 2						
AG Legacy Plus	25,346	7.93	201,055	0.10%	0.75%	31.55%
Corporate America	5,536	6.72	37,208	0.10%	0.35%	32.08%
Platinum Investor I & II	301,685	6.64	2,002,210	0.10%	0.75%	31.55%
Platinum Investor III	806,359	6.57	5,300,495	0.09%	0.70%	31.62%
Platinum Investor PLUS	35,338	10.58	373,837	0.03%	0.70%	31.62%
Platinum Investor Survivor	84,756	6.71	568,779	0.20%	0.40%	32.01%
Platinum Investor Survivor II	33,499	9.41	315,255	0.11%	0.75%	31.55%
Fidelity VIP Mid Cap Portfolio - Service Class 2						
Platinum Investor I & II	13,930	14.00	194,978	0.00%	0.75%	39.97%
Platinum Investor III	7,590	14.00	106,267	0.00%	0.70%	40.01%
Platinum Investor PLUS	1,083	14.00	15,161	0.00%	0.70%	40.01%
Platinum Investor Survivor II	646	14.00	9,039	0.00%	0.75%	39.97%
Franklin Templeton - Franklin Small Cap Fund - Class 2						
AG Legacy Plus	21,351	6.34	135,309	0.00%	0.75%	36.22%
Franklin Templeton - Franklin Small Cap Value Securities Fund - Class 2						
Platinum Investor I & II	823	13.27	10,925	0.00%	0.75%	32.71%
Platinum Investor III	13,920	13.28	184,793	0.01%	0.70%	32.75%
Platinum Investor PLUS	2,274	13.28	30,194	0.00%	0.70%	32.75%

Platinum Investor Survivor	954	13.30	12,687	0.00%	0.40%	33.02%
Platinum Investor Survivor II	407	13.27	5,400	0.00%	0.75%	32.71%
Franklin Templeton - Franklin U.S. Government Fund - Class 2						
Platinum Investor I & II	29,978	11.09	332,384	4.44%	0.75%	1.45%
Platinum Investor III	993,247	11.10	11,023,739	4.48%	0.70%	1.50%
Platinum Investor PLUS	32,257	10.74	346,310	8.97%	0.70%	1.50%
Platinum Investor Survivor	307	11.17	3,422	9.35%	0.40%	1.81%
Platinum Investor Survivor II	4,440	11.09	49,231	2.42%	0.75%	1.45%
Franklin Templeton - Mutual Shares Securities Fund - Class 2						
Platinum Investor I & II	24,270	10.88	264,074	0.65%	0.75%	24.21%
Platinum Investor III	498,453	10.89	5,428,832	1.01%	0.70%	24.28%
Platinum Investor PLUS	9,047	10.71	96,887	0.81%	0.70%	24.28%
Platinum Investor Survivor	2,452	10.96	26,861	0.59%	0.40%	24.65%
Platinum Investor Survivor II	16,089	10.88	175,057	0.99%	0.75%	24.21%

</TABLE>

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AMERICAN GENERAL LIFE INSURANCE COMPANY
SEPARATE ACCOUNT VL-R
NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note G - Financial Highlights - Continued

A summary of units outstanding, unit values, and net assets for the variable life policies and the investment income ratios, expense ratios (excluding expenses of the underlying Divisions) and total returns for the years ended December 31, 2004, 2003, 2002 and 2001, are as follows:

<TABLE>

<CAPTION>

Divisions	Units	Unit Value	Net Assets	Investment Income Ratio (a)	Expense Ratio (b)	Total Return (c)
<S>	<C>	<C>	<C>	<C>	<C>	<C>
2003 - Continued						
Franklin Templeton - Templeton Foreign Securities Fund - Class 2						
AG Legacy Plus	13,455	\$ 8.43	\$ 113,465	1.09%	0.75%	31.23%
Platinum Investor I & II	54,774	10.55	578,054	1.04%	0.75%	31.23%
Platinum Investor III	514,133	10.56	5,431,242	1.63%	0.70%	31.29%
Platinum Investor PLUS	4,611	10.21	47,094	0.83%	0.70%	31.29%
Platinum Investor Survivor	5,955	10.63	63,285	0.15%	0.40%	31.69%
Platinum Investor Survivor II	26,168	10.55	276,165	1.34%	0.75%	31.23%
Goldman Sachs Capital Growth Fund						
Platinum Investor I & II	14,861	8.55	127,035	0.00%	0.75%	2.21%
Platinum Investor III	16,224	8.56	138,901	0.00%	0.70%	2.22%
Platinum Investor PLUS	115	10.46	1,202	0.00%	0.70%	2.22%
Platinum Investor Survivor	740,038	8.64	6,394,727	0.00%	0.40%	2.23%
Platinum Investor Survivor II	202,510	9.08	1,839,317	0.00%	0.75%	2.21%
Janus Aspen Series International Growth Portfolio - Service Shares						
Corporate America	3,219	6.78	21,839	1.12%	0.35%	34.06%
Platinum Investor I & II	84,575	6.70	566,508	0.97%	0.75%	33.53%
Platinum Investor III	184,544	6.65	1,227,085	0.93%	0.70%	33.60%
Platinum Investor PLUS	3,647	10.66	38,856	0.94%	0.70%	33.60%
Platinum Investor Survivor	35,446	6.77	240,071	1.09%	0.40%	34.00%
Platinum Investor Survivor II	4,343	10.53	45,738	1.20%	0.75%	33.53%
Janus Aspen Series Mid Cap Growth Portfolio - Service Shares						
Corporate America	2,344	4.50	10,540	0.00%	0.35%	34.29%
Platinum Investor I & II	52,305	4.44	232,264	0.00%	0.75%	33.76%
Platinum Investor III	377,143	4.33	1,633,083	0.00%	0.70%	33.82%
Platinum Investor PLUS	6,125	11.31	69,306	0.00%	0.70%	33.82%
Platinum Investor Survivor	29,454	4.49	132,254	0.00%	0.40%	34.23%
Platinum Investor Survivor II	996	10.11	10,066	0.00%	0.75%	33.76%
Janus Aspen Series Worldwide Growth Portfolio - Service Shares						
Corporate America	10,759	6.34	68,223	0.91%	0.35%	23.25%
Platinum Investor I & II	128,751	6.26	806,098	0.94%	0.75%	22.76%
Platinum Investor III	314,555	6.20	1,951,654	0.84%	0.70%	22.82%
Platinum Investor PLUS	8,332	9.91	82,556	0.88%	0.70%	22.82%
Platinum Investor Survivor	36,703	6.33	232,358	0.94%	0.40%	23.19%
Platinum Investor Survivor II	28,353	9.49	269,186	0.61%	0.75%	22.76%
JPMorgan Mid Cap Value Portfolio						
Platinum Investor I & II	39	12.37	482	0.00%	0.75%	23.67%
Platinum Investor III	9,332	12.37	115,457	0.00%	0.70%	23.72%
Platinum Investor PLUS	139	12.37	1,723	0.00%	0.70%	23.72%
Platinum Investor Survivor II	359	12.37	4,435	0.00%	0.75%	23.67%
JPMorgan Small Company Portfolio						
Platinum Investor I & II	24,698	9.04	223,279	0.00%	0.75%	34.96%
Platinum Investor III	62,123	8.89	552,395	0.00%	0.70%	35.03%
Platinum Investor PLUS	1,545	11.07	17,103	0.00%	0.70%	35.03%
Platinum Investor Survivor	1,101	9.14	10,060	0.00%	0.40%	35.43%
Platinum Investor Survivor II	469	11.62	5,450	0.00%	0.75%	34.96%
MFS VIT Capital Opportunities Series - Initial Class						

Corporate America	3,396	6.05	20,562	0.21%	0.35%	26.94%
Platinum Investor I & II	123,819	5.98	740,269	0.26%	0.75%	26.44%

</TABLE>

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AMERICAN GENERAL LIFE INSURANCE COMPANY
SEPARATE ACCOUNT VL-R
NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note G - Financial Highlights - Continued

A summary of units outstanding, unit values, and net assets for the variable life policies and the investment income ratios, expense ratios (excluding expenses of the underlying Divisions) and total returns for the years ended December 31, 2004, 2003, 2002 and 2001, are as follows:

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<S>	<C>	<C>	<C>	<C>	<C>	<C>
2003 - Continued						
MFS VIT Capital Opportunities Series - Initial Class - Continued						
Platinum Investor III	351,732	\$ 6.03	\$2,121,183	0.22%	0.70%	26.50%
Platinum Investor PLUS	13,208	10.16	134,162	0.13%	0.70%	26.50%
Platinum Investor Survivor	42,350	6.05	256,019	0.22%	0.40%	26.88%
Platinum Investor Survivor II	2,444	9.26	22,624	0.23%	0.75%	26.44%
MFS VIT Emerging Growth Series - Initial Class						
AG Legacy Plus	9,716	9.57	92,944	0.00%	0.75%	29.25%
Corporate America	1,272	4.40	5,594	0.00%	0.35%	29.77%
Platinum Investor I & II	707,829	9.31	6,592,132	0.00%	0.75%	29.25%
Platinum Investor III	710,798	4.93	3,503,311	0.00%	0.70%	29.32%
Platinum Investor PLUS	10,988	10.38	114,037	0.00%	0.70%	29.32%
Platinum Investor Survivor	128,450	4.39	564,347	0.00%	0.40%	29.71%
Platinum Investor Survivor II	2,081	8.93	18,588	0.00%	0.75%	29.25%
MFS VIT New Discovery Series - Initial Class						
AG Legacy Plus	11,867	7.40	87,852	0.00%	0.75%	32.72%
Corporate America	4,165	8.03	33,449	0.00%	0.35%	33.25%
Platinum Investor I & II	118,366	7.93	938,613	0.00%	0.75%	32.72%
Platinum Investor III	209,507	7.76	1,626,577	0.00%	0.70%	32.79%
Platinum Investor PLUS	7,988	10.55	84,253	0.00%	0.70%	32.79%
Platinum Investor Survivor	12,890	8.02	103,356	0.00%	0.40%	33.18%
Platinum Investor Survivor II	20,459	10.17	208,046	0.00%	0.75%	32.72%
MFS VIT Research Series - Initial Class						
Corporate America	3,197	6.60	21,110	0.49%	0.35%	24.27%
Platinum Investor I & II	45,499	6.52	296,621	0.62%	0.75%	23.77%
Platinum Investor III	127,774	6.49	829,360	0.60%	0.70%	23.84%
Platinum Investor PLUS	3,326	10.26	34,120	0.32%	0.70%	23.84%
Platinum Investor Survivor	10,143	6.59	66,864	0.69%	0.40%	24.21%
Platinum Investor Survivor II	3,856	9.56	36,872	0.50%	0.75%	23.77%
MFS VIT Total Return Series - Initial Class						
AG Legacy Plus	133,539	5.64	752,783	1.61%	0.75%	15.45%
Neuberger Berman AMT Mid-Cap Growth Portfolio - Class I						
Corporate America	1,001	5.61	5,612	0.00%	0.35%	27.62%
Platinum Investor I & II	51,089	5.54	282,942	0.00%	0.75%	27.11%
Platinum Investor III	246,565	5.44	1,342,011	0.00%	0.70%	27.18%
Platinum Investor PLUS	9,135	10.15	92,709	0.00%	0.70%	27.18%
Platinum Investor Survivor	14,189	5.60	79,457	0.00%	0.40%	27.56%
Platinum Investor Survivor II	6,290	9.32	58,612	0.00%	0.75%	27.11%
Neuberger Berman AMT Partners Portfolio - Class I						
AG Legacy Plus	12,144	9.60	116,594	0.00%	0.75%	34.08%
Oppenheimer Balanced Fund/VA - Non-Service Shares						
Platinum Investor I & II	2	11.87	18	0.00%	0.75%	18.74%
Platinum Investor III	5,675	11.88	67,413	0.00%	0.70%	18.78%
Platinum Investor PLUS	491	11.88	5,829	0.00%	0.70%	18.78%
Platinum Investor Survivor	433	11.90	5,158	0.00%	0.40%	19.02%
Platinum Investor Survivor II	3,197	11.87	37,965	0.00%	0.75%	18.74%
Oppenheimer Global Securities Fund/VA - Non-Service Shares						
Platinum Investor I & II	2,681	14.22	38,121	0.00%	0.75%	42.19%
Platinum Investor III	7,964	14.22	113,286	0.00%	0.70%	42.24%

</TABLE>

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AMERICAN GENERAL LIFE INSURANCE COMPANY
SEPARATE ACCOUNT VL-R
NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note G - Financial Highlights - Continued

A summary of units outstanding, unit values, and net assets for the variable life policies and the investment income ratios, expense ratios (excluding expenses of the underlying Divisions) and total returns for the years ended December 31, 2004, 2003, 2002 and 2001, are as follows:

<TABLE>
<CAPTION>

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2003 - Continued						
Oppenheimer Global Securities Fund/VA - Non-Service Shares - Continued						
Platinum Investor PLUS	254	\$14.22	\$ 3,614	0.00%	0.70%	42.24%
Platinum Investor Survivor	1,271	14.25	18,122	0.00%	0.40%	42.53%
Platinum Investor Survivor II	316	14.22	4,494	0.00%	0.75%	42.19%
Oppenheimer High Income Fund/VA - Non-Service Shares						
AG Legacy Plus	6,177	11.57	71,478	9.13%	0.75%	23.03%
PIMCO VIT Real Return Portfolio - Administrative Class						
AG Legacy Plus	46,648	12.95	604,251	2.34% +	0.75%	8.04%
Corporate America	2,415	14.29	34,504	2.87% +	0.35%	8.47%
Platinum Investor I & II	115,773	14.11	1,633,587	2.41% +	0.75%	8.04%
Platinum Investor III	357,225	14.16	5,058,921	2.55% +	0.70%	8.10%
Platinum Investor PLUS	19,594	11.96	234,262	2.38% +	0.70%	8.10%
Platinum Investor Survivor	55,992	14.27	798,850	2.66% +	0.40%	8.42%
Platinum Investor Survivor II	12,541	12.12	152,019	2.32% +	0.75%	8.04%
PIMCO VIT Short-Term Portfolio - Administrative Class						
Corporate America	15,920	11.19	178,227	1.65%	0.35%	1.69%
Platinum Investor I & II	198,676	11.05	2,196,210	2.23%	0.75%	1.29%
Platinum Investor III	136,457	11.06	1,509,539	1.59%	0.70%	1.34%
Platinum Investor PLUS	5,065	10.30	52,148	1.40%	0.70%	1.34%
Platinum Investor Survivor	22,482	11.18	251,288	1.66%	0.40%	1.64%
Platinum Investor Survivor II	29,761	10.40	309,375	1.79%	0.75%	1.29%
PIMCO VIT Total Return Portfolio - Administrative Class						
AG Legacy Plus	35,437	11.94	423,015	2.68% +	0.75%	4.26%
Corporate America	6,930	12.67	87,796	3.00% +	0.35%	4.68%
Platinum Investor I & II	258,775	12.51	3,237,164	2.85% +	0.75%	4.26%
Platinum Investor III	437,126	12.57	5,495,000	2.98% +	0.70%	4.31%
Platinum Investor PLUS	24,496	10.96	268,413	2.72% +	0.70%	4.31%
Platinum Investor Survivor	51,352	12.65	649,546	2.80% +	0.40%	4.63%
Platinum Investor Survivor II	52,389	11.07	579,689	3.31% +	0.75%	4.26%
Putnam VT Diversified Income Fund - Class IB						
AG Legacy Plus	8,850	12.66	112,000	8.11%	0.75%	19.15%
Corporate America	294,605	12.87	3,792,813	7.25%	0.35%	19.63%
Platinum Investor I & II	89,892	12.22	1,098,789	9.11%	0.75%	19.15%
Platinum Investor III	57,820	13.09	756,793	6.90%	0.70%	19.21%
Platinum Investor PLUS	4,230	12.13	51,314	3.90%	0.70%	19.21%
Platinum Investor Survivor	4,357	12.87	56,062	8.28%	0.40%	19.57%
Platinum Investor Survivor II	122	12.47	1,524	0.00%	0.75%	19.15%
Putnam VT Growth and Income Fund - Class IB						
Corporate America	371,886	10.16	3,778,936	1.40%	0.35%	26.94%
Platinum Investor I & II	509,573	10.57	5,386,247	1.85%	0.75%	26.43%
Platinum Investor III	467,361	9.54	4,459,408	1.57%	0.70%	26.49%
Platinum Investor PLUS	13,002	10.68	138,850	1.12%	0.70%	26.49%
Platinum Investor Survivor	70,398	10.15	714,878	1.73%	0.40%	26.87%
Platinum Investor Survivor II	4,092	10.48	42,897	1.32%	0.75%	26.43%
Putnam VT International Growth and Income Fund - Class IB						
Corporate America	1,334	9.20	12,264	0.00%	0.35%	37.37%
Platinum Investor I & II	239,580	10.72	2,568,951	1.40%	0.75%	36.82%
Platinum Investor III	198,598	9.49	1,884,181	1.43%	0.70%	36.89%

</TABLE>

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AMERICAN GENERAL LIFE INSURANCE COMPANY
SEPARATE ACCOUNT VL-R
NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note G - Financial Highlights - Continued

A summary of units outstanding, unit values, and net assets for the variable life policies and the investment income ratios, expense ratios (excluding expenses of the underlying Divisions) and total returns for the years ended December 31, 2004, 2003, 2002 and 2001, are as follows:

<TABLE>
<CAPTION>

	Investment Income	Expense	Total
--	-------------------	---------	-------

Divisions	Units	Unit Value	Net Assets	Ratio (a)	Ratio (b)	Return (c)
<S>	<C>	<C>	<C>	<C>	<C>	<C>
2003 - Continued						
Putnam VT International Growth and Income Fund - Class IB - Continued						
Platinum Investor PLUS	4,529	\$11.15	\$ 50,500	0.85%	0.70%	36.89%
Platinum Investor Survivor	43,197	9.19	396,996	2.62%	0.40%	37.30%
Platinum Investor Survivor II	12,397	12.12	150,271	1.33%	0.75%	36.82%
Putnam VT Small Cap Value Fund - Class IB						
AG Legacy Plus	25,739	15.81	407,015	0.33%	0.75%	48.53%
Putnam VT Vista Fund - Class IB						
AG Legacy Plus	15,464	4.73	73,086	0.00%	0.75%	32.17%
Putnam VT Voyager Fund - Class IB						
AG Legacy Plus	48,322	5.52	266,775	0.37%	0.75%	23.98%
Safeco RST Core Equity Portfolio						
Platinum Investor I & II	276,177	8.77	2,421,492	0.89%	0.75%	23.85%
Platinum Investor III	63,936	7.64	488,773	1.08%	0.70%	23.91%
Platinum Investor PLUS	838	10.47	8,774	1.36%	0.70%	23.91%
Platinum Investor Survivor	32,237	7.31	235,796	1.04%	0.40%	24.28%
Platinum Investor Survivor II	187	9.24	1,733	1.11%	0.75%	23.85%
Safeco RST Growth Opportunities Portfolio						
Corporate America	3,371	8.87	29,895	0.00%	0.35%	42.44%
Platinum Investor I & II	396,491	8.69	3,446,391	0.00%	0.75%	41.87%
Platinum Investor III	120,957	9.29	1,124,048	0.00%	0.70%	41.95%
Platinum Investor PLUS	3,567	10.04	35,811	0.00%	0.70%	41.95%
Platinum Investor Survivor	17,018	8.86	150,834	0.00%	0.40%	42.37%
Platinum Investor Survivor II	23,243	10.41	242,035	0.00%	0.75%	41.87%
Scudder VIT EAFE Equity Index Fund - Class A						
Legacy Plus	--	8.30	--	0.00%	0.75%	32.36%
Scudder VIT Equity 500 Index Fund - Class A						
Legacy Plus	1,670	9.25	15,448	1.15%	0.75%	27.20%
SunAmerica - Aggressive Growth Portfolio - Class 1						
Platinum Investor I & II	7,575	9.99	75,636	0.00%	0.75%	27.50%
Platinum Investor III	14,418	9.99	144,087	0.00%	0.70%	27.56%
Platinum Investor PLUS	1,974	10.61	20,949	0.00%	0.70%	27.56%
Platinum Investor Survivor II	329	9.99	3,284	0.00%	0.75%	27.50%
SunAmerica - SunAmerica Balanced Portfolio - Class 1						
Platinum Investor I & II	195	10.11	1,968	2.38%	0.75%	14.26%
Platinum Investor III	28,434	10.12	287,813	2.66%	0.70%	14.31%
Platinum Investor PLUS	6,452	10.44	67,366	3.13%	0.70%	14.31%
Platinum Investor Survivor II	407	10.11	4,119	0.00%	0.75%	14.26%
UIF Equity Growth Portfolio - Class I						
Platinum Investor I & II	326,206	9.60	3,130,767	0.00%	0.75%	23.99%
Platinum Investor III	66,650	6.44	429,207	0.00%	0.70%	24.06%
Platinum Investor PLUS	1,975	10.26	20,256	0.00%	0.70%	24.06%
Platinum Investor Survivor	30,141	6.12	184,561	0.00%	0.40%	24.43%
Platinum Investor Survivor II	141	9.06	1,280	0.00%	0.75%	23.99%
UIF High Yield Portfolio - Class I						
Platinum Investor I & II	126,400	10.25	1,295,523	0.00%	0.75%	24.77%
Platinum Investor III	20,941	10.62	222,461	0.00%	0.70%	24.83%
Platinum Investor PLUS	432	11.86	5,121	0.00%	0.70%	24.83%
Platinum Investor Survivor	24,802	9.93	246,395	0.00%	0.40%	25.21%

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AMERICAN GENERAL LIFE INSURANCE COMPANY
SEPARATE ACCOUNT VL-R
NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note G - Financial Highlights - Continued

A summary of units outstanding, unit values, and net assets for the variable life policies and the investment income ratios, expense ratios (excluding expenses of the underlying Divisions) and total returns for the years ended December 31, 2004, 2003, 2002 and 2001, are as follows:

Divisions	Units	Unit Value	Net Assets	Investment Income Ratio (a)	Expense Ratio (b)	Total Return (c)
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2003 - Continued						
UIF High Yield Portfolio - Class I - Continued						
Platinum Investor Survivor II	3,683	\$11.58	\$ 42,672	0.00%	0.75%	24.77%
VALIC Company I - International Equities Fund						
AG Legacy Plus	14,398	7.02	101,091	1.46%	0.75%	28.67%
Platinum Investor I & II	122,430	9.01	1,102,745	1.35%	0.75%	28.67%
Platinum Investor III	67,471	7.79	525,299	1.44%	0.70%	28.73%
Platinum Investor PLUS	3,724	10.19	37,962	2.18%	0.70%	28.73%

Platinum Investor Survivor	12,165	6.88	83,664	1.61%	0.40%	29.12%
Platinum Investor Survivor II	347	10.60	3,680	1.13%	0.75%	28.67%
VALIC Company I - Mid Cap Index Fund						
AG Legacy Plus	19,915	11.17	222,472	0.66%	0.75%	34.11%
Corporate America	6,985	12.09	84,411	0.67%	0.35%	34.65%
Platinum Investor I & II	473,968	16.56	7,850,709	0.65%	0.75%	34.11%
Platinum Investor III	355,307	10.88	3,864,025	0.67%	0.70%	34.18%
Platinum Investor PLUS	15,183	11.20	169,998	0.77%	0.70%	34.18%
Platinum Investor Survivor	65,007	12.08	785,117	0.67%	0.40%	34.58%
Platinum Investor Survivor II	34,488	12.22	421,438	0.63%	0.75%	34.11%
VALIC Company I - Money Market I Fund						
AG Legacy Plus	54,423	10.51	572,075	0.59%	0.75%	-0.15%
Corporate America	5,236	10.89	57,007	0.20%	0.35%	0.25%
Legacy Plus	1,003	11.07	11,107	0.60%	0.75%	-0.15%
Platinum Investor I & II	1,187,067	11.59	13,752,956	0.59%	0.75%	-0.15%
Platinum Investor III	1,157,750	10.43	12,072,544	0.64%	0.70%	-0.10%
Platinum Investor PLUS	98,210	10.02	983,952	0.77%	0.70%	-0.10%
Platinum Investor Survivor	380,198	10.88	4,136,738	0.58%	0.40%	0.20%
Platinum Investor Survivor II	506,784	10.05	5,091,299	0.62%	0.75%	-0.15%
VALIC Company I - Nasdaq-100 Index Fund						
Platinum Investor I & II	175,463	4.44	778,806	0.00%	0.75%	48.16%
Platinum Investor III	458,384	4.36	1,998,388	0.00%	0.70%	48.24%
Platinum Investor PLUS	5,849	12.50	73,115	0.00%	0.70%	48.24%
Platinum Investor Survivor	20,392	4.49	91,524	0.00%	0.40%	48.68%
Platinum Investor Survivor II	162	9.41	1,520	0.00%	0.75%	48.16%
VALIC Company I - Science & Technology Fund						
Platinum Investor I & II	49,200	3.95	194,220	0.00%	0.75%	50.34%
Platinum Investor III	164,694	3.91	644,460	0.00%	0.70%	50.42%
Platinum Investor PLUS	2,392	12.13	29,006	0.00%	0.70%	50.42%
Platinum Investor Survivor	13,270	3.99	52,968	0.00%	0.40%	50.87%
Platinum Investor Survivor II	702	9.11	6,393	0.00%	0.75%	50.34%
VALIC Company I - Small Cap Index Fund						
Corporate America	4,923	11.46	56,403	0.54%	0.35%	45.95%
Platinum Investor I & II	132,279	11.31	1,496,516	0.51%	0.75%	45.37%
Platinum Investor III	150,669	11.13	1,677,464	0.50%	0.70%	45.44%
Platinum Investor PLUS	7,881	11.78	92,804	0.50%	0.70%	45.44%
Platinum Investor Survivor	26,367	11.44	301,623	0.51%	0.40%	45.88%
Platinum Investor Survivor II	1,939	12.67	24,572	0.55%	0.75%	45.37%
VALIC Company I - Stock Index Fund						
AG Legacy Plus	40,926	7.61	311,432	1.31% +	0.75%	27.24%
Corporate America	14,966	7.59	113,624	1.35% +	0.35%	27.75%

</TABLE>

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AMERICAN GENERAL LIFE INSURANCE COMPANY
SEPARATE ACCOUNT VL-R
NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note G - Financial Highlights - Continued

A summary of units outstanding, unit values, and net assets for the variable life policies and the investment income ratios, expense ratios (excluding expenses of the underlying Divisions) and total returns for the years ended December 31, 2004, 2003, 2002 and 2001, are as follows:

<TABLE>

<CAPTION>

Divisions	Units	Unit Value	Net Assets	Investment Income Ratio (a)	Expense Ratio (b)	Total Return (c)
<S>	<C>	<C>	<C>	<C>	<C>	<C>
2003 - Continued						
VALIC Company I - Stock Index Fund - Continued						
Platinum Investor I & II	1,600,529	\$10.43	\$16,687,793	1.31% +	0.75%	27.24%
Platinum Investor III	2,468,374	7.89	19,467,096	1.39% +	0.70%	27.31%
Platinum Investor PLUS	42,167	10.81	455,713	1.42% +	0.70%	27.31%
Platinum Investor Survivor	685,168	7.59	5,198,479	1.33% +	0.40%	27.69%
Platinum Investor Survivor II	172,218	10.06	1,733,298	1.28% +	0.75%	27.24%
Van Kampen LIT Emerging Growth Portfolio - Class I						
AG Legacy Plus	13,282	4.47	59,393	0.00%	0.75%	26.39%
Van Kampen LIT Government Portfolio - Class I						
AG Legacy Plus	13,082	12.48	163,224	4.12%	0.75%	0.99%
Van Kampen LIT Growth and Income Portfolio - Class I						
Platinum Investor I & II	178,503	10.51	1,876,564	0.86%	0.75%	27.07%
Platinum Investor III	155,250	10.52	1,633,472	0.92%	0.70%	27.14%
Platinum Investor PLUS	9,593	10.72	102,840	0.39%	0.70%	27.14%
Platinum Investor Survivor	15,154	10.57	160,247	1.05%	0.40%	27.52%
Platinum Investor Survivor II	4,494	10.51	47,245	0.19%	0.75%	27.07%
Vanguard VIF High Yield Bond Portfolio						
Platinum Investor I & II	73,461	11.85	870,269	5.46%	0.75%	16.00%
Platinum Investor III	203,425	11.93	2,427,400	4.89%	0.70%	16.05%

Platinum Investor PLUS	9,286	11.47	106,560	3.50%	0.70%	16.05%
Platinum Investor Survivor	71,234	11.98	853,280	6.64%	0.40%	16.40%
Platinum Investor Survivor II	3,152	11.75	37,022	4.95%	0.75%	16.00%
Vanguard VIF REIT Index Portfolio						
Corporate America	3,843	17.00	65,316	4.03% +	0.35%	35.01%
Platinum Investor I & II	79,522	16.78	1,334,528	3.21% +	0.75%	34.47%
Platinum Investor III	239,528	16.78	4,019,190	3.13% +	0.70%	34.54%
Platinum Investor PLUS	14,257	12.62	179,968	3.25% +	0.70%	34.54%
Platinum Investor Survivor	21,216	16.97	360,003	3.42% +	0.40%	34.94%
Platinum Investor Survivor II	9,515	14.62	139,141	2.95% +	0.75%	34.47%

2002

AIM V.I. Capital Appreciation Fund - Series I						
The One VUL Solution	--	4.77	--	0.00%	0.75%	-24.92%
AIM V.I. International Growth Fund - Series I						
AG Legacy Plus	22,776	5.10	116,132	0.77%	0.75%	-16.30%
Corporate America	5,928	4.90	29,029	0.16%	0.35%	-15.97%
Platinum Investor I & II	368,831	7.06	2,602,616	0.60%	0.75%	-16.30%
Platinum Investor III	77,922	5.92	461,268	0.76%	0.70%	-16.26%
Platinum Investor PLUS	480	8.19	3,927	0.81%	0.70%	0.00%
Platinum Investor Survivor	50,094	4.90	245,264	0.63%	0.40%	-16.01%
Platinum Investor Survivor II	1,368	8.59	11,750	1.20%	0.75%	0.00%
The One VUL Solution	--	4.65	--	1.13%	0.75%	-16.31%
AIM V.I. Premier Equity Fund - Series I						
Corporate America	6,136	4.75	29,131	0.07%	0.35%	-30.50%
Legacy Plus	1	5.27	3	0.00%	0.75%	-30.78%
Platinum Investor I & II	957,563	7.63	7,301,703	0.32%	0.75%	-30.78%
Platinum Investor III	347,063	5.66	1,965,988	0.44%	0.70%	-30.75%
Platinum Investor PLUS	1,706	8.22	14,024	0.81%	0.70%	0.00%

</TABLE>

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AMERICAN GENERAL LIFE INSURANCE COMPANY
SEPARATE ACCOUNT VL-R
NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note G - Financial Highlights

A summary of units outstanding, unit values, and net assets for the variable life policies and the investment income ratios, expense ratios (excluding expenses of the underlying Divisions) and total returns for the years ended December 31, 2004, 2003, 2002 and 2001, are as follows:

<TABLE>

<CAPTION>

Divisions	Units	Unit Value	Net Assets	Investment Income Ratio (a)	Expense Ratio (b)	Total Return (c)
<S>	<C>	<C>	<C>	<C>	<C>	<C>
2002 - Continued						
AIM V.I. Premier Equity Fund - Series I - Continued						
Platinum Investor Survivor	105,247	\$ 4.75	\$ 499,599	0.34%	0.40%	-30.54%
Platinum Investor Survivor II	3,438	7.09	24,384	0.80%	0.75%	0.00%
American Century VP Value Fund - Class I						
AG Legacy Plus	32,212	11.59	373,282	0.85% +	0.75%	-13.27%
Corporate America	5,131	10.56	54,184	0.56% +	0.35%	-12.93%
Platinum Investor I & II	180,166	10.47	1,886,100	0.79% +	0.75%	-13.27%
Platinum Investor III	221,601	10.40	2,303,966	0.59% +	0.70%	-13.23%
Platinum Investor PLUS	4,788	8.81	42,174	0.00%	0.70%	0.00%
Platinum Investor Survivor	12,625	10.55	133,175	0.91% +	0.40%	-12.97%
Platinum Investor Survivor II	42,508	9.22	391,994	0.01% +	0.75%	0.00%
Ayco Growth Fund						
Platinum Investor I & II	29,066	6.62	192,386	0.35%	0.75%	-29.83%
Platinum Investor III	30,148	6.63	199,755	0.39%	0.70%	-29.80%
Platinum Investor PLUS	1	8.10	7	0.00%	0.70%	0.00%
Platinum Investor Survivor	789,598	6.67	5,264,612	0.32%	0.40%	-29.58%
Platinum Investor Survivor II	222,735	7.03	1,566,422	0.72%	0.75%	0.00%
Credit Suisse Small Cap Growth Portfolio						
Platinum Investor I & II	35,231	5.04	177,610	0.00%	0.75%	-34.19%
Platinum Investor III	51,587	4.93	254,477	0.00%	0.70%	-34.15%
Platinum Investor PLUS	871	7.87	6,859	0.00%	0.70%	0.00%
Platinum Investor Survivor	3,366	5.08	17,097	0.00%	0.40%	-33.96%
Platinum Investor Survivor II	124	7.47	929	0.00%	0.75%	0.00%
Dreyfus IP MidCap Stock Portfolio - Initial shares						
Platinum Investor I & II	63,006	8.18	515,639	0.34%	0.75%	-13.15%
Platinum Investor III	121,203	8.04	974,668	0.41%	0.70%	-13.10%
Platinum Investor PLUS	3,019	8.45	25,502	0.58%	0.70%	0.00%
Platinum Investor Survivor	20,439	8.25	168,544	0.34%	0.40%	-12.84%
Platinum Investor Survivor II	1,861	9.26	17,237	0.63%	0.75%	0.00%
Dreyfus VIF Developing Leaders Portfolio - Initial shares						

Corporate America	10,128	7.91	80,120	0.05%	0.35%	-19.41%
Platinum Investor I & II	426,312	9.63	4,107,348	0.05%	0.75%	-19.73%
Platinum Investor III	271,074	7.42	2,010,122	0.05%	0.70%	-19.69%
Platinum Investor PLUS	4,300	8.01	34,423	0.03%	0.70%	0.00%
Platinum Investor Survivor	161,430	7.91	1,276,781	0.07%	0.40%	-19.45%
Platinum Investor Survivor II	19,192	8.71	167,114	0.05%	0.75%	0.00%
Dreyfus VIF Quality Bond Portfolio - Initial shares						
Corporate America	7,235	12.40	89,712	4.91%	0.35%	7.39%
Platinum Investor I & II	434,524	12.47	5,420,598	4.83%	0.75%	6.96%
Platinum Investor III	153,439	11.80	1,811,076	5.31%	0.70%	7.01%
Platinum Investor PLUS	4,878	10.46	51,041	1.39%	0.70%	0.00%
Platinum Investor Survivor	19,599	12.40	242,975	5.20%	0.40%	7.33%
Platinum Investor Survivor II	3,457	10.52	36,349	4.29%	0.75%	0.00%
Fidelity VIP Asset Manager Portfolio - Service Class 2						
AG Legacy Plus	8,505	8.77	74,595	3.64%	0.75%	-9.71%
Platinum Investor I & II	174,156	8.35	1,453,875	0.54%	0.75%	-9.71%
Platinum Investor III	79,608	8.32	662,518	2.09%	0.70%	-9.66%

</TABLE>

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AMERICAN GENERAL LIFE INSURANCE COMPANY
SEPARATE ACCOUNT VL-R
NOTES TO FINANCIAL STATEMENTS - CONTINUED

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2002 - Continued						
Fidelity VIP Asset Manager Portfolio - Service Class 2 - Continued						
Platinum Investor PLUS	1,718	\$ 9.51	\$ 16,348	0.00%	0.70%	0.00%
Platinum Investor Survivor	8,463	8.41	71,189	2.40%	0.40%	-9.39%
Platinum Investor Survivor II	4,060	9.30	37,752	0.00%	0.75%	0.00%
Fidelity VIP Contrafund Portfolio - Service Class 2						
AG Legacy Plus	25,788	8.53	219,877	0.37%	0.75%	-10.28%
Corporate America	4,783	7.54	36,062	0.48%	0.35%	-9.92%
Platinum Investor I & II	243,910	7.48	1,823,252	0.62%	0.75%	-10.28%
Platinum Investor III	301,956	7.37	2,225,469	0.41%	0.70%	-10.24%
Platinum Investor PLUS	4,180	8.82	36,867	0.00%	0.70%	0.00%
Platinum Investor Survivor	272,383	7.53	2,051,592	0.66%	0.40%	-9.97%
Platinum Investor Survivor II	4,002	9.31	37,252	0.00%	0.75%	0.00%
Fidelity VIP Equity-Income Portfolio - Service Class 2						
AG Legacy Plus	39,899	7.74	308,675	1.20% +	0.75%	-17.77%
Corporate America	17,330	7.89	136,717	0.96% +	0.35%	-17.44%
Platinum Investor I & II	264,111	7.82	2,065,557	1.52% +	0.75%	-17.77%
Platinum Investor III	359,047	7.82	2,809,110	1.23% +	0.70%	-17.73%
Platinum Investor PLUS	6,741	8.42	56,792	0.00%	0.70%	0.00%
Platinum Investor Survivor	262,426	7.88	2,068,007	1.54% +	0.40%	-17.48%
Platinum Investor Survivor II	28,086	8.56	240,289	0.10%	0.75%	0.00%
Fidelity VIP Growth Portfolio - Service Class 2						
AG Legacy Plus	21,662	6.03	130,618	0.19%	0.75%	-30.82%
Corporate America	4,366	5.09	22,219	0.10%	0.35%	-30.54%
Platinum Investor I & II	305,211	5.04	1,539,790	0.12%	0.75%	-30.82%
Platinum Investor III	528,324	4.99	2,638,612	0.10%	0.70%	-30.78%
Platinum Investor PLUS	6,371	8.04	51,207	0.00%	0.70%	0.00%
Platinum Investor Survivor	404,293	5.08	2,055,203	0.29%	0.40%	-30.57%
Platinum Investor Survivor II	30,554	7.15	218,579	0.00%	0.75%	0.00%
Franklin Templeton - Franklin Small Cap Fund - Class 2						
AG Legacy Plus	19,916	4.65	92,656	0.37%	0.75%	-29.22%
The One VUL Solution	--	4.23	--	0.30%	0.75%	-29.22%
Franklin Templeton - Franklin U.S. Government Fund - Class 2						
Platinum Investor I & II	19,378	10.93	211,781	0.20%	0.75%	0.00%
Platinum Investor III	765,913	10.93	8,374,946	22.84%	0.70%	0.00%
Platinum Investor PLUS	1,443	10.58	15,262	0.00%	0.70%	0.00%
Platinum Investor Survivor	25,055	10.97	274,784	0.00%	0.40%	0.00%
Platinum Investor Survivor II	372	10.93	4,064	0.00%	0.75%	0.00%
Franklin Templeton - Mutual Shares Securities						

Fund - Class 2						
Platinum Investor I & II	12,404	8.76	108,650	1.85% +	0.75%	0.00%
Platinum Investor III	485,325	8.76	4,253,340	0.00%	0.70%	0.00%
Platinum Investor PLUS	2,794	8.62	24,079	0.00%	0.70%	0.00%
Platinum Investor Survivor	1,068	8.79	9,384	0.00%	0.40%	0.00%
Platinum Investor Survivor II	8,126	8.76	71,181	0.76% +	0.75%	0.00%
Franklin Templeton - Templeton Developing Markets Securities Fund - Class 2						
The One VUL Solution	--	6.18	--	2.91%	0.75%	-0.89%
Franklin Templeton - Templeton Foreign Securities Fund - Class 2						
AG Legacy Plus	6,595	6.43	42,380	2.31%	0.75%	-19.17%
Platinum Investor I & II	7,590	8.04	61,042	0.76%	0.75%	0.00%

</TABLE>

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AMERICAN GENERAL LIFE INSURANCE COMPANY
SEPARATE ACCOUNT VL-R
NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note G - Financial Highlights

A summary of units outstanding, unit values, and net assets for the variable life policies and the investment income ratios, expense ratios (excluding expenses of the underlying Divisions) and total returns for the years ended December 31, 2004, 2003, 2002 and 2001, are as follows:

<TABLE>

<CAPTION>

Divisions	Units	Unit Value	Net Assets	Investment Income Ratio (a)	Expense Ratio (b)	Total Return (c)
<S>	<C>	<C>	<C>	<C>	<C>	<C>
2002 - Continued						
Franklin Templeton - Templeton Foreign Securities Fund - Class 2 - Continued						
Platinum Investor III	517,539	\$8.05	\$4,164,199	0.01%	0.70%	0.00%
Platinum Investor PLUS	1,105	7.78	8,596	0.00%	0.70%	0.00%
Platinum Investor Survivor	595	8.07	4,799	0.00%	0.40%	0.00%
Platinum Investor Survivor II	9,504	8.04	76,434	1.64%	0.75%	0.00%
Janus Aspen Series International Growth Portfolio - Service Shares						
Corporate America	1,873	5.06	9,478	0.94%	0.35%	-26.02%
Platinum Investor I & II	77,304	5.02	387,785	0.72%	0.75%	-26.31%
Platinum Investor III	130,384	4.98	648,942	0.79%	0.70%	-26.28%
Platinum Investor PLUS	1,057	7.98	8,431	0.62%	0.70%	0.00%
Platinum Investor Survivor	25,566	5.05	129,225	0.79%	0.40%	-26.05%
Platinum Investor Survivor II	10,266	7.89	80,958	1.54%	0.75%	0.00%
Janus Aspen Series Mid Cap Growth Portfolio - Service Shares						
Corporate America	2,135	3.35	7,151	0.00%	0.35%	-28.37%
Platinum Investor I & II	50,819	3.32	168,710	0.00%	0.75%	-28.66%
Platinum Investor III	257,635	3.24	833,628	0.00%	0.70%	-28.62%
Platinum Investor PLUS	1,532	8.45	12,952	0.00%	0.70%	0.00%
Platinum Investor Survivor	14,436	3.35	48,291	0.00%	0.40%	-28.41%
Janus Aspen Series Worldwide Growth Portfolio - Service Shares						
Corporate America	8,060	5.14	41,468	0.79%	0.35%	-25.97%
Platinum Investor I & II	154,176	5.10	786,343	0.86%	0.75%	-26.26%
Platinum Investor III	206,199	5.05	1,041,675	0.76%	0.70%	-26.23%
Platinum Investor PLUS	1,138	8.07	9,184	0.70%	0.70%	0.00%
Platinum Investor Survivor	21,524	5.14	110,615	0.71%	0.40%	-26.00%
Platinum Investor Survivor II	14,644	7.73	113,257	0.83%	0.75%	0.00%
JPMorgan Small Company Portfolio						
Platinum Investor I & II	14,260	6.70	95,522	0.21%	0.75%	-22.24%
Platinum Investor III	32,094	6.59	211,344	0.17%	0.70%	-22.20%
Platinum Investor PLUS	83	8.20	678	0.00%	0.70%	0.00%
Platinum Investor Survivor	1,804	6.75	12,176	0.26%	0.40%	-21.96%
Platinum Investor Survivor II	116	8.61	998	0.00%	0.75%	0.00%
MFS VIT Capital Opportunities Series - Initial Class						
Corporate America	3,029	4.77	14,449	0.05%	0.35%	-29.94%
Platinum Investor I & II	138,353	4.73	654,212	0.04%	0.75%	-30.22%
Platinum Investor III	261,521	4.77	1,246,756	0.05%	0.70%	-30.18%
Platinum Investor PLUS	1,935	8.03	15,536	0.00%	0.70%	0.00%
Platinum Investor Survivor	38,315	4.76	182,558	0.06%	0.40%	-29.97%
Platinum Investor Survivor II	1,984	7.32	14,526	0.01%	0.75%	0.00%
MFS VIT Emerging Growth Series - Initial Class						
AG Legacy Plus	7,536	7.40	55,771	3.14%	0.75%	-32.52%
Corporate America	1,471	3.39	4,984	0.00%	0.35%	-33.99%
Platinum Investor I & II	734,536	7.21	5,292,534	0.00%	0.75%	-34.26%
Platinum Investor III	407,316	3.81	1,552,389	0.00%	0.70%	-34.22%

Platinum Investor PLUS	1,418	8.03	11,383	0.00%	0.70%	0.00%
Platinum Investor Survivor	112,158	3.39	379,908	0.00%	0.40%	-34.02%
Platinum Investor Survivor II	978	6.91	6,758	0.00%	0.75%	0.00%
MFS VIT Investors Trust Series - Initial Class						
The One VUL Solution	--	6.78	--	0.75%	0.75%	-21.56%

</TABLE>

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AMERICAN GENERAL LIFE INSURANCE COMPANY
SEPARATE ACCOUNT VL-R
NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note G - Financial Highlights - Continued

A summary of units outstanding, unit values, and net assets for the variable life policies and the investment income ratios, expense ratios (excluding expenses of the underlying Divisions) and total returns for the years ended December 31, 2004, 2003, 2002 and 2001, are as follows:

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2002 - Continued						
MFS VIT New Discovery Series - Initial Class						
AG Legacy Plus	7,546	\$ 5.58	\$ 42,092	0.00%	0.75%	-32.14%
Corporate America	3,836	6.03	23,116	0.00%	0.35%	-31.87%
Platinum Investor I & II	109,936	5.97	656,847	0.00%	0.75%	-32.14%
Platinum Investor III	128,296	5.85	750,133	0.00%	0.70%	-32.11%
Platinum Investor PLUS	2,463	7.94	19,562	0.00%	0.70%	0.00%
Platinum Investor Survivor	6,447	6.02	38,816	0.00%	0.40%	-31.90%
Platinum Investor Survivor II	18,384	7.66	140,857	0.00%	0.75%	0.00%
MFS VIT Research Series - Initial Class						
Corporate America	2,002	5.31	10,636	0.19%	0.35%	-24.80%
Platinum Investor I & II	43,887	5.27	231,157	0.25%	0.75%	-25.10%
Platinum Investor III	95,980	5.24	503,077	0.25%	0.70%	-25.06%
Platinum Investor PLUS	444	8.28	3,676	0.00%	0.70%	0.00%
Platinum Investor Survivor	9,598	5.31	50,938	0.31%	0.40%	-24.84%
Platinum Investor Survivor II	2,335	7.73	18,040	0.64%	0.75%	0.00%
MFS VIT Total Return Series - Initial Class						
AG Legacy Plus	136,071	4.88	664,385	1.55%+	0.75%	-8.30%
Neuberger Berman AMT Mid-Cap Growth Portfolio - Class I						
Platinum Investor I & II	57,765	4.36	251,677	0.00%	0.75%	-29.87%
Platinum Investor III	171,461	4.28	733,802	0.00%	0.70%	-29.83%
Platinum Investor PLUS	1,371	7.98	10,937	0.00%	0.70%	0.00%
Platinum Investor Survivor	175,271	4.39	769,462	0.00%	0.40%	-29.62%
Platinum Investor Survivor II	2,862	7.33	20,977	0.00%	0.75%	0.00%
Neuberger Berman AMT Partners Portfolio - Class I						
AG Legacy Plus	11,767	7.16	84,258	0.73%	0.75%	-24.71%
One Group Investment Trust Equity Index Portfolio						
The One VUL Solution	--	6.19	--	0.00%	0.75%	-23.06%
One Group Investment Trust Large Cap Growth Portfolio						
The One VUL Solution	--	4.33	--	0.00%	0.75%	-29.01%
One Group Investment Trust Mid Cap Growth Portfolio						
The One VUL Solution	--	6.71	--	0.00%	0.75%	-20.73%
Oppenheimer High Income Fund/VA - Non-Service Shares						
AG Legacy Plus	11,744	9.40	110,445	9.93%	0.75%	-3.12%
The One VUL Solution	--	8.41	--	20.28%	0.75%	-3.13%
PIMCO VIT Real Return Portfolio - Administrative Class						
AG Legacy Plus	32,681	11.99	391,822	4.15%+	0.75%	16.92%
Corporate America	3,026	13.17	39,867	4.70%+	0.35%	0.00%
Platinum Investor I & II	190,024	13.06	2,481,720	5.95%+	0.75%	16.92%
Platinum Investor III	174,421	13.10	2,285,113	4.20%+	0.70%	16.98%
Platinum Investor PLUS	5,160	11.06	57,074	0.74%+	0.70%	0.00%
Platinum Investor Survivor	61,007	13.16	802,807	4.30%+	0.40%	17.33%
Platinum Investor Survivor II	5,707	11.22	64,033	4.48%+	0.75%	0.00%
PIMCO VIT Short-Term Portfolio - Administrative Class						
Corporate America	6,727	11.01	74,053	2.92%+	0.35%	2.66%
Platinum Investor I & II	80,480	10.91	878,341	2.93%+	0.75%	2.25%
Platinum Investor III	86,224	10.92	941,253	2.89%+	0.70%	2.30%
Platinum Investor PLUS	560	10.16	5,689	0.71%+	0.70%	0.00%

Platinum Investor Survivor	17,021	11.00	187,177	2.44%+	0.40%	2.61%
Platinum Investor Survivor II	34,758	10.26	356,732	3.78%+	0.75%	0.00%

</TABLE>

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AMERICAN GENERAL LIFE INSURANCE COMPANY
SEPARATE ACCOUNT VL-R
NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note G - Financial Highlights - Continued

A summary of units outstanding, unit values, and net assets for the variable life policies and the investment income ratios, expense ratios (excluding expenses of the underlying Divisions) and total returns for the years ended December 31, 2004, 2003, 2002 and 2001, are as follows:

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Divisions	Units	Unit Value	Net Assets	Investment Income Ratio (a)	Expense Ratio (b)	Total Return (c)
<S>	<C>	<C>	<C>	<C>	<C>	<C>
2002 - Continued						
PIMCO VIT Total Return Portfolio -						
Administrative Class						
AG Legacy Plus	25,099	\$11.45	\$ 287,373	4.25%+	0.75%	8.27%
Corporate America	4,850	12.10	58,703	4.47%+	0.35%	8.71%
Platinum Investor I & II	276,366	12.00	3,315,961	4.25%+	0.75%	8.27%
Platinum Investor III	301,969	12.05	3,639,057	4.27%+	0.70%	8.33%
Platinum Investor PLUS	4,990	10.50	52,417	1.45%+	0.70%	0.00%
Platinum Investor Survivor	51,588	12.09	623,682	3.98%+	0.40%	8.65%
Platinum Investor Survivor II	43,725	10.61	464,046	5.29%+	0.75%	0.00%
Putnam VT Diversified Income Fund - Class IB						
AG Legacy Plus	7,901	10.62	83,918	8.29%	0.75%	5.11%
Corporate America	190,178	10.76	2,046,636	5.68%	0.35%	5.53%
Platinum Investor I & II	100,097	10.26	1,026,852	9.81%	0.75%	5.11%
Platinum Investor III	34,162	10.98	375,082	7.36%	0.70%	5.17%
Platinum Investor PLUS	246	10.18	2,502	0.00%	0.70%	0.00%
Platinum Investor Survivor	4,759	10.76	51,212	8.76%	0.40%	5.48%
Putnam VT Growth and Income Fund - Class IB						
Corporate America	234,304	8.01	1,875,663	1.01%+	0.35%	-19.27%
Platinum Investor I & II	556,852	8.36	4,655,525	1.65%+	0.75%	-19.59%
Platinum Investor III	326,752	7.54	2,464,769	1.35%+	0.70%	-19.55%
Platinum Investor PLUS	3,645	8.44	30,768	0.00%	0.70%	0.00%
Platinum Investor Survivor	68,750	8.00	550,273	1.54%+	0.40%	-19.31%
Platinum Investor Survivor II	2,240	8.29	18,571	0.00%	0.75%	0.00%
Putnam VT International Growth and Income Fund - Class IB						
Platinum Investor I & II	235,399	7.84	1,844,874	0.53%	0.75%	-14.41%
Platinum Investor III	135,756	6.93	940,907	0.51%	0.70%	-14.37%
Platinum Investor PLUS	682	8.15	5,553	0.00%	0.70%	0.00%
Platinum Investor Survivor	230,768	6.69	1,544,705	0.76%	0.40%	-14.11%
Platinum Investor Survivor II	12,013	8.86	106,432	0.53%	0.75%	0.00%
Putnam VT Small Cap Value Fund - Class IB						
AG Legacy Plus	24,600	10.65	261,902	0.23%+	0.75%	-18.88%
Putnam VT Vista Fund - Class IB						
AG Legacy Plus	14,678	3.58	52,485	0.00%	0.75%	-31.12%
The One VUL Solution	--	3.97	--	0.00%	0.75%	-31.12%
Putnam VT Voyager Fund - Class IB						
AG Legacy Plus	47,406	4.45	211,102	0.59%	0.75%	-27.08%
Safeco RST Core Equity Portfolio						
Platinum Investor I & II	332,477	7.08	2,353,833	0.83%	0.75%	-26.46%
Platinum Investor III	48,012	6.17	296,218	1.53%	0.70%	-26.43%
Platinum Investor PLUS	291	8.45	2,455	1.58%	0.70%	0.00%
Platinum Investor Survivor	27,186	5.89	160,003	1.28%	0.40%	-26.20%
Platinum Investor Survivor II	145	7.46	1,081	2.53%	0.75%	0.00%
Safeco RST Growth Opportunities Portfolio						
Corporate America	3,445	6.23	21,447	0.00%	0.35%	-37.89%
Platinum Investor I & II	445,419	6.13	2,728,943	0.00%	0.75%	-38.14%
Platinum Investor III	105,618	6.55	691,469	0.00%	0.70%	-38.11%
Platinum Investor PLUS	1,743	7.07	12,330	0.00%	0.70%	0.00%
Platinum Investor Survivor	30,017	6.23	186,867	0.00%	0.40%	-37.92%
Platinum Investor Survivor II	12,647	7.34	92,822	0.00%	0.75%	0.00%

</TABLE>

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Note G - Financial Highlights - Continued

A summary of units outstanding, unit values, and net assets for the variable life policies and the investment income ratios, expense ratios (excluding expenses of the underlying Divisions) and total returns for the years ended December 31, 2004, 2003, 2002 and 2001, are as follows:

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2002 - Continued						
Scudder International Portfolio						
The One VUL Solution	--	\$ 5.42	\$ --	0.87%	0.75%	-14.13%
Scudder Small Cap Value Portfolio						
The One VUL Solution	--	10.75	--	0.79%	0.75%	-12.01%
Scudder VIT EAFE Equity Index Fund - Class A						
Legacy Plus	--	6.27	--	0.00%	0.75%	-22.13%
Scudder VIT Equity 500 Index Fund - Class A						
Legacy Plus	1,610	7.27	11,703	0.15%	0.75%	-22.86%
SunAmerica - Aggressive Growth Portfolio - Class 1						
Platinum Investor I & II	108	7.83	842	0.00%	0.75%	0.00%
Platinum Investor III	2,070	7.83	16,214	0.24%	0.70%	0.00%
Platinum Investor PLUS	124	8.32	1,030	0.00%	0.70%	0.00%
SunAmerica - SunAmerica Balanced Portfolio - Class 1						
Platinum Investor I & II	16	8.85	143	0.00%	0.75%	0.00%
Platinum Investor III	8,391	8.85	74,301	2.13%	0.70%	0.00%
Platinum Investor PLUS	2,001	9.13	18,277	0.00%	0.70%	0.00%
UIF Equity Growth Portfolio - Class I						
Legacy Plus	--	7.69	--	0.00%	0.75%	-28.40%
Platinum Investor I & II	381,798	7.74	2,955,218	0.15%	0.75%	-28.40%
Platinum Investor III	49,604	5.19	257,495	0.22%	0.70%	-28.37%
Platinum Investor PLUS	133	8.27	1,099	0.36%	0.70%	0.00%
Platinum Investor Survivor	49,021	4.92	241,240	0.17%	0.40%	-28.15%
Platinum Investor Survivor II	99	7.31	726	0.00%	0.75%	0.00%
UIF High Yield Portfolio - Class I						
Platinum Investor I & II	128,628	8.21	1,056,625	7.67%	0.75%	-7.96%
Platinum Investor III	13,440	8.51	114,370	10.10%	0.70%	-7.92%
Platinum Investor PLUS	0	9.50	1	0.00%	0.70%	0.00%
Platinum Investor Survivor	23,236	7.93	184,358	8.91%	0.40%	-7.64%
Platinum Investor Survivor II	2,195	9.28	20,376	19.91%	0.75%	0.00%
VALIC Company I - International Equities Fund						
AG Legacy Plus	11,056	5.46	60,328	0.64%	0.75%	-19.40%
Platinum Investor I & II	133,568	7.00	935,013	0.36%	0.75%	-19.40%
Platinum Investor III	43,063	6.05	260,439	0.40%	0.70%	-19.36%
Platinum Investor PLUS	57	7.92	453	0.00%	0.70%	0.00%
Platinum Investor Survivor	13,500	5.33	71,906	0.42%	0.40%	-19.11%
Platinum Investor Survivor II	280	8.24	2,305	0.93%	0.75%	0.00%
VALIC Company I - Mid Cap Index Fund						
AG Legacy Plus	17,425	8.33	145,149	0.99%	0.75%	-15.54%
Corporate America	7,522	8.98	67,512	0.64%	0.35%	-15.20%
Platinum Investor I & II	479,617	12.35	5,923,609	0.70%	0.75%	-15.54%
Platinum Investor III	229,906	8.10	1,863,384	0.72%	0.70%	-15.50%
Platinum Investor PLUS	2,609	8.34	21,775	0.27%	0.70%	0.00%
Platinum Investor Survivor	60,525	8.97	543,149	0.73%	0.40%	-15.24%
Platinum Investor Survivor II	19,511	9.11	177,774	0.87%	0.75%	0.00%
VALIC Company I - Money Market I Fund						
AG Legacy Plus	47,333	10.53	498,304	1.45%	0.75%	0.49%
Corporate America	28,915	10.86	314,038	0.40%	0.35%	0.89%
Legacy Plus	977	11.09	10,830	0.61%	0.75%	0.49%
Platinum Investor I & II	1,576,362	11.60	18,291,099	1.32%	0.75%	0.49%

</TABLE>

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AMERICAN GENERAL LIFE INSURANCE COMPANY
SEPARATE ACCOUNT VL-R
NOTES TO FINANCIAL STATEMENTS - CONTINUED

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2002 - Continued						
VALIC Company I - Money Market I Fund - Continued						
Platinum Investor III	1,248,697	\$10.44	\$13,034,287	1.00%	0.70%	0.54%
Platinum Investor PLUS	14,815	10.03	148,586	0.65%	0.70%	0.00%
Platinum Investor Survivor	411,443	10.86	4,467,881	1.33%	0.40%	0.84%
Platinum Investor Survivor II	514,618	10.06	5,177,910	1.05%	0.75%	0.49%
The One VUL Solution	--	10.82	--	0.00%	0.75%	0.49%
VALIC Company I - Nasdaq-100 Index Fund						
Platinum Investor I & II	88,041	3.00	263,750	0.00%	0.75%	-38.72%
Platinum Investor III	337,089	2.94	991,382	0.00%	0.70%	-38.69%
Platinum Investor PLUS	457	8.43	3,855	0.00%	0.70%	0.00%
Platinum Investor Survivor	10,382	3.02	31,341	0.00%	0.40%	-38.50%
VALIC Company I - Science & Technology Fund						
Platinum Investor I & II	33,591	2.63	88,200	0.00%	0.75%	-40.66%
Platinum Investor III	119,566	2.60	311,051	0.00%	0.70%	-40.63%
Platinum Investor PLUS	48	8.06	387	0.00%	0.70%	0.00%
Platinum Investor Survivor	6,981	2.65	18,470	0.00%	0.40%	-40.45%
Platinum Investor Survivor II	506	6.06	3,062	0.00%	0.75%	0.00%
VALIC Company I - Small Cap Index Fund						
Corporate America	3,525	7.85	27,671	1.27%	0.35%	-21.10%
Platinum Investor I & II	101,961	7.78	793,503	1.37%	0.75%	-21.41%
Platinum Investor III	89,617	7.65	686,001	0.98%	0.70%	-21.37%
Platinum Investor PLUS	1,298	8.10	10,508	0.65%	0.70%	0.00%
Platinum Investor Survivor	20,366	7.84	159,702	1.03%	0.40%	-21.14%
Platinum Investor Survivor II	1,287	8.72	11,216	0.91%	0.75%	0.00%
VALIC Company I - Stock Index Fund						
AG Legacy Plus	52,528	5.98	314,131	1.85%	0.75%	-23.01%
Corporate America	13,034	5.94	77,457	1.03%	0.35%	-22.70%
Platinum Investor I & II	1,712,769	8.19	14,034,484	1.18%	0.75%	-23.01%
Platinum Investor III	1,643,626	6.19	10,182,125	1.35%	0.70%	-22.98%
Platinum Investor PLUS	1,898	8.49	16,117	0.56%	0.70%	0.00%
Platinum Investor Survivor	564,353	5.94	3,353,318	1.24%	0.40%	-22.74%
Platinum Investor Survivor II	80,956	7.91	640,336	2.27%	0.75%	0.00%
Van Kampen LIT Emerging Growth Portfolio - Class I						
AG Legacy Plus	20,181	3.54	71,398	0.31%	0.75%	-32.99%
The One VUL Solution	--	3.49	--	0.40%	0.75%	-32.99%
Van Kampen LIT Government Portfolio - Class I						
AG Legacy Plus	11,024	12.36	136,202	2.14%	0.75%	8.80%
Van Kampen LIT Growth and Income Portfolio - Class I						
Platinum Investor I & II	154,511	8.27	1,278,271	2.59%	0.75%	0.00%
Platinum Investor III	77,747	8.28	643,529	1.74%	0.70%	0.00%
Platinum Investor PLUS	1,758	8.43	14,822	0.00%	0.70%	0.00%
Platinum Investor Survivor	19,931	8.29	165,277	2.74%	0.40%	0.00%
Platinum Investor Survivor II	451	8.27	3,734	0.00%	0.75%	0.00%
Vanguard VIF High Yield Bond Portfolio						
Platinum Investor I & II	45,524	10.21	464,933	4.37%	0.75%	0.78%
Platinum Investor III	110,201	10.28	1,133,078	5.72%	0.70%	0.84%
Platinum Investor PLUS	1,974	9.89	19,522	0.00%	0.70%	0.00%
Platinum Investor Survivor	58,997	10.29	607,114	8.53%	0.40%	1.14%
Platinum Investor Survivor II	1,345	10.13	13,622	0.00%	0.75%	0.00%

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AMERICAN GENERAL LIFE INSURANCE COMPANY
SEPARATE ACCOUNT VL-R
NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note G - Financial Highlights - Continued

A summary of units outstanding, unit values, and net assets for the variable life policies and the investment income ratios, expense ratios (excluding expenses of the underlying Divisions) and total returns for the years ended December 31, 2004, 2003, 2002 and 2001, are as follows:

Divisions	Units	Unit Value	Net Assets	Investment Income Ratio (a)	Expenses Ratio (b)	Total Return (c)
<S>	<C>	<C>	<C>	<C>	<C>	<C>
2002 - Continued						
Vanguard VIF REIT Index Portfolio						
Corporate America	4,485	\$12.59	\$ 56,465	2.61%+	0.35%	3.17%
Platinum Investor I & II	70,827	12.48	883,918	1.54%+	0.75%	2.76%

Platinum Investor III	157,740	12.47	1,967,344	3.53%+	0.70%	2.81%
Platinum Investor PLUS	5,814	9.38	54,551	0.00%	0.70%	0.00%
Platinum Investor Survivor	18,253	12.57	229,533	3.64%+	0.40%	3.12%
Platinum Investor Survivor II	5,625	10.87	61,169	0.00%	0.75%	0.00%
2001						
AIM V.I. Capital Appreciation Fund - Series I						
The One VUL Solution	766	6.36	4,870	0.00%	0.75%	-23.86%
AIM V.I. International Growth Fund - Series I						
AG Legacy Plus	13,238	6.09	80,644	0.60%	0.75%	-24.11%
Corporate America	36,330	5.83	211,710	0.42%	0.35%	-21.33%
Platinum Investor I & II	356,170	8.43	3,002,893	0.30%	0.75%	-24.11%
Platinum Investor III	43,539	7.07	307,788	0.62%	0.70%	-22.63%
Platinum Investor Survivor	52,572	5.83	306,461	0.34%	0.40%	-23.84%
The One VUL Solution	174	5.56	966	0.41%	0.75%	-24.11%
AIM V.I. Premier Equity Fund - Series I						
Corporate America	47,372	6.83	323,619	0.17%	0.35%	-12.02%
Legacy Plus	15,448	7.61	117,549	0.13%	0.75%	-3.49%
Platinum Investor I & II	983,406	11.02	10,833,308	0.12%	0.75%	-13.22%
Platinum Investor III	179,841	8.18	1,471,008	0.25%	0.70%	-12.13%
Platinum Investor Survivor	104,033	6.83	710,934	0.15%	0.40%	-12.91%
American Century VP Value Fund - Class I						
AG Legacy Plus	19,195	13.36	256,488	0.11%	0.75%	11.97%
Corporate America	2,361	12.13	28,631	0.00%	0.35%	7.59%
Platinum Investor I & II	111,235	12.07	1,342,709	0.04%	0.75%	12.85%
Platinum Investor III	53,553	11.98	641,684	0.04%	0.70%	13.41%
Platinum Investor Survivor	7,351	12.12	89,101	0.00%	0.40%	12.40%
Ayco Growth Fund						
Platinum Investor I & II	21,904	9.43	206,620	0.64%	0.75%	-2.99%
Platinum Investor III	17,986	9.44	169,749	0.64%	0.70%	-0.51%
Platinum Investor Survivor	689,142	9.47	6,525,212	0.31%	0.40%	-14.80%
Credit Suisse Small Cap Growth Portfolio						
Platinum Investor I & II	27,893	7.66	213,657	0.00%	0.75%	-3.32%
Platinum Investor III	26,246	7.49	196,626	0.00%	0.70%	-14.59%
Platinum Investor Survivor	5,976	7.69	45,963	0.00%	0.40%	-16.35%
Dreyfus IP MidCap Stock Portfolio - Initial shares						
Platinum Investor I & II	40,853	9.42	384,960	0.31%	0.75%	-3.99%
Platinum Investor III	47,522	9.25	439,789	0.30%	0.70%	2.31%
Platinum Investor Survivor	10,698	9.46	101,217	0.32%	0.40%	-3.65%
Dreyfus VIF Developing Leaders Portfolio - Initial shares						
Corporate America	39,148	9.82	384,247	0.45%	0.35%	-0.64%
Platinum Investor I & II	503,048	12.00	6,037,816	0.43%	0.75%	-6.82%
Platinum Investor III	131,447	9.23	1,213,678	0.49%	0.70%	-7.14%
Platinum Investor Survivor	58,732	9.82	576,659	0.51%	0.40%	-6.49%
Dreyfus VIF Quality Bond Portfolio - Initial shares						
Corporate America	22,578	11.55	260,682	5.11%	0.35%	4.85%

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AMERICAN GENERAL LIFE INSURANCE COMPANY
SEPARATE ACCOUNT VL-R
NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note G - Financial Highlights - Continued

A summary of units outstanding, unit values, and net assets for the variable life policies and the investment income ratios, expense ratios (excluding expenses of the underlying Divisions) and total returns for the years ended December 31, 2004, 2003, 2002 and 2001, are as follows:

Divisions	Units	Unit Value	Net Assets	Investment Income Ratio (a)	Expenses Ratio (b)	Total Return (c)
<S>	<C>	<C>	<C>	<C>	<C>	<C>
2001 - Continued						
Dreyfus VIF Quality Bond Portfolio - Initial shares - Continued						
Platinum Investor I & II	660,282	\$11.66	\$7,700,907	6.17%	0.75%	5.89%
Platinum Investor III	76,533	11.03	844,136	5.11%	0.70%	3.67%
Platinum Investor Survivor	21,483	11.55	248,130	4.94%	0.40%	6.26%
Fidelity VIP Asset Manager Portfolio - Service Class 2						
AG Legacy Plus	1,530	9.71	14,862	0.00%	0.75%	7.29%
Platinum Investor I & II	12,000	9.25	110,946	0.00%	0.75%	2.78%
Platinum Investor III	22,872	9.21	210,711	1.26%	0.70%	-4.25%
Platinum Investor Survivor	3,038	9.28	28,207	0.41%	0.40%	-4.77%
Fidelity VIP Contrafund Portfolio - Service Class 2						
AG Legacy Plus	6,070	9.50	57,689	0.00%	0.75%	7.01%
Corporate America	2,132	8.37	17,848	0.00%	0.35%	-4.15%
Platinum Investor I & II	94,909	8.33	790,743	0.09%	0.75%	-10.27%

Platinum Investor III	89,776	8.21	737,107	0.01%	0.70%	-8.21%
Platinum Investor Survivor	274,354	8.37	2,295,149	0.01%	0.40%	-12.82%
Fidelity VIP Equity-Income Portfolio - Service Class 2						
AG Legacy Plus	16,085	9.41	151,336	0.00%	0.75%	-2.82%
Corporate America	6,677	9.56	63,802	0.00%	0.35%	-6.16%
Platinum Investor I & II	181,214	9.51	1,723,532	0.03%	0.75%	-5.94%
Platinum Investor III	153,352	9.51	1,458,364	0.08%	0.70%	-4.21%
Platinum Investor Survivor	260,014	9.55	2,483,113	0.03%	0.40%	-5.61%
Fidelity VIP Growth Portfolio - Service Class 2						
AG Legacy Plus	8,893	8.72	77,514	0.00%	0.75%	15.79%
Corporate America	2,078	7.33	15,225	0.00%	0.35%	-10.33%
Platinum Investor I & II	193,357	7.29	1,410,013	0.01%	0.75%	-18.48%
Platinum Investor III	221,929	7.22	1,601,302	0.00%	0.70%	-14.92%
Platinum Investor Survivor	40,690	7.32	297,940	0.01%	0.40%	-18.20%
Franklin Templeton - Franklin Small Cap Fund - Class 2						
AG Legacy Plus	6,998	6.57	45,997	0.33%	0.75%	-15.89%
The One VUL Solution	909	5.97	5,427	0.40%	0.75%	-15.89%
Franklin Templeton - Templeton Developing Markets Securities Fund - Class 2						
The One VUL Solution	335	6.24	2,088	1.14%	0.75%	-8.77%
Franklin Templeton - Templeton Foreign Securities Fund - Class 2						
AG Legacy Plus	1,036	7.95	8,238	5.44%	0.75%	-16.63%
Janus Aspen Series International Growth Portfolio - Service Shares						
Corporate America	835	6.84	5,714	0.69%	0.35%	-14.91%
Platinum Investor I & II	63,776	6.81	434,164	1.01%	0.75%	-24.01%
Platinum Investor III	66,264	6.75	447,356	0.79%	0.70%	-23.85%
Platinum Investor Survivor	24,722	6.84	168,986	1.20%	0.40%	-23.74%
Janus Aspen Series Mid Cap Growth Portfolio - Service Shares						
Corporate America	2,288	4.68	10,698	0.00%	0.35%	-19.52%
Platinum Investor I & II	32,312	4.65	150,356	0.00%	0.75%	-40.04%
Platinum Investor III	129,640	4.53	587,668	0.00%	0.70%	-35.87%
Platinum Investor Survivor	13,411	4.67	62,664	0.00%	0.40%	-39.83%
Janus Aspen Series Worldwide Growth Portfolio - Service Shares						
Corporate America	4,448	6.95	30,911	0.26%	0.35%	-14.84%
Platinum Investor I & II	51,950	6.92	359,328	0.51%	0.75%	-23.20%
Platinum Investor III	89,664	6.85	613,987	0.31%	0.70%	-22.64%
Platinum Investor Survivor	13,910	6.95	96,604	0.29%	0.40%	-22.93%

</TABLE>

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AMERICAN GENERAL LIFE INSURANCE COMPANY
SEPARATE ACCOUNT VL-R
NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note G - Financial Highlights - Continued

A summary of units outstanding, unit values, and net assets for the variable life policies and the investment income ratios, expense ratios (excluding expenses of the underlying Divisions) and total returns for the years ended December 31, 2004, 2003, 2002 and 2001, are as follows:

<TABLE>

<CAPTION>

Divisions	Units	Unit Value	Net Assets	Investment Income Ratio (a)	Expense Ratio (b)	Total Return (c)
<S>	<C>	<C>	<C>	<C>	<C>	<C>
2001 - Continued						
JPMorgan Small Company Portfolio						
Platinum Investor I & II	12,062	\$ 8.61	\$ 103,902	0.01%	0.75%	-8.72%
Platinum Investor III	9,804	8.46	82,981	0.01%	0.70%	-8.11%
Platinum Investor Survivor	1,956	8.65	16,915	0.03%	0.40%	-8.40%
MFS VIT Capital Opportunities Series - Initial Class						
Corporate America	3,218	6.81	21,907	0.01%	0.35%	-6.96%
Platinum Investor I & II	90,744	6.78	614,880	0.01%	0.75%	-24.06%
Platinum Investor III	121,140	6.83	827,153	0.00%	0.70%	-22.19%
Platinum Investor Survivor	18,664	6.80	126,985	0.00%	0.40%	-23.79%
MFS VIT Emerging Growth Series - Initial Class						
AG Legacy Plus	4,501	10.97	49,365	1.78%	0.75%	-0.51%
Corporate America	1,597	5.13	8,196	0.00%	0.35%	-14.85%
Platinum Investor I & II	718,589	10.96	7,875,453	0.00%	0.75%	-33.99%
Platinum Investor III	239,529	5.79	1,387,886	0.00%	0.70%	-28.03%
Platinum Investor Survivor	117,741	5.13	604,496	0.00%	0.40%	-33.75%
MFS VIT Investors Trust Series - Initial Class						
The One VUL Solution	593	8.64	5,122	0.61%	0.75%	-16.59%
MFS VIT New Discovery Series - Initial Class						
AG Legacy Plus	1,314	8.22	10,801	0.00%	0.75%	1.95%

Corporate America	1,712	8.85	15,146	0.00%	0.35%	13.77%
Platinum Investor I & II	81,569	8.81	718,214	0.00%	0.75%	-5.74%
Platinum Investor III	47,211	8.61	406,590	0.00%	0.70%	0.95%
Platinum Investor Survivor	5,448	8.84	48,169	0.00%	0.40%	-5.41%
MFS VIT Research Series - Initial Class						
Corporate America	997	7.07	7,047	0.00%	0.35%	-12.40%
Platinum Investor I & II	46,683	7.03	328,283	0.01%	0.75%	-21.84%
Platinum Investor III	47,757	6.99	334,043	0.01%	0.70%	-24.62%
Platinum Investor Survivor	11,015	7.06	77,779	0.01%	0.40%	-21.57%
MFS VIT Total Return Series - Initial Class						
AG Legacy Plus	67,578	5.32	359,828	0.00%	0.75%	-6.20%
Neuberger Berman AMT Mid-Cap Growth Portfolio - Class I						
Platinum Investor I & II	40,478	6.21	251,465	0.00%	0.75%	-25.21%
Platinum Investor III	59,965	6.10	365,744	0.00%	0.70%	-26.67%
Platinum Investor Survivor	5,636	6.24	35,155	0.00%	0.40%	-24.95%
Neuberger Berman AMT Partners Portfolio - Class I						
AG Legacy Plus	5,132	9.51	48,812	0.00%	0.75%	3.17%
One Group Investment Trust Equity Index Portfolio						
The One VUL Solution	1,456	8.04	11,713	1.05%	0.75%	-13.00%
One Group Investment Trust Large Cap Growth Portfolio						
The One VUL Solution	421	6.10	2,566	0.00%	0.75%	-20.88%
One Group Investment Trust Mid Cap Growth Portfolio						
The One VUL Solution	319	8.46	2,700	0.00%	0.75%	-11.32%
Oppenheimer High Income Fund/VA - Non-Service Shares						
AG Legacy Plus	7,783	9.71	75,555	0.00%	0.75%	6.15%
The One VUL Solution	296	8.68	2,567	11.72%	0.75%	1.20%
PIMCO VIT Real Return Portfolio - Administrative Class						
AG Legacy Plus	12,784	10.25	131,088	0.86%	0.75%	-2.03%
Platinum Investor I & II	87,766	11.17	980,348	6.95%	0.75%	8.83%
Platinum Investor III	53,040	11.20	594,024	3.55%	0.70%	5.56%

</TABLE>

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AMERICAN GENERAL LIFE INSURANCE COMPANY
SEPARATE ACCOUNT VL-R
NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note G - Financial Highlights - Continued

A summary of units outstanding, unit values, and net assets for the variable life policies and the investment income ratios, expense ratios (excluding expenses of the underlying Divisions) and total returns for the years ended December 31, 2004, 2003, 2002 and 2001, are as follows:

<TABLE>

<CAPTION>

Divisions	Units	Unit Value	Net Assets	Investment Income Ratio (a)	Expense Ratio (b)	Total Return (c)
<S>	<C>	<C>	<C>	<C>	<C>	<C>
2001 - Continued						
PIMCO VIT Real Return Portfolio - Administrative Class - Continued						
Platinum Investor Survivor	15,384	\$11.22	\$ 172,540	8.44%	0.40%	6.84%
PIMCO VIT Short-Term Portfolio - Administrative Class						
Corporate America	5,271	10.72	56,523	3.04%	0.35%	4.35%
Platinum Investor I & II	27,482	10.67	293,345	5.19%	0.75%	5.98%
Platinum Investor III	57,361	10.67	612,107	2.63%	0.70%	5.62%
Platinum Investor Survivor	8,618	10.72	92,365	4.87%	0.40%	4.96%
PIMCO VIT Total Return Portfolio - Administrative Class						
AG Legacy Plus	10,974	10.57	116,044	0.84%	0.75%	0.45%
Corporate America	2,554	11.13	28,440	2.87%	0.35%	6.13%
Platinum Investor I & II	131,290	11.08	1,454,930	2.82%	0.75%	7.58%
Platinum Investor III	126,029	11.12	1,402,056	3.72%	0.70%	7.45%
Platinum Investor Survivor	40,582	11.13	451,552	2.94%	0.40%	8.38%
Putnam VT Diversified Income Fund - Class IB						
AG Legacy Plus	4,788	10.10	48,381	0.00%	0.75%	1.10%
Corporate America	99,029	10.20	1,009,835	4.85%	0.35%	1.71%
Platinum Investor I & II	133,179	9.76	1,299,777	7.31%	0.75%	2.73%
Platinum Investor III	17,175	10.44	179,305	0.93%	0.70%	-0.90%
Platinum Investor Survivor	5,402	10.20	55,105	0.76%	0.40%	3.10%
Putnam VT Growth and Income Fund - Class IB						
Corporate America	110,489	9.92	1,095,612	1.68%	0.35%	-5.20%
Platinum Investor I & II	541,025	10.40	5,625,378	2.61%	0.75%	-7.10%
Platinum Investor III	144,948	9.38	1,359,119	0.84%	0.70%	-5.78%
Platinum Investor Survivor	48,762	9.92	483,692	2.84%	0.40%	-6.77%

Putnam VT International Growth and Income Fund - Class IB							
Platinum Investor I & II	212,113	9.16	1,942,305	5.80%	0.75%	-21.40%	
Platinum Investor III	93,038	8.09	753,038	3.50%	0.70%	-19.27%	
Platinum Investor Survivor	96,186	7.79	749,630	3.50%	0.40%	-21.13%	
Putnam VT Small Cap Value Fund - Class IB							
AG Legacy Plus	8,198	13.12	107,603	0.11%	0.75%	12.25%	
Putnam VT Vista Fund - Class IB							
AG Legacy Plus	9,574	5.19	49,700	3.48%	0.75%	-25.32%	
The One VUL Solution	474	5.76	2,733	9.45%	0.75%	-34.00%	
Putnam VT Voyager Fund - Class IB							
AG Legacy Plus	26,218	6.11	160,112	5.39%	0.75%	-22.99%	
Safeco RST Core Equity Portfolio							
Platinum Investor I & II	495,182	9.63	4,767,218	0.68%	0.75%	-10.07%	
Platinum Investor III	22,815	8.39	191,314	1.43%	0.70%	-11.82%	
Platinum Investor Survivor	19,841	7.98	158,237	1.08%	0.40%	-9.76%	
Safeco RST Growth Opportunities Portfolio							
Corporate America	26,516	10.02	265,808	0.00%	0.35%	20.27%	
Platinum Investor I & II	413,839	9.90	4,098,507	0.00%	0.75%	18.25%	
Platinum Investor III	37,394	10.58	395,539	0.00%	0.70%	11.63%	
Platinum Investor Survivor	34,864	10.03	349,608	0.00%	0.40%	18.66%	
Scudder International Portfolio							
The One VUL Solution	401	6.31	2,530	0.78%	0.75%	-25.00%	
Scudder Small Cap Value Portfolio							
The One VUL Solution	228	12.22	2,784	0.00%	0.75%	16.78%	

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AMERICAN GENERAL LIFE INSURANCE COMPANY
SEPARATE ACCOUNT VL-R
NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note G - Financial Highlights - Continued

A summary of units outstanding, unit values, and net assets for the variable life policies and the investment income ratios, expense ratios (excluding expenses of the underlying Divisions) and total returns for the years ended December 31, 2004, 2003, 2002 and 2001, are as follows:

Divisions	Units	Unit Value	Net Assets	Investment Income Ratio (a)	Expense Ratio (b)	Total Return (c)
<S>	<C>	<C>	<C>	<C>	<C>	<C>
2001 - Continued						
Scudder VIT EAFE Equity Index Fund - Class A						
Legacy Plus	5,923	\$ 8.06	\$ 47,720	0.00%	0.75%	-25.25%
Scudder VIT Equity 500 Index Fund - Class A						
Legacy Plus	18,704	9.43	176,303	0.63%	0.75%	-12.84%
UIF Equity Growth Portfolio - Class I						
Legacy Plus	7,382	10.75	79,326	0.00%	0.75%	-15.75%
Platinum Investor I & II	438,623	10.81	4,741,984	0.00%	0.75%	-15.75%
Platinum Investor III	28,056	7.25	203,316	0.00%	0.70%	-16.43%
Platinum Investor Survivor	50,760	6.85	347,677	0.00%	0.40%	-15.45%
UIF High Yield Portfolio - Class I						
Platinum Investor I & II	183,821	8.93	1,640,658	11.27%	0.75%	-5.19%
Platinum Investor III	11,481	9.24	106,103	22.46%	0.70%	-11.85%
Platinum Investor Survivor	25,702	8.59	220,794	11.50%	0.40%	-4.86%
VALIC Company I - International Equities Fund						
AG Legacy Plus	1,710	6.77	11,582	3.61%	0.75%	-8.95%
Platinum Investor I & II	152,030	8.68	1,320,380	1.71%	0.75%	-22.56%
Platinum Investor III	21,685	7.50	162,625	2.31%	0.70%	-21.61%
Platinum Investor Survivor	12,156	6.59	80,045	1.60%	0.40%	-22.29%
VALIC Company I - Mid Cap Index Fund						
AG Legacy Plus	4,237	9.86	41,782	0.78%	0.75%	-1.68%
Corporate America	45,379	10.58	480,286	0.61%	0.35%	4.52%
Platinum Investor I & II	457,875	14.62	6,695,315	0.74%	0.75%	-1.68%
Platinum Investor III	115,708	9.59	1,109,764	0.72%	0.70%	4.22%
Platinum Investor Survivor	41,967	10.59	444,325	0.75%	0.40%	-1.34%
VALIC Company I - Money Market I Fund						
AG Legacy Plus	57,185	10.48	599,077	1.89%	0.75%	2.91%
Corporate America	2,212	10.76	23,807	0.42%	0.35%	3.32%
Legacy Plus	5,564	11.03	61,395	0.66%	0.75%	2.91%
Platinum Investor I & II	2,030,596	11.55	23,446,471	2.93%	0.75%	2.91%
Platinum Investor III	1,416,986	10.38	14,711,205	1.97%	0.70%	2.96%
Platinum Investor Survivor	461,849	10.77	4,973,259	2.62%	0.40%	3.27%
Platinum Investor Survivor II	925,288	10.01	9,264,381	0.00%	0.75%	0.00%
The One VUL Solution	--	10.77	--	0.07%	0.75%	2.91%
VALIC Company I - Nasdaq-100 Index Fund						
Platinum Investor I & II	44,914	4.89	219,563	0.10%	0.75%	-32.99%

Platinum Investor III	207,478	4.80	995,213	0.02%	0.70%	-31.28%
Platinum Investor Survivor	84,435	4.91	414,455	0.00%	0.40%	-40.69%
VALIC Company I - Science & Technology Fund						
Platinum Investor I & II	29,457	4.42	130,333	0.00%	0.75%	-41.62%
Platinum Investor III	58,814	4.38	257,697	0.00%	0.70%	-45.69%
Platinum Investor Survivor	3,006	4.44	13,356	0.00%	0.40%	-49.92%
VALIC Company I - Small Cap Index Fund						
Corporate America	1,347	9.95	13,400	0.71%	0.35%	0.01%
Platinum Investor I & II	46,053	9.90	456,049	0.96%	0.75%	1.23%
Platinum Investor III	44,444	9.74	432,683	0.85%	0.70%	-1.61%
Platinum Investor Survivor	13,430	9.94	133,536	1.80%	0.40%	1.59%
VALIC Company I - Stock Index Fund						
AG Legacy Plus	9,606	7.77	74,618	0.99%	0.75%	-13.25%
Corporate America	59,072	7.69	454,174	0.76%	0.35%	-11.20%

</TABLE>

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AMERICAN GENERAL LIFE INSURANCE COMPANY
SEPARATE ACCOUNT VL-R
NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note G - Financial Highlights - Continued

A summary of units outstanding, unit values, and net assets for the variable life policies and the investment income ratios, expense ratios (excluding expenses of the underlying Divisions) and total returns for the years ended December 31, 2004, 2003, 2002 and 2001, are as follows:

Divisions	Units	Unit Value	Net Assets	Investment Income Ratio (a)	Expense Ratio (b)	Total Return (c)
<S>	<C>	<C>	<C>	<C>	<C>	<C>
2001 - Continued						
VALIC Company I - Stock Index Fund - Continued						
Platinum Investor I & II	1,590,799	\$10.64	\$16,931,644	0.96%	0.75%	-12.86%
Platinum Investor III	266,322	8.04	2,141,961	0.73%	0.70%	-13.22%
Platinum Investor Survivor	426,976	7.69	3,283,914	1.04%	0.40%	-12.55%
Van Kampen LIT Emerging Growth Portfolio - Class I						
AG Legacy Plus	14,444	5.28	76,262	0.16%	0.75%	-32.01%
The One VUL Solution	1,936	5.20	10,077	0.11%	0.75%	-32.01%
Van Kampen LIT Government Portfolio - Class I						
AG Legacy Plus	3,341	11.36	37,946	0.00%	0.75%	-0.61%
Van Kampen LIT Growth and Income Portfolio - Class I						
Platinum Investor I & II	21,837	10.72	234,031	1.36%	0.70%	1.08%
Platinum Investor III	15,021	11.38	170,935	2.00%	0.40%	0.68%
Platinum Investor Survivor	116,654	11.35	1,324,028	1.90%	0.75%	0.32%
Vanguard VIF High Yield Bond Portfolio						
Platinum Investor I & II	25,137	10.13	254,726	0.05%	0.75%	2.55%
Platinum Investor III	66,089	10.20	673,900	0.10%	0.70%	-2.38%
Platinum Investor Survivor	6,513	10.17	66,273	0.40%	0.40%	-2.99%
Vanguard VIF REIT Index Portfolio						
Corporate America	2,407	12.20	29,373	0.00%	0.35%	9.62%
Platinum Investor I & II	15,235	12.14	185,034	0.81%	0.75%	11.29%
Platinum Investor III	28,648	12.13	347,535	0.08%	0.70%	14.22%
Platinum Investor Survivor	9,356	12.19	114,091	2.22%	0.40%	11.49%

</TABLE>

- (a) These amounts represent the dividends, excluding capital gain distributions from mutual funds, received by the Division from the underlying mutual fund, net of management fees assessed by the fund manager, divided by the average net assets. These ratios exclude those expenses, such as mortality and expense risk charges, that result in direct reduction in the unit value. The recognition of investment income by the Division is affected by the timing of the declaration of dividends by the underlying fund in which the Divisions invest.
- (b) These amounts represent the annualized policy expenses of the Separate Account, consisting primarily of mortality and expense risk charges, for each year indicated. These ratios include only those expenses that result in a direct reduction to unit values. Charges made directly to policy owner accounts through the redemption of units and expenses of the underlying fund have been excluded.
- (c) These amounts represent the total return for the years indicated, including changes in the value of the underlying Division, and reflect deductions for those expenses that result in a direct reduction to unit values. The total return does not include policy charges deducted directly from account values. For the years ended December 31, 2002 and 2001, no total return was calculated if the Division became an available investment option during the

year. For the years ended December 31, 2004 and 2003, a total return was calculated using the initial unit value for the Division if the Division became an available investment option during the year and the underlying Fund was not available at the beginning of the year.

+ The investment income ratio has been restated due to a misclassification in prior years of short-term capital gains between dividends from mutual funds and capital gain distributions from mutual funds. See Note H for further disclosure.

** Formerly Oppenheimer Multiple Strategies Fund/VA.

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AMERICAN GENERAL LIFE INSURANCE COMPANY
SEPARATE ACCOUNT VL-R
NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note H - Restatement

During the preparation of these 2004 financial statements, the Company identified certain misclassifications of short-term capital gains within several Divisions. Specifically, for the years ended December 31, 2003 and 2002, the Company classified short-term capital gains as dividends from mutual funds. GAAP requires short-term capital gains to be classified as capital gain distributions from mutual funds. Accordingly, for the effected Divisions, the Company restated net investment income (loss) and capital gain distributions from mutual funds for the year ended December 31, 2003. The related investment income ratio was also restated for the years ended December 31, 2003 and 2002, to be comparative. The restated balances for net investment income (loss) and capital gain distribution from mutual funds have been identified in the Statement of Changes in Net Assets and the related investment income ratio amounts have been disclosed in Note G - Financial Highlights.

The adjustments described above had no impact on the Company's net assets or the increase (decrease) in net assets resulting from operations for any period. A summary of the adjustments made and their effect on the financial statements is presented below:

<TABLE>
<CAPTION>

Divisions	For the Year Ended December 31, 2003			
	Net Investment Income (Loss)		Capital Gain Distributions from Mutual Funds	
	Originally stated	Restated	Originally stated	Restated
<S>	<C>	<C>	<C>	<C>
Dreyfus VIF Quality Bond Portfolio - Initial shares	\$399,831	\$251,226	\$ 17,341	\$165,946
PIMCO VIT Real Return Portfolio - Administrative Class	254,395	133,974	52,887	173,308
PIMCO VIT Total Return Portfolio - Administrative Class	251,217	212,092	44,719	83,844
VALIC Company I - Stock Index Fund	261,822	239,190	120,686	143,318
Vanguard VIF REIT Index Portfolio	120,645	117,989	112,869	115,525

<TABLE>
<CAPTION>

Divisions	Investment Income Ratio			
	For the Year Ended December 31, 2003		For the Year Ended December 31, 2002	
	Originally stated	Restated	Originally stated	Restated
<S>	<C>	<C>	<C>	<C>
American Century VP Value Fund - Class I				
AG Legacy Plus	n/a	n/a	6.03%	0.85%
Corporate America	n/a	n/a	3.98%	0.56%
Platinum Investor I & II	n/a	n/a	5.62%	0.79%
Platinum Investor III	n/a	n/a	4.19%	0.59%
Platinum Investor Survivor	n/a	n/a	6.45%	0.91%
Platinum Investor Survivor II	n/a	n/a	0.07%	0.01%
Dreyfus VIF Quality Bond Portfolio - Initial shares				
Corporate America	6.03%	4.08%	n/a	n/a
Platinum Investor I & II	5.73%	3.97%	n/a	n/a
Platinum Investor III	6.30%	4.04%	n/a	n/a
Platinum Investor PLUS	6.92%	4.16%	n/a	n/a
Platinum Investor Survivor	6.18%	4.08%	n/a	n/a
Platinum Investor Survivor II	6.36%	4.05%	n/a	n/a
Fidelity VIP Equity-Income Portfolio - Service Class 2				

AG Legacy Plus	n/a	n/a	1.30%	1.20%
Corporate America	n/a	n/a	1.05%	0.96%
Platinum Investor I & II	n/a	n/a	1.65%	1.52%
Platinum Investor III	n/a	n/a	1.33%	1.23%
Platinum Investor Survivor	n/a	n/a	1.67%	1.54%
Franklin Templeton - Mutual Shares Securities Fund - Class 2				
Platinum Investor I & II	n/a	n/a	2.37%	1.85%
Platinum Investor Survivor II	n/a	n/a	0.97%	0.76%

</TABLE>

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AMERICAN GENERAL LIFE INSURANCE COMPANY
SEPARATE ACCOUNT VL-R
NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note H - Restatement - Continued

<TABLE>
<CAPTION>

Divisions	Investment Income Ratio			
	For the Year Ended December 31, 2003		For the Year Ended December 31, 2002	
	Originally stated	Restated	Originally stated	Restated
<S>	<C>	<C>	<C>	<C>
MFS VIT Total Return Series - Initial Class				
AG Legacy Plus	n/a	n/a	0.00%	1.55%
PIMCO VIT Real Return Portfolio - Administrative Class				
AG Legacy Plus	4.06%	2.34%	4.35%	4.15%
Corporate America	4.19%	2.87%	4.98%	1.70%
Platinum Investor I & II	3.56%	2.41%	6.14%	5.95%
Platinum Investor III	4.48%	2.55%	4.42%	4.20%
Platinum Investor PLUS	4.60%	2.38%	0.91%	0.74%
Platinum Investor Survivor	4.08%	2.66%	4.53%	4.30%
Platinum Investor Survivor II	4.25%	2.32%	4.75%	4.48%
PIMCO VIT Short-Term Portfolio - Administrative Class				
Corporate America	n/a	n/a	3.01%	2.92%
Platinum Investor I & II	n/a	n/a	3.04%	2.93%
Platinum Investor III	n/a	n/a	2.98%	2.89%
Platinum Investor PLUS	n/a	n/a	0.84%	0.71%
Platinum Investor Survivor	n/a	n/a	2.54%	2.44%
Platinum Investor Survivor II	n/a	n/a	3.93%	3.78%
PIMCO VIT Total Return Portfolio - Administrative Class				
AG Legacy Plus	3.11%	2.68%	5.62%	4.25%
Corporate America	3.44%	3.00%	5.80%	4.47%
Platinum Investor I & II	3.21%	2.85%	5.57%	4.25%
Platinum Investor III	3.42%	2.98%	5.65%	4.27%
Platinum Investor PLUS	3.30%	2.72%	3.01%	1.45%
Platinum Investor Survivor	3.18%	2.80%	5.08%	3.98%
Platinum Investor Survivor II	3.72%	3.31%	7.26%	5.29%
Putnam VT Growth and Income Fund - Class IB				
Corporate America	n/a	n/a	1.39%	1.01%
Platinum Investor I & II	n/a	n/a	2.26%	1.65%
Platinum Investor III	n/a	n/a	1.86%	1.35%
Platinum Investor Survivor	n/a	n/a	2.12%	1.54%
Putnam VT Small Cap Value Fund - Class IB				
AG Legacy Plus	n/a	n/a	1.33%	0.23%
VALIC Company I - Stock Index Fund				
AG Legacy Plus	1.36%	1.31%	n/a	n/a
Corporate America	1.41%	1.35%	n/a	n/a
Platinum Investor I & II	1.37%	1.31%	n/a	n/a
Platinum Investor III	1.46%	1.39%	n/a	n/a
Platinum Investor PLUS	1.52%	1.42%	n/a	n/a
Platinum Investor Survivor	1.39%	1.33%	n/a	n/a
Platinum Investor Survivor II	1.35%	1.28%	n/a	n/a
Vanguard VIF REIT Index Portfolio				
Corporate America	4.11%	4.03%	2.71%	2.61%
Platinum Investor I & II	3.27%	3.21%	1.60%	1.54%
Platinum Investor III	3.19%	3.13%	3.68%	3.53%
Platinum Investor PLUS	3.31%	3.25%	n/a	n/a
Platinum Investor Survivor	3.49%	3.42%	3.78%	3.64%
Platinum Investor Survivor II	3.01%	2.95%	n/a	n/a

</TABLE>

n/a The investment income ratio did not change.

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 Telephone (713) 356 4000

Report of Independent Registered Public Accounting Firm

To the Shareholder and Board of Directors
 American General Life Insurance Company:

In our opinion, the accompanying consolidated balance sheets as of December 31, 2004 and 2003 and the related consolidated statements of income, shareholder's equity, comprehensive income, and of cash flows present fairly, in all material respects, the financial position of American General Life Insurance Company and subsidiaries (an indirect wholly-owned subsidiary of American International Group, Inc.) at December 31, 2004 and 2003, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2004, in conformity with accounting principles generally accepted in the United States of America. 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 of these statements in accordance with the standards of the Public Company Accounting Oversight Board (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, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 2 to the consolidated financial statements, the Company changed its method of accounting and reporting for certain non-traditional long-duration contracts in 2004.

PRICEWATERHOUSECOOPERS LLP

Houston, Texas
 April 29, 2005

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American General Life Insurance Company

Consolidated Balance Sheets

<TABLE>
 <CAPTION>

	December 31	
	2004	2003
	(In Thousands)	
<S>	<C>	<C>
Assets		
Investments:		
Fixed maturity securities, available for sale, at fair value (amortized cost - \$46,646,227 - 2004; \$43,133,011 - 2003)	\$49,436,433	\$45,349,130
Fixed maturity securities, trading, at fair value (amortized cost - \$8,946 - 2004; \$52,000 - 2003)	11,512	58,953
Equity securities, at fair value (cost - \$48,038 - 2004; \$93,182 - 2003)	70,294	98,523
Equity securities, trading, at fair value (cost - \$1,638 - 2004; \$7,000 - 2003)	6,374	10,000
Mortgage loans on real estate, net of allowance (\$4,964 - 2004; \$7,124 - 2003)	3,324,940	2,953,495
Policy loans	1,730,819	1,705,891
Investment real estate	37,730	44,543
Partnerships	2,091,739	1,895,974
Separate account seed money (cost - \$39,758 - 2004; \$90,670 - 2003)	41,488	91,670
Securities lending collateral	9,286,117	4,451,135
Short-term investments	62,913	112,440
Derivatives assets	11,077	9,560
Total investments	66,111,436	56,781,314
Cash	257,224	297,209
Restricted Cash	18,647	88,781

Investment in ultimate Parent Company (cost - \$8,597 in 2004 and 2003)	53,203	53,697
Notes receivable from affiliates	598,045	537,241
Indebtedness from affiliates	37,019	19,756
Accrued investment income	705,590	651,815
Accounts receivable	1,108,251	1,023,451
Deferred policy acquisition costs/cost of insurance purchased	3,617,153	3,250,287
Other assets	272,270	376,578
Assets held in separate accounts	25,537,215	22,930,750
Total assets	\$98,316,053	\$86,010,879

</TABLE>

See accompanying notes to consolidated financial statements.

F-2

American General Life Insurance Company
Consolidated Balance Sheets

<TABLE>
<CAPTION>

	December 31	
	2004	2003
	(In Thousands)	
<S>	<C>	<C>
Liabilities, Minority Interest and Shareholder's Equity		
Liabilities:		
Future policy benefits	\$ 9,156,261	\$ 7,898,915
Policyholder contract deposits	38,438,523	36,559,454
Other policy claims and benefits payable	198,769	273,008
Other policyholders' funds	2,513,561	2,204,767
Federal income taxes	1,442,907	1,104,182
Indebtedness to affiliates	258,953	362,749
Securities lending payable	9,286,117	4,451,135
Other liabilities	1,256,335	1,240,035
Derivative liabilities	57,647	27,165
Liabilities related to separate accounts	25,537,215	22,930,750
Total liabilities	88,146,288	77,052,160
Minority interest	102,150	96,741
Shareholder's equity:		
Preferred stock, \$100 par value, 8,500 shares authorized, issued and outstanding	850	850
Common stock, \$10 par value, 600,000 shares authorized, issued and outstanding	6,000	6,000
Additional paid-in capital	3,623,797	3,507,238
Accumulated other comprehensive income	1,398,625	1,097,788
Retained earnings	5,038,343	4,250,102
Total shareholder's equity	10,067,615	8,861,978
Total liabilities, minority interest and shareholder's equity	\$98,316,053	\$86,010,879

</TABLE>

See accompanying notes to consolidated financial statements.

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American General Life Insurance Company
Consolidated Statements of Income

<TABLE>
<CAPTION>

	2004	2003	2002
	(In Thousands)		
<S>	<C>	<C>	<C>
Revenues:			
Premiums and other considerations	\$2,540,322	\$2,403,951	\$2,138,833
Net investment income	3,557,160	3,288,686	3,054,530
Net realized investment losses	(158,288)	(56,779)	(295,344)
Other	289,140	175,663	175,528

Total revenues	6,228,334	5,811,521	5,073,547
Benefits and expenses:			
Policyholders' benefits	1,625,671	1,544,535	1,284,087
Interest credited	2,063,646	2,039,015	2,051,698
Operating costs and expenses	1,034,525	939,785	753,033
Total benefits and expenses	4,723,842	4,523,335	4,088,818
Income before income tax expense	1,504,492	1,288,186	984,729
Income tax expense:			
Current	126,112	250,906	107,502
Deferred	272,600	75,649	64,917
Total income tax expense	398,712	326,555	172,419
Net income before cumulative effect of accounting change	1,105,780	961,631	812,310
Cumulative effect of accounting change, net of tax	(16,859)	--	--
Net income	\$1,088,921	\$ 961,631	\$ 812,310

</TABLE>

See accompanying notes to consolidated financial statements.

F-4

American General Life Insurance Company
Consolidated Statements of Shareholder's Equity

<TABLE>
<CAPTION>

	Year ended December 31		
	2004	2003	2002
	(In Thousands)		
<S>	<C>	<C>	<C>
Preferred stock:			
Balance at beginning and end of year	\$ 850	\$ 850	\$ 850
Common stock:			
Balance at beginning and end of year	6,000	6,000	6,000
Additional paid-in capital:			
Balance at beginning of year	3,507,238	3,167,462	2,691,492
Capital contribution from Parent Company	116,559	339,776	475,970
Balance at end of year	3,623,797	3,507,238	3,167,462
Accumulated other comprehensive income:			
Balance at beginning of year	1,097,788	736,299	175,507
Other comprehensive income	300,837	361,489	560,792
Balance at end of year	1,398,625	1,097,788	736,299
Retained earnings:			
Balance at beginning of year	4,250,102	3,289,151	2,922,422
Net income	1,088,921	961,631	812,310
Dividends paid	(300,680)	(680)	(445,581)
Balance at end of year	5,038,343	4,250,102	3,289,151
Total shareholder's equity	\$10,067,615	\$8,861,978	\$7,199,762

</TABLE>

See accompanying notes to consolidated financial statements.

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American General Life Insurance Company
Consolidated Statements of Comprehensive Income

<TABLE>
<CAPTION>

	2004	2003	2002
--	------	------	------

	(In Thousands)		
<S>	<C>	<C>	<C>
Net income	\$1,088,921	\$ 961,631	\$ 812,310
Other comprehensive income:			
Gross change in unrealized gains (losses) on securities, after tax (pretax: 2004 - \$453,261; 2003 - \$549,834; 2002 - \$720,641)	294,620	357,392	468,416
Hedging activities (pretax: 2004 - \$(31,877); 2003 - \$(68,391); 2002 - \$5,025)	(20,720)	(44,454)	3,267
Reclassification adjustment for losses included in net income	26,937	48,551	89,109
Other comprehensive income	300,837	361,489	560,792
Comprehensive income	\$1,389,758	\$1,323,120	\$1,373,102

</TABLE>

See accompanying notes to consolidated financial statements.

F-6

American General Life Insurance Company

Consolidated Statements of Cash Flows

<TABLE>

<CAPTION>

	2004	2003	2002
<S>	<C>	<C>	<C>
Operating activities			
Net income	\$ 1,088,921	\$ 961,631	\$ 812,310
Adjustments to reconcile net income to net cash provided by operating activities:			
Cumulative effect of accounting change, net of tax	16,859	--	--
Interest credited on policyholder contracts	2,063,646	2,039,015	2,051,698
Change in accounts receivable	(84,800)	(155,662)	(3,438)
Change in future policy benefits and other policy claims	(1,018,480)	216,269	1,096,583
Amortization of policy acquisition costs and cost of insurance purchased	311,214	311,029	165,269
Policy acquisition costs deferred	(757,710)	(583,939)	(466,779)
Change in other policyholders' funds	308,794	339,326	62,893
Provision for deferred income tax expense	255,872	267,645	357,510
Depreciation and amortization, including premiums and discounts	193,670	170,474	150,310
Change in indebtedness to (from) affiliates	(181,863)	320,652	68,133
Change in amounts payable to brokers	(72,843)	(614,174)	384,634
Change in trading securities	51,067	(68,953)	--
Change in restricted cash	70,134	(88,781)	--
Realized investments losses	158,288	315,144	422,536
Other, net	(9,928)	522,312	35,272
Net cash provided by operating activities	2,392,841	3,951,988	5,136,931
Investing activities			
Purchases of:			
Fixed maturity and equity securities	(27,374,134)	(34,541,457)	(34,652,736)
Mortgages	(691,747)	(443,541)	(286,385)
Other long-term investments	(18,188,518)	(14,902,823)	(17,511,338)
Sales of:			
Fixed maturity and equity securities	27,001,768	29,702,380	29,957,705
Mortgages	307,711	291,851	236,727
Other long-term investments	12,915,557	13,862,846	15,080,395
Redemptions and maturities of fixed maturity and equity securities	1,735,026	1,792,981	2,197,983
Sales and purchases of property, equipment, and software, net	9,648	(1,056,323)	(23,816)
Net cash used in investing activities	(4,284,689)	(5,294,086)	(5,001,465)

</TABLE>

See accompanying notes to consolidated financial statements.

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American General Life Insurance Company

Consolidated Statements of Cash Flows (continued)

<TABLE>
<CAPTION>

	2004	2003	2002
	-----	-----	-----
	(In Thousands)		
<S>	<C>	<C>	<C>
Financing activities			
Net policyholder account deposits	7,332,833	6,780,518	3,324,162
Net policyholder account withdrawals	(5,296,849)	(5,574,250)	(3,046,859)
Dividends paid	(300,680)	(680)	(445,581)
Capital contribution from parent	116,559	339,776	28,000
Other	--	--	(1,289)
	-----	-----	-----
Net cash provided by (used in) financing activities	1,851,863	1,545,364	(141,567)
	-----	-----	-----
Increase (decrease) in cash	(39,985)	203,266	(6,101)
Cash at beginning of year	297,209	93,943	100,044
	-----	-----	-----
Cash at end of year	\$ 257,224	\$ 297,209	\$ 93,943
	=====	=====	=====

</TABLE>

Interest paid amounted to approximately \$47,709,000, \$2,117,000 and \$2,315,000 in 2004, 2003 and 2002, respectively. Income taxes paid amounted to approximately \$208,397,000, \$240,802,000 and \$127,376,000 in 2004, 2003 and 2002, respectively.

See accompanying notes to consolidated financial statements.

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American General Life Insurance Company

Notes to Consolidated Financial Statements

December 31, 2004

1. Nature of Operations

American General Life Insurance Company ("AGL" or the "Company") is a wholly owned subsidiary of AGC Life Insurance Company ("Parent Company"), and its ultimate parent is American International Group, Inc. ("AIG").

Effective December 31, 2002, AGL merged with certain affiliated entities, including The Franklin Life Insurance Company ("The Franklin") and its subsidiary, The American Franklin Life Insurance Company ("AMFLIC"), and All American Life Insurance Company ("All American") and became the surviving entity. Effective March 31, 2003, AGL merged with its affiliate Old Line Life Insurance Company ("Old Line") and became the surviving entity. Effective December 31, 2002, AGL's wholly owned life insurance subsidiary, American General Life Insurance Company of New York ("AGNY") was merged with The United States Life Insurance Company in the City of New York, an affiliated entity. These mergers have been accounted for at historical cost in a manner similar to a pooling of interests business combination. Accordingly, the accompanying consolidated financial statements include the financial position, operating results, and cash flows of The Franklin, AMFLIC, All American, Old Line and exclude AGNY.

Effective December 20, 2004, AGL merged with its wholly owned subsidiary, American General International Investments, Inc. ("AGII"), and became the surviving entity. The financial position, operating results and cash flows of AGII have historically been included in the consolidated financial statements of AGL.

The Company operates through two divisions: Life Insurance and Retirement Services. The Life Insurance Division offers a complete portfolio of the standard forms of universal life, variable universal life, whole life, term life, accident and health, structured settlements, and fixed and variable annuities throughout the United States of America. This Division serves the estate planning needs of middle- and upper-income households and the life insurance needs of small- to medium-sized businesses. The Life Insurance Division, through its subsidiaries American General Life Companies ("AGLC") and American General Enterprise Services ("AGES"), and AGES's wholly owned broker-dealer subsidiary American General Securities Incorporated ("AGSI"), also provides support services to certain affiliated insurance companies. The Retirement Services Division includes the results of the Variable Annuity Life Insurance Company ("VALIC"), a wholly owned subsidiary. VALIC provides tax-deferred retirement annuities and employer-sponsored retirement plans to employees of health care, educational, public sector, and other not-for-profit organizations throughout the United States of America.

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Notes to Consolidated Financial Statements (continued)

2. Accounting Policies

2.1 Preparation of Financial Statements

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") and include the accounts of the Company and its wholly owned subsidiaries. Transactions with the Parent Company and other subsidiaries of the Parent Company are not eliminated from the financial statements of the Company. All other material intercompany transactions have been eliminated in consolidation.

On September 23, 2003, the Company purchased 68 percent of the non-voting preferred equity issued by Castle 2003-1 Trust ("Castle Trust") for \$182.3 million. The remaining non-voting preferred equity and 100 percent of the voting equity of Castle Trust are held by affiliates of the Company. Castle Trust is a Delaware statutory trust established on July 31, 2003. The business of Castle Trust and its wholly owned subsidiaries is limited to buying, owning, leasing and selling a portfolio of commercial jets. In December 2003, the FASB issued a "Revision to Interpretation No. 46, Consolidation of Variable Interest Entities" ("FIN46R") (See Note 2.14). In accordance with FIN46R, Castle Trust has been consolidated in the Company's consolidated financial statements for the years ending December 31, 2004 and 2003.

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. These estimates and assumptions are particularly significant with respect to investments, deferred acquisition costs, and policyholder benefits. Ultimate results could differ from those estimates.

Certain prior year amounts have been reclassified to conform with the current year presentation.

2.2 Statutory Accounting

The Company and its wholly owned life insurance subsidiaries are required to file financial statements with state regulatory authorities. State insurance laws and regulations prescribe accounting practices for calculating statutory net income and equity. In addition, state regulators may permit statutory accounting practices that differ from prescribed practices. The use of such permitted practices by the Company and its wholly owned life insurance subsidiaries did not have a material effect on statutory capital and surplus at December 31, 2004.

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Notes to Consolidated Financial Statements (continued)

2. Accounting Policies (continued)

2.2 Statutory Accounting (continued)

Statutory net income and capital and surplus of the Company at December 31 is as follows:

	2004	2003	2002
	-----	-----	-----
	(In Thousands)		
Statutory net income	\$ 567,253	\$ 134,370	\$ 536,099
Statutory capital and surplus	\$4,705,497	\$4,066,448	\$3,007,515

For statutory reporting purposes, the merger of AGII into AGL in 2004 was accounted for as a statutory merger. In accordance with statutory merger accounting requirements, statutory net income and capital and surplus for the prior years of 2003 and 2002 were restated to show comparative data.

The more significant differences between GAAP and statutory accounting principles are that under GAAP: (a) acquisition costs related to acquiring new business are deferred and amortized (generally in proportion to the present value of expected gross profits from surrender charges and investment, mortality, and expense margins), rather than being charged to operations as incurred; (b) future policy benefits are based on estimates of mortality, interest, and withdrawals generally representing the Company's experience, which may differ from those based on statutory mortality and interest requirements without consideration of withdrawals; (c) certain assets (principally agents'

debit balances, computer software, and certain other receivables) are reported as assets rather than being charged to retained earnings; (d) acquisitions are accounted for using the purchase method of accounting rather than being accounted for as equity investments; and (e) fixed maturity investments are carried at fair value rather than amortized cost. In addition, statutory accounting principles require life insurance companies to establish an asset valuation reserve ("AVR") and an interest maintenance reserve ("IMR"). The AVR is designed to address the credit-related risk for bonds, preferred stocks, derivative instruments, and mortgages and market risk for common stocks, real estate, and other invested assets. The IMR is composed of investment- and liability-related realized gains and losses that result from interest rate fluctuations. These realized gains and losses, net of tax, are amortized into income over the expected remaining life of the asset sold or the liability released.

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American General Life Insurance Company

Notes to Consolidated Financial Statements (continued)

2. Accounting Policies (continued)

2.3 Insurance Contracts

The insurance contracts accounted for in these financial statements include primarily long-duration contracts. Long-duration contracts include traditional whole life, limited payment, endowment, guaranteed renewable term life, universal life, and investment contracts. Long-duration contracts generally require the performance of various functions and services over a period of more than one year. The contract provisions generally cannot be changed or canceled by the insurer during the contract period; however, most new contracts written by the Company allow the insurer to revise certain elements used in determining premium rates or policy benefits, subject to guarantees stated in the contracts.

2.4 Investments

Fixed Maturity and Equity Securities

Fixed maturity and equity securities classified as available-for-sale are recorded at fair value at December 31, 2004 and 2003. Unrealized gains (losses), net of deferred taxes, are recorded in accumulated other comprehensive income (loss), within shareholder'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's amortized cost is reduced to its estimated fair value, and the reduction is recorded as a realized loss.

Fixed maturity and equity securities classified as trading securities are carried at market value, as it is the Company's intention to sell these securities in the near future. Unrealized gains and losses are reflected in income currently.

Mortgage Loans

Mortgage loans are reported at the unpaid principal balance, net of an allowance for losses. The allowance for losses covers estimated losses based on our assessment of risk factors such as potential non-payment or non-monetary default. The allowance is based on a loan-specific review.

Loans for which the Company determines that collection of all amounts due under the contractual terms is not probable are considered to be impaired. 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 cost to sell.

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American General Life Insurance Company

Notes to Consolidated Financial Statements (continued)

2. Accounting Policies (continued)

2.4 Investments (continued)

Policy Loans

Policy loans are reported at the aggregate unpaid principal balance. There is no allowance for policy loans as these loans serve to reduce the death benefits paid when the death claim is made and the balances are effectively collateralized by the cash surrender value of the policy.

Real Estate

Real estate is classified as held for investment or available for sale, based on management's intent. Real estate held for investment is carried at cost, less accumulated depreciation and impairment write-downs. Real estate available for sale is carried at the lower of cost (less accumulated depreciation, if applicable) or fair value less cost to sell.

Partnerships

Partnerships consist of equity partnerships and other partnerships not classified elsewhere herein. The equity partnerships in which the Company holds less than a five percent interest are carried at fair value and the change in fair value is recognized as a component of other comprehensive income. Partnerships in which the Company holds a five percent or more interest are also carried at fair value and the change in fair value is recorded to investment income, consistent with the equity method of accounting.

Included in partnerships are preferred equity investments in partially owned companies. Generally, the equity method of accounting is used for the Company's investment in companies in which the Company's ownership interest approximates 20 percent but is not greater than 50 percent.

As part of the consolidation of Castle Trust (see Note 2.1), included in partnerships is an investment in commercial aircraft totaling \$983.4 million, net of accumulated depreciation of \$65.2 million. These aircraft are recorded at cost and depreciated on a straight-line basis over their estimated lives of 25 years from the date of manufacture, to a residual value that is 15 percent of the Castle Trust cost. Total depreciation expense for the years ended December 31, 2004 and 2003 were \$51.3 million and \$13.9 million, respectively.

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American General Life Insurance Company

Notes to Consolidated Financial Statements (continued)

2. Accounting Policies (continued)

2.4 Investments (continued)

Securities Lending Collateral and Securities Lending Payable

The Company loans securities through a securities lending agreement with an affiliated lending agent, which authorizes the agent to lend securities held in the Company's portfolio to a list of authorized borrowers. The Company receives primarily cash collateral in an amount in excess of the market value of the securities loaned. The affiliated lending agent monitors the daily market value of securities loaned with respect to the collateral value and obtains additional collateral when necessary to ensure that collateral is maintained at a minimum of 102 percent of the value of the loaned securities. Such collateral is not available for the general use of the Company. Income earned on the collateral, net of interest paid on the securities lending agreements and the related management fees paid to administer the program, is recorded as investment income in the consolidated statement of income and comprehensive income.

Dollar Roll Agreements

Throughout the year, the Company enters into dollar roll repurchase agreements, which involve the sale (delivery) of mortgage-backed securities ("MBS") and the repurchase of substantially the same pool of securities at a specific price in the future. Such transactions typically involve highly-rated government agency securities and are short-term in nature, typically with a period of 30 days. The dollar roll agreements are utilized by the Company as a financing strategy to enhance the return on its MBS portfolio.

At December 31, 2004 and 2003, the Company had no dollar roll agreements outstanding as the Company has historically closed out all dollar roll agreements at year-end.

Investment Income

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. Premiums and discounts on investments are amortized to investment income by using the interest method over the contractual lives or expected payment period of the investments. Interest on delinquent mortgage loans is recorded as income when received. Dividends are recorded as income on ex-dividend dates.

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Notes to Consolidated Financial Statements (continued)

2. Accounting Policies (continued)

2.4 Investments (continued)

Realized Investment Results

Realized capital gains and losses are determined principally by specific identification. The Company evaluates its investments for impairment.

As a matter of policy, the determination that a security has incurred an other-than-temporary decline in value and the amount of any loss recognition requires the judgement of the Company's management and a continual review of its investment.

In general, a security is considered a candidate for impairment if it meets any of the following criteria: Trading at a significant (25 percent or more) discount to par, amortized cost (if lower) or cost for an extended period of time (nine months or longer); The occurrence of a discrete credit event resulting in (i) the issuer defaulting on a material outstanding obligation; or (ii) the issuer seeking protection from creditors under the bankruptcy laws or any similar laws intended for the court supervised reorganization of insolvent enterprises; or (iii) the issuer proposing a voluntary reorganization pursuant to which creditors are asked to exchange their claims for cash or securities having a fair value substantially lower than par value of their claims; or in the opinion of the Companies management, it is possible that the Company may not realize a full recovery on its investment, irrespective of the occurrence of one of the foregoing events.

Once a security has been identified as impaired, the amount of such impairment is determined by reference to that security's contemporaneous market price, and recorded as a realized capital loss.

2.5 Separate Accounts

Separate Accounts are assets and liabilities associated with certain contracts, principally annuities, for which the investment risk lies solely with the contract holder, except to the extent of minimum guarantees made by the Company with respect to certain accounts. Therefore, the Company's 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 consolidated statements of income, comprehensive income, and cash flows. Assets held in Separate Accounts are primarily shares in mutual funds, which are carried at fair value based on the quoted net asset value per share.

The Company receives administrative fees for managing the funds and other fees for assuming mortality and certain expense risks. Such fees are included in premiums and other considerations in the consolidated statements of income.

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Notes to Consolidated Financial Statements (continued)

2. Accounting Policies (continued)

2.6 Deferred Policy Acquisition Costs ("DPAC") and Cost of Insurance Purchased ("CIP")

Certain costs of writing an insurance policy, including commissions, underwriting, and marketing expenses, are deferred and reported as DPAC. The cost assigned to certain insurance contracts in force at January 31, 1995, the date of American General Corporation's ("AGC") acquisition of The Franklin, is reported as CIP.

DPAC and CIP associated with interest-sensitive life contracts, insurance investment contracts, and participating life insurance contracts are charged to expense in relation to the estimated gross profits of those contracts. If estimated gross profits change significantly, DPAC and CIP balances are recalculated using the new assumptions. Any resulting adjustment is included in current earnings as an adjustment to DPAC or CIP amortization. DPAC and CIP associated with all other insurance contracts are charged to expense over the premium-paying period or as the premiums are earned over the life of the contract. Interest is accreted on the unamortized balance of DPAC at rates used to compute policyholder reserves and on the unamortized balance of CIP at rates of 3.00 percent to 8.25 percent.

With respect to the Company's variable annuity contracts, the assumption for the long-term annual growth of the separate and variable account assets used by the Company in the determination of DPAC amortization is approximately 10 percent (the "long-term growth rate assumption"). The Company uses a "reversion to the mean" methodology which allows the Company to maintain this 10 percent long-term growth rate assumption, while also giving consideration to the effect of short-term swings in the equity markets. For example, if performance were 15 percent during the first year following the introduction of a product, the DPAC model would assume that market returns for the following five years (the "short-term growth rate assumption") would approximate 9 percent, resulting in an average annual growth rate of 10 percent during the life of the product. Similarly, following periods of below 10 percent performance, the model will assume a short-term growth rate higher than 10 percent. An adjustment to DPAC will occur if management considers the short-term growth rate (i.e., the growth rate required to revert to the mean 10 percent growth rate over a five-year period) to be unachievable. The use of a reversion to the mean assumption is common within the industry; however, the parameters used in the methodology are subject to judgment and vary among companies. With respect to the Company's variable life products, the assumption for the long-term growth of the separate and variable account assets used by the Company in the determination of DPAC amortization is approximately 9 percent, but no reversion to the mean adjustment is applied.

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American General Life Insurance Company

Notes to Consolidated Financial Statements (continued)

2. Accounting Policies (continued)

2.6 Deferred Policy Acquisition Costs ("DPAC") and Cost of Insurance Purchased ("CIP") (continued)

DPAC and CIP related to interest-sensitive products are 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, net of deferred taxes, is included in unrealized investment gains (losses) in accumulated other comprehensive income within shareholder's equity.

The Company reviews the carrying amounts of DPAC and CIP on at least an annual basis. Management considers estimated future gross profits or future premiums, 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.

2.7 Policy and Contract Claims Reserves

Substantially all of the Company's insurance and annuity liabilities relate to long duration contracts. The contracts normally cannot be changed or canceled by the Company during the contract period.

Future policy benefits and policyholder contract deposits liabilities were as follows at December 31:

<TABLE>

<CAPTION>

	2004	2003
	-----	-----
	(In Thousands)	
<S>	<C>	<C>
Future policy benefits:		
Ordinary life	4,555,887	4,337,180
Group life	26,346	29,797
Life contingent group annuities	89,228	93,072
Life contingent annuities	3,746,198	2,799,407
Terminal funding	401,444	414,630
Accident and health	337,158	224,829
	-----	-----
Total	\$ 9,156,261	\$ 7,898,915
	=====	=====
Policyholder contract deposits:		
Annuities	\$32,463,764	\$30,891,794
Corporate-owned life insurance	376,478	439,088
Universal life	5,598,281	5,228,572
	-----	-----
Total	\$38,438,523	\$36,559,454
	=====	=====

</TABLE>

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Notes to Consolidated Financial Statements (continued)

2. Accounting Policies (continued)

2.7 Policy and Contract Claims Reserves (continued)

For interest-sensitive life insurance and investment contracts, reserves equal the sum of the policy account balance and deferred revenue charges. Reserves for other contracts are based on estimates of the cost of future policy benefits. Interest, mortality, and surrender assumptions vary by product and are generally based upon actual experience at the time of issue. Interest assumptions used to compute individual life reserves ranged from 1 percent to 11 percent.

The liability for policyholder contract deposits has been established based on various assumptions. Interest rates credited for deferred annuities vary by year of issuance and range from 3.0 percent to 5.70 percent. Current declared interest rates are generally guaranteed to remain in effect for a period of one year, though some are guaranteed for longer periods. Withdrawal charges generally range from 0.0 percent to 17.0 percent, grading to zero over a period of 0 to 20 years. Interest rates on corporate-owned life insurance are guaranteed at 3.0 percent and the weighted average rate credited in 2004 was 5.22 percent.

2.8 Guaranteed Minimum Death Benefits

A majority of the Company's variable annuity products are issued with a death benefit feature which provides that, upon the death of a contract holder, the contract holder's beneficiary will receive the greater of (1) the contract holder's account value, or (2) a guaranteed minimum death benefit that varies by product ("the GMDB"). Depending on the product, the GMDB may equal the principal invested, adjusted for withdrawals; or the principal invested, adjusted for withdrawals, accumulated with interest at rates up to 3 percent per annum (subject to certain caps). The GMDB has issue age and other restrictions to reduce mortality risk exposure. The Company bears the risk that death claims following a decline in the financial markets may exceed contract holder account balances, and that the fees collected under the contract are insufficient to cover the costs of the benefit to be provided. Prior to January 1, 2004, the Company expensed GMDB-related benefits in the period incurred, and therefore did not provide reserves for future benefits. Effective January 1, 2004, the Company provides reserves for future GMDB-related benefits pursuant to the adoption of Statement of Position 03-01, "Accounting and Reporting by Insurance Enterprises for Certain Non-traditional Long-Duration Contracts and for Separate Accounts" ("SOP 03-01"). The GMDB liability is determined each period end by estimating the expected value of death benefits in excess of the projected account balance and recognizing the excess ratably over the accumulation period based on total expected assessments. Changes in liabilities for minimum guarantees are included in guaranteed minimum death benefits in the consolidated statement of income and comprehensive income.

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Notes to Consolidated Financial Statements (continued)

2. Accounting Policies (continued)

2.8 Guaranteed Minimum Death Benefits (continued)

The Company regularly evaluates estimates used and adjusts the additional liability balance, with a related charge or credit to guaranteed minimum death benefit expense, if actual experience or other evidence suggests that earlier assumptions should be revised.

2.9 Premium Recognition

Most receipts for annuities and interest-sensitive life insurance policies are classified as deposits instead of revenue. Revenues for these contracts consist of mortality, expense, and surrender charges. Policy charges that compensate the Company for future services are deferred and recognized in income over the period earned, using the same assumptions used to amortize DPAC.

Premiums for traditional life insurance products are recognized when due. For limited-payment contracts, net premiums are recorded as revenue. The difference between the gross received and the net premium is deferred and recognized in a constant relationship to insurance in force for life insurance contracts and to the amount of expected future benefit payments for annuity contracts.

Variable annuity fees, asset management fees and surrender charges are recorded as income when earned. Net retained broker dealer commissions are recognized as

income on a trade date basis.

2.10 Reinsurance

The Company generally limits its exposure to loss on any single insured to \$2.5 million by ceding additional risks through reinsurance contracts with other insurers. On an exception basis, the Company can increase its exposure to loss on any single insured up to \$5.0 million. The Company diversifies its risk of reinsurance loss by using a number of reinsurers that have strong claims-paying ability ratings. If the reinsurer could not meet its obligations, the Company would reassume the liability, as the Company remains primarily liable to the policyholder.

A receivable is recorded for the portion of benefits paid and insurance liabilities that have been reinsured. Total reinsurance recoverables on ceded reinsurance contracts are included in accounts receivable. The cost of reinsurance is recognized over the life of the reinsured policies using assumptions consistent with those used to account for the underlying policies.

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American General Life Insurance Company

Notes to Consolidated Financial Statements (continued)

2. Accounting Policies (continued)

2.11 Participating Policy Contracts

Participating life insurance accounted for approximately 3 percent of life insurance in force at December 31, 2004.

The portion of earnings allocated to participating policyholders is excluded from net income and shareholder's equity. Dividends to be paid on participating life insurance contracts are determined annually based on estimates of the contracts' earnings. Policyholder dividends were \$60.8 million, \$67.9 million and \$76.1 million in 2004, 2003 and 2002, respectively, and were included in policyholders' benefits.

2.12 Income Taxes

For the tax years ending December 31, 2004, 2003 and 2002, the Company will join in the filing of a consolidated federal income tax return with AGC Life Insurance Company and its life insurance company subsidiaries. The Company has a written agreement with AGC Life Insurance Company setting forth the manner in which the total consolidated federal income tax is allocated to each entity that joins in the consolidation. Under this agreement, AGC Life Insurance Company agrees not to charge the Company a greater portion of the consolidated tax liability than would have been paid by the Company had it filed a separate federal income tax return. In addition, AGC Life Insurance Company agrees to reimburse the Company for the tax benefits from net losses and tax credits, if any, within a reasonable period of time after the filing of the consolidated federal income tax return for the year in which the losses are used.

Deferred tax assets and liabilities are established for temporary differences between the financial reporting basis and the tax basis of assets and liabilities, at the enacted tax rates expected to be in effect when the temporary differences reverse. The effect of a tax rate change is recognized in income in the period of enactment. State income taxes are included in income tax expense.

A valuation allowance for deferred tax assets is provided if it is more likely than not that some portion of the deferred tax asset will not be realized. An increase or decrease in a valuation allowance that results from a change in circumstances that causes a change in judgment about the realizability of the related deferred tax asset is included in income.

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American General Life Insurance Company

Notes to Consolidated Financial Statements (continued)

2. Accounting Policies (continued)

2.13 Derivatives

The Company takes positions from time to time in certain derivative financial instruments in order to mitigate or hedge the impact of changes in interest rates, foreign currencies and equity markets on cash flows investment income, policyholder liabilities and equity. The Company does not engage in the use of

derivative instruments for speculative purposes and is neither a dealer or trader in derivative instruments.

Financial instruments used by the Company for such purposes include interest rate swaps, foreign currency swaps, S&P 500 index options (long and short positions) and futures options (short positions on U.S. treasury notes and U.S. long bonds).

The Company recognizes all derivatives in the consolidated balance sheet at fair value and utilizes hedge accounting. This means that, to the extent the hedge is deemed to be effective, the accounting for the derivative mirrors the accounting for the financial instruments being hedged.

On the date the derivative contract is entered into, the Company designates the derivative as a fair value hedge or cash flow hedge. It is a fair value hedge if it hedges subsequent changes in the fair value of a recognized asset or liability. It is a cash flow hedge if it hedges the variability of cash flows to be received or paid related to a recognized asset or liability. The gain or loss in the fair value of a derivative that is designated, qualifies and is highly effective as a fair value hedge is recorded in current period earnings to the extent the losses or gains of the hedged asset or liability are so recorded. Certain derivative gains or losses on fair value and cash flow hedges are recorded in other comprehensive income until such point that earnings are affected by the fair value changes and cash flows of the hedged asset or liability.

The Company documents all relationships between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedge transactions. The process includes linking all derivatives that are designated as hedged to specific assets or liabilities on the balance sheet. The Company also assesses, both at the hedge's inception and on an ongoing basis, whether the derivatives used in hedging transactions are highly effective in offsetting changes in fair values and cash flows of hedged items. On a quarterly basis the Company evaluates and assesses ongoing compliance with regulatory limits on derivative holdings.

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American General Life Insurance Company

Notes to Consolidated Financial Statements (continued)

2. Accounting Policies (continued)

2.13 Derivatives (continued)

During 2004, there were no hedges discontinued or otherwise no longer qualified as hedges. Any gain or loss resulting from such early terminations would be deferred and amortized into income over the remaining term of the hedged instrument. Were such hedged instrument subsequently extinguished or sold, any related gain or loss deferred from the swap would be recognized immediately into income.

2.14 Recently Issued Accounting Standards

In January 2003, FASB issued Interpretation No. 46, Consolidation of Variable Interest Entities ("FIN46"). FIN46 changes the method of determining whether certain entities should be consolidated in the Company's consolidated financial statements. An entity is subject to FIN46 and is called a Variable Interest Entity ("VIE") if it has (i) equity that is insufficient to permit the entity to finance its activities without additional subordinated financial support from other parties, or (ii) equity investors that cannot make significant decisions about the entity's operations, or do not absorb the expected losses or receive the expected returns of the entity. All other entities are evaluated for consolidation under existing guidance. A VIE is consolidated by its primary beneficiary, which is the party that has a majority of the expected losses or a majority of the expected residual returns of the VIE, or both. In December 2003, the FASB issued FIN46R.

The provisions of FIN46R are to be applied immediately to VIEs created after January 31, 2003, and to VIEs in which the Company obtains an interest after that date. For VIEs in which the Company holds a variable interest that is acquired before February 1, 2003, FIN46R was applied as of December 31, 2003. For any VIEs that must be consolidated under FIN46R that were created before February 1, 2003, the assets, liabilities and noncontrolling interest of the VIE would be initially measured at their carrying amounts with any difference between the net amount added to the balance sheet and any previously recognized interest being recognized as the cumulative effect of an accounting change.

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American General Life Insurance Company

2. Accounting Policies (continued)

2.14 Recently Issued Accounting Standards (continued)

The following VIE activities are not consolidated by the Company under FIN46R:

- i. The Company manages collateralized bond and loan obligation trusts (collectively, collateralized debt obligation trust or CDO trust). As asset manager, the Company receives fees for management of the assets held in the CDO trust, which support the issuance of securities sold by the CDO trust. The Company may take minority equity and/or fixed-income security interest in the CDO trust. The Company has entered into such arrangements to expand its asset management activities. Third-party investors have recourse only to the CDO trust, and have no recourse to the Company. The Company does not consolidate these CDO trusts, pursuant to FIN46R.
- ii. The Company also invests in assets of VIEs. These VIEs are established by unrelated third parties. Investments include collateralized mortgage backed securities and similar securities backed by pools of mortgages, consumer receivables or other assets. The investment in these VIEs allows the Company to purchase assets permitted by insurance regulations while maximizing their return on these assets. These VIEs are not consolidated by the Company, pursuant to FIN46R.

In July 2003, the American Institute of Certified Public Accountants ("AICPA") issued SOP 03-01. This statement was effective as of January 1, 2004 and requires the Company to recognize a liability for GMDB, as discussed above, related to its variable annuity and variable life contracts and modifies certain disclosures and financial statement presentations for these products. The Company reported a one-time cumulative accounting charge upon adoption of \$16.9 million to reflect the guaranteed minimum death benefit liability as of January 1, 2004. In addition, under SOP 03-01, variable annuity assets held in separate accounts will continue to be measured at fair value and reported in summary total on the Company's financial statements, with an equivalent summary total reported for related liabilities, if the separate account arrangement meets certain specified conditions. Assets underlying the Company's interest in a separate account ("separate account seed money") do not qualify for separate account accounting and reporting.

The Company was required to "look through" the separate account for the purposes of accounting for its interest therein, and account for and classify separate account seed money based on its nature as if the assets of the separate account underlying the Company's interest were held directly by the general account rather than through the separate account structure. The adoption of SOP 03-01 did not have a material impact on the Company's separate accounts or separate account seed money.

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American General Life Insurance Company

Notes to Consolidated Financial Statements (continued)

2. Accounting Policies (continued)

2.14 Recently Issued Accounting Standards (continued)

In December 2004, the FASB issued Statement No. 123 (revised 2004) ("FAS 123R"), "Share-Based Payment." FAS 123R replaces FASB Statement No. 123 ("FAS 123"), "Accounting for Stock-based Compensation," and superseded APB Opinion No. 25, "Accounting for Stock Issued to Employees." FAS 123, as originally issued in 1995, established as preferable a fair-value-based method of accounting for share-based payment transactions with employees. On January 1, 2003, AIG adopted the recognition provisions of FAS 123. The effect of the compensation costs, as determined consistent with FAS 123, was not computed on a subsidiary basis, but rather on a consolidated basis for all subsidiaries of AIG and, therefore, are not presented herein. FAS 123R is effective for the annual periods beginning after June 15, 2005. AIG and the Company are currently assessing the impact of FAS 123R and believes the impact will not be material to AIG's or the Company's results of operations.

In June 2004, the FASB issued FSP No. 97-1, "Situations in Which Paragraphs 17(b) and 20 of FASB Statement No. 97, Accounting and Reporting by Insurance Enterprises for Certain Long-Duration Contracts and for Realized Gains and Losses from the Sale of Investments, Permit or Require Accrual of an Unearned Revenue Liability." FSP 97-1 clarifies the accounting for unearned revenue liabilities of certain universal-life type contracts under SOP 03-01. The Company's adoption of FSP 97-1 on July 1, 2004 did not change the accounting for unearned revenue liabilities and, therefore, had no impact on the Company's

consolidated financial position or results of operations. In September 2004, the AICPA SOP 03-01 Implementation Task Force issued a Technical Practice Aid ("TPA") to clarify certain aspects of SOP 03-01. The Company is currently evaluating the effect of the implementation of this TPA in its operations on the Company's consolidated financial position or results of operations.

In March 2004, the EITF of the FASB reached a final consensus on Issue 03-01, "Meaning of Other-Than-Temporary Impairment and its Application to Certain Investments." This Issue establishes impairment models for determining whether to record impairment losses associated with investments in certain equity and debt securities. It also requires income to be accrued on a level-yield basis following an impairment of debt securities, where reasonable estimates of the timing and amount of future cash flows can be made. The Company's policy is generally to record income only as cash is received following an impairment of a debt security. In September 2004, the FASB issued Staff Position ("FSP") EITF 03-01-1, which defers the effective date of a substantial portion of EITF 03-01, from the third quarter of 2004, as originally required by the EITF, until such time as FASB issues further implementation guidance, which is expected sometime in 2005. The Company will continue to monitor developments concerning this Issue and is currently unable to estimate the potential effects of implementing EITF 03-01 on the Company's consolidated financial position or results of operations.

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American General Life Insurance Company

Notes to Consolidated Financial Statements (continued)

3. Investments

3.1 Investment Income

Investment income by type of investment was as follows for the years ended December 31:

	2004	2003	2002
	-----	-----	-----
	(In Thousands)		
Investment income:			
Fixed maturities	\$3,165,313	\$2,983,484	\$2,789,590
Equity securities	8,070	13,148	2,199
Mortgage loans on real estate	235,321	240,745	226,329
Investment real estate	10,265	8,229	15,303
Policy loans	99,421	105,214	102,479
Other long-term investments	85,650	(35,388)	(69,064)
Short-term investments	16,697	18,431	23,078
	-----	-----	-----
Gross investment income	3,620,737	3,333,863	3,089,914
Investment expenses	63,577	45,177	35,384
	-----	-----	-----
Net investment income	\$3,557,160	\$3,288,686	\$3,054,530
	=====	=====	=====

The carrying value of investments that produced no investment income during 2004 was less than 0.3 percent of total invested assets. The ultimate disposition of these investments is not expected to have a material effect on the Company's results of operations and financial position.

Derivative financial instruments did not have a material effect on net investment income in 2004, 2003 and 2002. During 2004, 2003 and 2002, investment income from other long-term investments is primarily related to gains or losses associated with various partnership interests.

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American General Life Insurance Company

Notes to Consolidated Financial Statements (continued)

3. Investments (continued)

3.2 Net Realized Investment Gains (Losses)

Realized gains (losses) by type of investment were as follows for the years ended December 31:

	2004	2003	2002
	-----	-----	-----
	(In Thousands)		

Fixed maturities:

Gross gains	\$ 198,777	\$ 357,694	\$ 398,239
Gross losses	(270,129)	(400,061)	(697,068)
	-----	-----	-----
Total fixed maturities	(71,352)	(42,367)	(298,829)
Equity securities	7,041	2,099	(191)
Partnerships	(60,101)	(9,424)	(6,145)
Other	(33,876)	(7,087)	9,821
	-----	-----	-----
Net realized investment losses before tax	(158,288)	(56,779)	(295,344)
Income tax benefit	(58,523)	(19,873)	(103,370)
	-----	-----	-----
Net realized investment losses after tax	\$ (99,765)	\$ (36,906)	\$ (191,974)
	=====	=====	=====

During 2004, 2003 and 2002, the Company's realized losses included write-downs of \$65 million, \$274 million and \$317 million, respectively, for certain available for sale fixed maturity investments that experienced declines deemed other than temporary. The determination that a security has incurred an other than temporary decline in value and the amount of loss recognition requires the judgement of the Company's management and a continual review of its investments.

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American General Life Insurance Company

Notes to Consolidated Financial Statements (continued)

3. Investments (continued)

3.3 Fixed Maturity and Equity Securities

The following table summarizes the Company's gross unrealized losses and estimated fair values on fixed maturity securities available for sale and equity securities, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position as of December 31, 2004:

<TABLE>
<CAPTION>

	Less than 12 Months		12 Months or More		Total	
	(In Thousands)					
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
	-----	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Fixed maturity securities	\$4,902,790	\$ 99,579	\$1,518,651	\$78,317	\$6,421,441	\$177,896
Equity securities	8,754	2,497	101	23	8,855	2,520
	-----	-----	-----	-----	-----	-----
Total	\$4,911,544	\$102,076	\$1,518,752	\$78,340	\$6,430,296	\$180,416
	=====	=====	=====	=====	=====	=====

</TABLE>

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American General Life Insurance Company

Notes to Consolidated Financial Statements (continued)

3. Investments (continued)

3.3 Fixed Maturity and Equity Securities (continued)

Fixed maturity and equity securities classified as available-for-sale are reported at fair value. Amortized cost and fair value at December 31, 2004 and 2003 were as follows:

<TABLE>
<CAPTION>

	Amortized Cost	Gross Unrealized Gain	Gross Unrealized Loss	Fair Value
	-----	-----	-----	-----
	(In Thousands)			
<S>	<C>	<C>	<C>	<C>
December 31, 2004				
Fixed maturity securities:				
Corporate securities:				
Investment-grade	\$27,206,453	\$2,139,206	\$ (65,676)	\$29,279,983

Below investment-grade	2,990,210	209,999	(42,729)	3,157,480
Mortgage-backed securities	12,523,571	347,005	(40,439)	12,830,137
U.S. government obligations	214,984	31,887	(834)	246,037
Foreign governments	411,263	46,495	(207)	457,551
State and political subdivisions	3,188,957	184,295	(24,610)	3,348,642
Collateralized bonds	59,077	160	(2,798)	56,439
Redeemable preferred stocks	51,712	9,055	(603)	60,164
	-----	-----	-----	-----
Total fixed maturity securities	\$46,646,227	\$2,968,102	\$ (177,896)	\$49,436,433
	=====	=====	=====	=====
Equity securities	\$ 48,038	\$ 24,776	\$ (2,520)	\$ 70,294
	=====	=====	=====	=====
Separate account seed money	\$ 39,758	\$ 1,735	\$ (5)	\$ 41,488
	=====	=====	=====	=====
Investment in ultimate Parent Company	\$ 8,597	\$ 44,606	\$ --	\$ 53,203
	=====	=====	=====	=====

</TABLE>

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American General Life Insurance Company

Notes to Consolidated Financial Statements (continued)

3. Investments (continued)

3.3 Fixed Maturity and Equity Securities (continued)

<TABLE>
<CAPTION>

	Amortized Cost	Gross Unrealized Gain	Gross Unrealized Loss	Fair Value
	-----	-----	-----	-----
	(In Thousands)			
<S>	<C>	<C>	<C>	<C>
December 31, 2003				
Fixed maturity securities:				
Corporate securities:				
Investment-grade	\$22,652,679	\$1,790,509	\$ (81,969)	\$24,361,219
Below investment-grade	4,292,052	240,752	(174,159)	4,358,645
Mortgage-backed securities	12,549,589	322,479	(109,018)	12,763,050
U.S. government obligations	285,458	33,931	(1,932)	317,457
Foreign governments	336,692	37,805	(255)	374,242
State and political subdivisions	2,955,362	173,207	(17,100)	3,111,469
Collateralized bonds	33,233	306	(489)	33,050
Redeemable preferred stocks	27,946	2,871	(819)	29,998
	-----	-----	-----	-----
Total fixed maturity securities	\$43,133,011	\$2,601,860	\$ (385,741)	\$45,349,130
	=====	=====	=====	=====
Equity securities	\$ 93,182	\$ 13,866	\$ (8,525)	\$ 98,523
	=====	=====	=====	=====
Separate account seed money	\$ 90,670	\$ 6,000	\$ (5,000)	\$ 91,670
	=====	=====	=====	=====
Investment in ultimate Parent Company	\$ 8,597	\$ 45,100	\$ --	\$ 53,697
	=====	=====	=====	=====

</TABLE>

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American General Life Insurance Company

Notes to Consolidated Financial Statements (continued)

3. Investments (continued)

3.3 Fixed Maturity and Equity Securities (continued)

Net unrealized gains (losses) on securities included in accumulated other comprehensive income in shareholder's equity at December 31 were as follows:

	2004	2003	2002
	-----	-----	-----
	(In Thousands)		
Gross unrealized gains	\$3,039,219	\$2,666,826	\$2,513,951
Gross unrealized losses	(180,421)	(399,266)	(943,681)
DPAC and other fair value adjustments	(635,113)	(544,476)	(456,081)
Deferred federal income taxes	(788,071)	(609,027)	(406,075)
	-----	-----	-----
Net unrealized gains on securities	\$1,435,614	\$1,114,057	\$ 708,114
	=====	=====	=====

The contractual maturities of fixed maturity securities at December 31 were as follows:

	2004	
	Amortized Cost	Market Value
	(In Thousands)	
Fixed maturity securities, excluding mortgage-backed securities:		
Due in one year or less	\$ 696,275	\$ 714,466
Due after one year through five years	4,183,308	4,499,727
Due after five years through ten years	11,166,777	11,917,222
Due after ten years	18,076,296	19,474,881
Mortgage-backed securities	12,523,571	12,830,137
Total fixed maturity securities	\$46,646,227	\$49,436,433

Actual maturities may differ from contractual maturities, since borrowers may have the right to call or prepay obligations. In addition, corporate requirements and investment strategies may result in the sale of investments before maturity. Proceeds from sales of fixed maturities were \$28.7 billion, \$31.5 billion and \$30.5 billion, during 2004, 2003 and 2002, respectively.

At December 31, 2004, \$46.9 million of bonds, at amortized cost, were on deposit with regulatory authorities in accordance with statutory requirements.

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American General Life Insurance Company

Notes to Consolidated Financial Statements (continued)

3. Investments (continued)

3.4 Mortgage Loans on Real Estate

Diversification of the geographic location and type of property collateralizing mortgage loans reduces the concentration of credit risk. For new loans, the Company requires loan-to-value ratios of 75 percent or less, based on management's credit assessment of the borrower. The mortgage loan portfolio was distributed as follows at December 31, 2004 and 2003:

	Outstanding Amount	Percent of Total	Percent Nonperforming
	(In Millions)		
December 31, 2004			
Geographic distribution:			
South Atlantic	\$ 741	22.3%	0.0%
Pacific	572	17.2	0.0
Mid-Atlantic	681	20.5	2.1
East North Central	388	11.7	7.5
Mountain	174	5.2	0.0
West South Central	226	6.8	0.0
East South Central	246	7.4	0.0
West North Central	104	3.1	10.4
New England	170	5.1	0.0
Canada	23	0.7	0.0
Allowance for losses	(0)	(0.0)	0.0
Total	\$3,325	100.0%	1.6%
Property type:			
Office	\$1,290	38.8%	3.5%
Retail	952	28.6	0.0
Industrial	419	12.6	0.0
Apartments	425	12.8	0.0
Hotel/motel	54	1.6	15.4
Other	185	5.6	0.0
Allowance for losses	(0)	(0.0)	0.0
Total	\$3,325	100.0%	1.6%

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Notes to Consolidated Financial Statements (continued)

3. Investments (continued)

3.4 Mortgage Loans on Real Estate (continued)

	Outstanding Amount	Percent of Total	Percent Nonperforming
	-----	-----	-----
(In Millions)			
December 31, 2003			
Geographic distribution:			
South Atlantic	\$ 711	24.1%	0.0%
Pacific	506	17.1	0.0
Mid-Atlantic	506	17.1	0.0
East North Central	459	15.5	0.0
Mountain	70	2.4	0.0
West South Central	197	6.7	0.0
East South Central	251	8.5	0.0
West North Central	121	4.1	0.8
New England	139	4.7	0.0
Allowance for losses	(7)	(0.2)	0.0
	-----	-----	
Total	\$2,953	100.0%	0.0%
	=====	=====	
Property type:			
Office	\$1,261	42.7%	0.0%
Retail	844	28.5	0.1
Industrial	386	13.1	0.0
Apartments	312	10.6	0.0
Hotel/motel	55	1.9	0.0
Other	102	3.4	0.0
Allowance for losses	(7)	(0.2)	0.0
	-----	-----	
Total	\$2,953	100.0%	0.0%
	=====	=====	

Impaired mortgage loans on real estate and related interest income is not material.

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Notes to Consolidated Financial Statements (continued)

4. Deferred Policy Acquisition Costs and Cost of Insurance Purchased

The following reflects deferred policy acquisition costs (commissions, direct solicitation and other costs) which will be amortized against future income and the related current amortization charges to income, excluding certain amounts deferred and amortized in the same period:

<TABLE>

<CAPTION>

	2004	2003	2002
	-----	-----	-----
(In Thousands)			
<S>	<C>	<C>	<C>
Balance at January 1	\$2,911,767	\$2,777,562	\$2,752,571
Capitalization	754,087	578,665	460,253
Accretion of interest/amortization	(280,898)	(326,641)	(196,028)
Effect of unrealized gains on securities	(89,827)	(108,572)	(280,942)
Effect of realized losses (gains) on securities	(2,896)	(9,247)	41,708
	-----	-----	-----
Balance at December 31	\$3,292,233	\$2,911,767	\$2,777,562
	=====	=====	=====

</TABLE>

The Company adjusts DAC amortization ("a DAC unlocking") when estimates of current or future gross profits to be realized are revised. In 2002, DAC amortization was reduced by \$46.5 million to reflect a change in the amortization period and reduced by \$56 million due to improved persistency, offset by a \$56 million increase to reflect lower earnings for equity markets.

A roll forward of the cost of insurance purchased ("CIP") for the years ended December 31, were as follows:

<TABLE>

<CAPTION>

	2004	2003	2002
	-----	-----	-----
	(In Thousands)		
<S>	<C>	<C>	<C>
Balance at January 1	\$338,520	\$351,600	\$312,609
Deferral of renewal commissions	3,623	5,274	6,391
Accretion of interest/amortization	(30,316)	15,612	(2,300)
Effect of unrealized (gains) losses on securities	12,725	(33,966)	33,700
Effect of realized losses on securities	368	--	1,200
	-----	-----	-----
Balance at December 31	\$324,920	\$338,520	\$351,600
	=====	=====	=====

</TABLE>

During 2003, the Company reduced their CIP amortization by \$34 million primarily due to improved mortality. CIP amortization expected to be recorded in each of the next five years is \$21.5 million, \$21.0 million, \$20.5 million, \$19.7 million, and \$18.3 million, respectively.

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American General Life Insurance Company

Notes to Consolidated Financial Statements (continued)

5. Reserves for Guaranteed Benefits

Details concerning the Company's guaranteed minimum death benefit exposure as of December 31, 2004 were as follows:

	Return of Net Deposits Plus a Minimum Return

	(In Millions)
Account value	\$ 43,750
Net amount at risk / (a) /	2,199
Average attained age of contract holders	54
Range of guaranteed minimum return rates	0.00%-3.00%

/(a)/ Net amount at risk represents the guaranteed benefit exposure in excess of the current account value if all contract holders died at the same balance sheet date.

The following summarizes the reserve for guaranteed benefits on variable contracts, which is reflected in the general account and reported in reserves for fixed annuity contracts on the consolidated balance sheet:

	(In Millions)

Balance at January 1, 2004 / (b) /	\$ 13
Guaranteed benefits incurred	8
Guaranteed benefits paid	(11)

Balance at December 31, 2004	\$ 10
	=====

/(b)/ Included in the one-time cumulative effect of accounting change resulting from the adoption of SOP 03-1.

The following assumptions and methodology were used to determine the reserve for guaranteed benefits at December 31, 2004:

- . Data used was 1,000 stochastically generated investment performance scenarios.
- . Mean investment performance assumption was 10%.
- . Volatility assumption was 16%.
- . Mortality was assumed to be 70% to 87.5% of the 1983a table.
- . Lapse rates vary by contract type and duration and range from 5% to 25%.
- . The discount rate was 3% to 8%.

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American General Life Insurance Company

Notes to Consolidated Financial Statements (continued)

6. Other Assets

Other assets consisted of the following:

	December 31	
	2004	2003
	(In Thousands)	
Goodwill	\$ 39,780	\$ 38,973
Computer software, net	104,114	121,866
Account receivable from brokers, net	29,437	84,794
Prepaid expenses	36,605	36,869
Property and equipment	49,594	61,893
Other	12,740	32,183
Total other assets	\$272,270	\$376,578
	=====	=====

7. Restructuring Charges

In connection with the Parent's merger with AGC during 2001, the Company incurred \$180.4 million in restructuring costs. Of the total restructuring charges, approximately \$177.2 million has been paid as of December 31, 2004. The remaining balance is included in Other Liabilities.

8. Federal Income Taxes

8.1 Tax Liabilities

Income tax liabilities were as follows:

	December 31	
	2004	2003
	(In Thousands)	
Current tax receivables	\$ (98,435)	\$ (19,844)
Net deferred tax liabilities	1,541,342	1,124,026
Income tax payable	\$1,442,907	\$1,104,182
	=====	=====

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American General Life Insurance Company

Notes to Consolidated Financial Statements (continued)

8. Federal Income Taxes (continued)

8.1 Tax Liabilities (continued)

The components of deferred tax liabilities and assets at December 31 were as follows:

	2004	2003
	(In Thousands)	
Deferred tax liabilities applicable to:		
Deferred policy acquisition costs	\$ 998,567	\$ 997,483
Basis differential of investments	190,550	72,232
Net unrealized gains on debt and equity securities available for sale	882,992	597,954
Capitalized EDP	26,599	30,702
Prepaid expenses	12,803	12,679
Other	47,492	58,044
Total deferred tax liabilities	2,159,003	1,769,094
Deferred tax assets applicable to:		
Policy reserves	(584,450)	(639,638)
Other	(33,211)	(5,430)
Total deferred tax assets	(617,661)	(645,068)
Net deferred tax liabilities	\$1,541,342	\$1,124,026
	=====	=====

Under prior federal income tax law, one-half of the excess of a life insurance company's income from operations over its taxable investment income was not taxed, but was set aside in a special tax account designated as "policyholders' surplus." At December 31, 2004, the Company had approximately \$382 million of

policyholders' surplus on which no deferred tax liability has been recognized, as federal income taxes are not required unless it is distributed as a dividend, or recognized under other specified conditions. The Company does not believe that any significant portion of the account will be taxed in the foreseeable future. If the entire balance of the policyholders' surplus became taxable at the current federal income tax rates, the tax would be approximately \$134 million. The American Jobs Creation Act of 2004 modified federal income tax law to allow life insurance companies to distribute amounts from policyholders' surplus during 2005 and 2006 without incurring federal income tax on the distributions. The Company is evaluating this new law and expects to eliminate its policyholders' surplus balance during these two years.

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American General Life Insurance Company

Notes to Consolidated Financial Statements (continued)

8. Federal Income Taxes (continued)

8.2 Tax Expense

Components of income tax expense (benefit) for the years ended December 31 were as follows:

<TABLE>
<CAPTION>

	2004	2003	2002
	-----	-----	-----
	(In Thousands)		
<S>	<C>	<C>	<C>
Income tax at statutory percentage of GAAP pretax income	\$526,571	\$450,865	\$ 344,654
Non-conventional fuel source credits	(96,202)	(93,655)	(101,917)
Dividends received deduction	(19,828)	(18,632)	(21,641)
State taxes	11,823	9,114	7,659
Low income housing & other tax credits	(6,654)	(6,718)	(6,607)
Other current taxes related to IRS settlements	(27)	(6,700)	(46,237)
Prior year true-ups	(16,310)	(3,225)	(1,956)
Non-qualifying and incentive stock option adjustments	--	(2,215)	(3,872)
Other	(661)	(2,279)	2,336
	-----	-----	-----
Income tax expense	\$398,712	\$326,555	\$ 172,419
	=====	=====	=====

</TABLE>

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American General Life Insurance Company

Notes to Consolidated Financial Statements (continued)

9. Transactions With Affiliates

Notes receivable from affiliates were as follows:

<TABLE>
<CAPTION>

	December 31, 2004		December 31, 2003	
	Par Value	Book Value	Par Value	Book Value
	-----	-----	-----	-----
	(In Thousands)			
<S>	<C>	<C>	<C>	<C>
American General Corporation, 9.375%, due 2008	\$ 4,725	\$ 3,932	\$ 4,725	\$ 3,795
American General Corporation, Promissory notes, 5.50% due 2004	--	--	2,446	2,446
AGC Life, Promissory notes, 6.75% due 2005	116,000	116,000	116,000	116,000
American General Corporation, Promissory notes, 2.78% due 2006	415,000	415,000	415,000	415,000
Castle Trust 2, Asset backed notes, 5.26%, due 2026	45,990	46,971	--	--
Castle Trust 2, Asset backed notes, 8.26%, due 2026	14,497	16,142	--	--
	-----	-----	-----	-----
Total notes receivable from affiliates	596,212	598,045	538,171	537,241
	=====	=====	=====	=====

</TABLE>

Various AIG companies provide services to the Company, principally mortgage servicing and investment management services, provided by American International Group Global Investment Corporation ("AIGGIC") on a fee basis. The Company paid approximately \$67.5 million, \$54.4 million and \$52.9 million for such services in 2004, 2003 and 2002, respectively. Accounts payable for such services at December 31, 2004 and 2003 were not material. The Company rents facilities and provides services on an allocated cost basis to various AIG companies. Beginning in 1998, amounts received by the Company from affiliates include amounts received by its wholly owned, non-life insurance subsidiary, AGIC. AGIC provides shared services, including technology, to a number of AIG's life insurance subsidiaries.

The Company received approximately \$337.0 million, \$311.4 million and \$261.3 million for such services and rent in 2004, 2003 and 2002, respectively. Accounts receivable for rent and services at December 31, 2004 and 2003 were not material.

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American General Life Insurance Company

Notes to Consolidated Financial Statements (continued)

9. Transactions With Affiliates (continued)

As a matter of Company policy, derivative contracts are generally executed with AIG Financial Products Corp. ("AIGFP"), an affiliated financial products company. From time to time, derivatives will be entered into with unaffiliated parties in conjunction with private placement investments.

During 2004, the Company purchased 38.7% of the non-voting preferred equity issued by Castle Trust 2003-II LP ("Castle Trust 2") for \$116,558,398. The remaining non-voting equity interest and 100% of the voting equity of Castle Trust are held by various affiliates of the Company. The business of Castle Trust 2, and its wholly owned subsidiaries, is limited to buying, owning, leasing and selling a portfolio of aircraft. The purchase was funded by a capital contribution received from AGC Life Insurance Company. The Company's investment in Castle Trust 2 is reported in partnerships on the consolidated balance sheet.

On January 14, 2004, the Company purchased \$65 million of fixed-rate asset-backed notes issued by Castle Trust 2. The notes mature on November 15, 2026 and are included in notes receivable from affiliates on the consolidated balance sheet.

On December 29, 2004, the Company purchased from Ambler Holding Corp, a wholly-owned subsidiary of the Company's affiliate AIG Financial Products, all of its Class D membership interests in Spicer Energy II LLC ("Spicer") for a purchase price of \$86,100,234. As a result, the Company's Class D interest represents 25.3% of the equity in Spicer's three synfuel facilities. The Company's investment in Spicer is reported in partnerships on the consolidated balance sheet.

Effective August 1, 2003, the Company and AIG Life Insurance Company of Bermuda ("AIGB") entered into a Cut-through Agreement pursuant to which insureds, their beneficiaries and owners were granted a direct right of action against the Company in the event AIGB becomes insolvent or otherwise cannot or refuses to perform its obligations under certain life insurance policies issued by AIGB. The Cut-through Agreement was approved by the Texas Department of Insurance. The amount of the retained liability on AIGB's books related to this agreement at December 31, 2004 totaled \$295,000. The Company feels the probability of loss under this agreement is remote.

Effective June 23, 2003, the Company entered into a Cut-through Agreement with AIG Life of Canada ("AIGC") pursuant to which claimants were granted a direct right of action against the Company in the event AIGC becomes insolvent or otherwise cannot or refuses to perform its obligations under certain structured settlement contracts issued by AIGC. On November 6, 2003, the Company filed the Cut-through Agreement with the Texas Department of Insurance (the

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American General Life Insurance Company

Notes to Consolidated Financial Statements (continued)

9. Transactions With Affiliates (continued)

Department). In early 2005, the Company discussed this Cut-through Agreement with the Department and it was agreed that the reserve established under these contracts would not exceed \$300 million without the consent of the Department.

As of December 31, 2004, the reserves recorded by AIGC, related to these contracts, totaled \$121 million. The Company feels the probability of loss under this agreement is remote.

On June 23, 2003, VALIC, a subsidiary of the Company, extended credit in the amount of \$52.5 million (the "Credit Extension") to Highstar Renewable Fuels, LLC ("Highstar"), an indirect wholly owned subsidiary of AIG. The Credit Extension was evidenced by a note dated June 23, 2003 (the "Note"). The Credit Extension was comprised of the following: (i) a loan in the amount of \$37.5 million to Highstar (the "Loan"), (ii) a commitment to make an additional loan to Highstar in an aggregate amount not to exceed \$2.5 million (the "Commitment") and (iii) a guaranty (the "Guaranty") to a bank that is not affiliated with VALIC (the "Bank"). Pursuant to the terms of the Guaranty, VALIC guaranteed the obligations of other companies (the "LOC Applicants") to the Bank, which obligations were set forth in reimbursement agreements related to standby letters of credit (the "letters of Credit") issued by the Bank. Highstar as a non-controlling partial indirect ownership interest in the LOC Applicants.

The primary beneficiaries of the Letters of Credit are partially owned by the LOC Applicant. If any beneficiary of a Letter of Credit drew against the Letter of Credit, VALIC may have been required to pay the Bank an amount equal to the amount of the draws against the Letter of Credit, but not more than the Guaranteed Amount. Pursuant to the terms of the Note, Highstar was obligated to reimburse the Company for any amounts paid by the Company under the Guaranty. Pursuant to the terms of the Guaranty, the Company had a maximum liability of \$12.5 million plus cost of enforcement and collection, if any. Interest on the Note, which accrued at a rate of 12% per annum, and a commitment fee of \$0.5 million, were due at maturity. VALIC recognized interest income on the Note of \$1.9 million and \$2.4 million for the years ended December 31, 2004 and 2003, respectively. The Loan matured and the Commitment expired on June 30, 2004. As of June 30, 2004, VALIC had received from Highstar all amounts due under the Note, and Highstar caused the Guaranty to be released by the Bank on that date.

On December 31, 2002, the Company sold certain partnership interests to an affiliate, Pine Street Holdings I LLC ("Pine Street Holdings"). Total proceeds received were \$59.8 million, resulting in a realized gain of \$5.4 million. The consideration received included \$20.7 million of 1.38 percent secured term notes due December 31, 2012, and \$14.1 million of preferred membership equity interests, issued by Pine Street Holdings.

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American General Life Insurance Company

Notes to Consolidated Financial Statements (continued)

9. Transactions With Affiliates (continued)

The Company's insurance policy obligations are guaranteed by American Home Assurance Company ("American Home"), a subsidiary of AIG. This guarantee is unconditional and irrevocable as to outstanding obligations, and the Company's contractholders have the right to enforce the guarantee directly against American Home. While American Home does not publish financial statements, it does file statutory annual and quarterly reports with the New York State Insurance Department, where such reports are available to the public.

10. Benefit Plans

Effective January 1, 2002, the Company's employees participate in various benefit plans sponsored by AIG, including a noncontributory qualified defined benefit retirement plan, various stock option and purchase plans, a 401(k) plan and a post retirement benefit program for medical care and life insurance. AIG's U.S. plans do not separately identify projected benefit obligations and plan assets attributable to employees of participating affiliates.

11. Derivative Financial Instruments

11.1 Use of Derivative Financial Instruments

The Company's use of derivative financial instruments is generally limited to swaps, currency swaps, S&P 500 index options and treasury note and U.S. long bond futures as hedges of certain financial assets and liabilities as follows:

Derivative Instrument	Hedged Item
-----	-----
Interest rate and currency swaps	Private placement bonds
S&P index options	Equity-indexed policy liabilities on certain universal life and annuity policies
Treasury note and long bond futures	Bonds purchased for short-term (trading) purposes

Hedge effectiveness is established and documented at inception and is reassessed quarterly by comparing notional amounts and contract terms and maturities for

agreement and consistency.

With the exception of premiums required for the purchase of publicly-traded or over-the-counter (OTC)-traded S&P 500 index options and futures options, derivatives contracts purchased by the Company require no up-front cash payment and provide for net settlement.

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American General Life Insurance Company

Notes to Consolidated Financial Statements (continued)

11. Derivative Financial Instruments (continued)

11.2 Risks Inherent In the Use of Derivatives

Risks inherent in the use of derivatives include market risk, credit risk in the event of non-performance by counterparties, and mismatch risk. Exposure to market risk is mitigated by the fact that all derivatives contracts are executed as effective hedges the financial effects of which are offset by another financial instrument (investment securities or index-based policy liabilities). Counterparty credit exposure is limited by entering into agreements with affiliated counterparties or unaffiliated counterparties having high credit ratings. Affiliated counterparties are guaranteed by AIG and unaffiliated counterparty credit ratings are monitored on a regular basis. Mismatch risk is the risk that hedges are executed improperly or become ineffective over the term of the contracts. Procedures have been implemented at AIG Global Investment Group, the company's affiliated investment advisor, and within the Life Division to prevent and detect such mismatches.

11.3 Interest Rate and Currency Swap Agreements

Interest rate swap agreements are used to convert specific investment securities from a floating to a fixed rate basis and to convert certain fixed rates to different fixed rates. Currency swap agreements are used to convert cash flows from specific investment securities denominated in foreign currencies into U.S. dollars at specific exchange rates.

The difference between amounts paid and received on swap agreements, measured on the basis of fair value of the swaps, is recorded on an accrual basis as an adjustment to net investment income, policyholder interest expense, or other comprehensive income. The related amount payable to or receivable from counterparties is included in derivative liabilities or assets.

Swap agreements have terms of two to twenty-two years. There were no gains or losses from early swap terminations deferred in 2004.

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American General Life Insurance Company

Notes to Consolidated Financial Statements (continued)

11. Derivative Financial Instruments (continued)

11.3 Interest Rate and Currency Swap Agreements (continued)

Interest rate and currency swap agreements related to investment securities at December 31 were as follows:

<TABLE>

<CAPTION>

	2004		2003	

	(In Millions)			
<S>	<C>		<C>	
Interest rate swap agreements to receive fixed rate:				
Notional amount	\$	57	\$	71
Fair value		4		6
Currency swap agreements (receive U.S. dollars/pay Canadian dollars):				
Notional amount (in U.S. dollars)		154		97
Fair Value		(38)		(16)
Currency swap agreements (receive U.S. dollars/pay Great Britain pounds):				
Notional amount (in U.S. dollars)		20		-
Fair Value		(2)		-
Currency swap agreements (receive U.S. dollars/pay Australian dollars):				
Notional amount (in U.S. dollars)		53		23
Fair value		(8)		(4)

Currency swap agreements (receive U.S. dollars/pay Japanese Yen):		
Notional amount (in U.S. dollars)	12	12
Fair value	(2)	(1)
Currency swap agreements (receive U.S. dollars/pay LIBOR and Euro-based floating rate):		
Notional amount (in U.S. dollars)	21	21
Fair value	(0)	(5)
Combination interest rate and currency swap agreements (receive U.S. dollars/pay Australian dollars):		
Notional amount (in U.S. dollars)	100	21
Fair value	(8)	(5)

</TABLE>

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American General Life Insurance Company

Notes to Consolidated Financial Statements (continued)

11. Derivative Financial Instruments (continued)

11.4 Index Options

S&P 500 index options (puts and calls) are purchased as fair value hedges of index-based exposures inherent in the Company's equity-indexed universal life and annuity products. Such options generally have terms of one or two years. The Company has procedures in place to effectively match option purchases to policy liabilities and to assess ongoing effectiveness on a periodic basis. Contracts outstanding at December 31 were as follows:

<TABLE>

<CAPTION>

	2004		2003	
	Notional	Fair Value	Notional	Fair Value
	(In Millions)			
<S>	<C>	<C>	<C>	<C>
Calls:				
One-year (or less) contracts	\$ 100	\$ 6	\$ 29	\$ 4
Two-year contracts	13	1	--	--

</TABLE>

11.5 Futures

The Company purchases and sells short futures options (treasury note and U.S. long bond) to offset interest rate exposures on certain bonds purchased for the trading portfolio. All such positions are closed out each quarter-end with mark to market adjustments recognized currently in earnings.

12. Fair Value of Financial Instruments

Statement of Financial Accounting Standards No. 107 "Disclosures about Fair Value of Financial Instruments" ("FASB 107") requires disclosure of fair value information about financial instruments for which it is practicable to estimate such fair value. In the measurement of the fair value of certain of the financial instruments, where quoted market prices were not available, other valuation techniques were utilized. These fair value estimates are derived using internally developed valuation methodologies based on available and observable market information.

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American General Life Insurance Company

Notes to Consolidated Financial Statements (continued)

12. Fair Value of Financial Instruments (continued)

Carrying amounts and fair values for certain of the Company's financial instruments at December 31 are presented below.

<TABLE>

<CAPTION>

	2004		2003	
	Fair	Carrying	Fair	Carrying

<S>	Value		Amount		Value		Amount	
	-----		-----		-----		-----	
	(In Millions)							
<S>	<C>		<C>		<C>		<C>	
Assets								
Fixed maturity and equity securities	\$	49,525	\$	49,525	\$	45,517	\$	45,517
Mortgage loans on real estate		3,532		3,325		3,246		2,954
Policy loans		1,777		1,731		1,749		1,706
Short-term investments		63		63		112		112
Derivative assets		11		11		10		10
Partnerships		2,092		2,092		1,896		1,896
Separate account seed money		41		41		92		92
Investment in ultimate Parent Company		53		53		54		54
Notes receivable from affiliates		598		598		537		537
Securities lending collateral		9,286		9,286		4,451		4,451
Assets held in separate accounts		25,537		25,537		22,931		22,931
Liabilities								
Investment contracts		30,792		33,591		29,176		31,760
Dividend accumulations		904		904		901		901
Derivative liabilities		58		58		27		27
Securities lending payable		9,286		9,286		4,451		4,451
Liabilities related to separate accounts		25,537		25,537		22,931		22,931

The following methods and assumptions were used to estimate the fair value of financial instruments:

Fixed Maturity and Equity Securities

Fair value for fixed maturity securities was based principally on independent pricing services, broker quotes and other independent information. For securities that do not have readily determinable market prices, the Company estimated fair value using internally prepared valuations (including those based on estimates of future profitability). Otherwise, the Company used its most recent purchases and sales of similar unquoted securities, independent broker quotes or comparison to similar securities with quoted prices when possible to estimate the fair value of those securities.

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American General Life Insurance Company

Notes to Consolidated Financial Statements (continued)

12. Fair Value of Financial Instruments (continued)

Fixed Maturity and Equity Securities (continued)

Fair values for equity securities was based upon quoted market prices.

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.

Investment in Ultimate Parent Company

The fair value of the investment in the ultimate Parent Company is based on quoted market prices of AIG common stock.

Assets and Liabilities Related to Separate Accounts

The fair value of Separate Account assets and liabilities was based on quoted net asset value per share of the underlying mutual funds held in separate accounts.

Derivative Financial Instruments

Fair values for derivative assets and liabilities were based upon quoted market prices received from AIG Financial Products Corp, an affiliated financial products company, and independent sources.

Investment Contracts

Fair value of insurance investment contracts was estimated using cash flows discounted at market interest rates.

American General Life Insurance Company

Notes to Consolidated Financial Statements (continued)

12. Fair Value of Financial Instruments (continued)

Notes Receivable from Affiliates

Fair values of promissory notes and asset backed notes from affiliates 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 investments.

Partnerships

Fair value of partnerships is based upon the fair value of the net assets of these investments as determined by the general partners.

Separate Account Seed Money

Fair value is considered to be the market value of the underlying securities.

13. Commitments and Contingencies

The Company has various leases, substantially all of which are for office space and facilities. Rentals under financing leases, contingent rentals, and future minimum rental commitments and rental expense under operating leases are not material.

The Company's ultimate parent, AIG, pursuant to various filings with the SEC, has reported that its Annual Report on Form 10-K for the fiscal year ended December 31, 2004 could not be filed within the prescribed time period due to management changes, as well as AIG's ongoing internal review of the accounting for certain transactions, which review was commenced in connection with regulatory inquiries announced by AIG and described in Current Reports on Forms 8-K filed with the SEC by AIG, including those filed on February 14, 2005, March 15, 2005 and March 30, 2005. In the opinion of the Company's management, based on the current status of these inquiries, it is not likely that any of these inquiries will have a material adverse effect on the Company's consolidated financial condition or results of operations.

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American General Life Insurance Company

Notes to Consolidated Financial Statements (continued)

13. Commitments and Contingencies (continued)

The Company is party to various other lawsuits and proceedings arising in the ordinary course of business. These lawsuits and proceedings include certain class action claims and claims filed by individuals who have excluded themselves from settlement of class action lawsuits relating to life insurance pricing and sales practices. In addition, many of these proceedings are pending in jurisdictions that permit damage awards disproportionate to the actual economic damages alleged to have been incurred. Based upon information presently available, the Company believes that the total amounts that will ultimately be paid, if any, arising from these lawsuits and proceedings will not have a material adverse effect on the Company's 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.

The Company had \$110.5 million of unfunded commitments for its investments in limited partnerships at December 31, 2004.

All fifty states have laws requiring solvent life insurance companies to pay assessments to protect the interests of policyholders of insolvent life insurance and annuity companies. The Company recognizes a liability for insurance-related assessments when all of the following three conditions have been met: (i) an assessment has been imposed or information available prior to the issuance of financial statements indicates it is probable that an assessment will be imposed, (ii) the event obligating the Company to pay an imposed or probable assessment occurred on or before the date of the financial statements and (iii) the amount of the assessment can be reasonably estimated. The December

31, 2004 liability was estimated by the Company using the latest information available from the National Organization of Life and Health Insurance Guaranty Associations. The liability is not material to the Company's consolidated statement of position. While it is not possible to exactly estimate the portion of the industry assessments for which the Company will be responsible, it is expected that any difference between the estimated assessments and the actual assessments will not be material to the Company's consolidated results of operations and financial position. Although the amount accrued represents the Company's best estimate of its liability, this estimate may change in the future.

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American General Life Insurance Company

Notes to Consolidated Financial Statements (continued)

13. Commitments and Contingencies (continued)

On November 1, 2002, the Company and various affiliates entered into a one-year inter-affiliate credit facility (the "facility"), under which the Company commits to make loans to AIG in amounts aggregating to not more than \$90.0 million. Such loans may take the form of variable rate loans that pay the higher of the federal funds rate plus 0.5 percent or the prime rate, or fixed rate loans that pay LIBOR plus a specific margin. AIG has the option, at the commitment termination date to convert any outstanding loan balances to one-year term. After an initial one-year extension, effective October 29, 2004, the facility was amended to extend the commitment termination date to October 28, 2005. The Company has received annual facility fees of 0.045%. However, effective as of October 29, 2004, the facility fee was changed to 0.040%. No loans were funded during 2004 or 2003.

Tax credits generated by the production of synthetic fuel are subject to a phase-out provision that gradually reduces tax credits as the annual average wellhead price per barrel of domestic crude oil increases into an inflation-adjusted phase-out range. For 2003 and 2004, the tax credit would have begun to phase-out when the annual average wellhead price per barrel of domestic crude oil exceeded \$50.14 per barrel and \$51.35 per barrel, respectively. The 2005 phase-out range will be calculated using inflation rates published in 2006 by the Internal Revenue Service. If domestic crude oil prices remain high in 2005, the tax credits and net income generated by the investments may be reduced substantially.

During 1997 and 1998, the Company participated in a workers' compensation underwriting pool with a third party insurance company. Both companies share equally in the pool. Collectively, the workers' compensation business is assumed from over 50 ceding companies and retro-ceded to 15 programs. The business covers risks primarily from the 1997 and 1998 underwriting years but also includes one risk from the 1996 underwriting year as well.

Net premiums and losses retained by the Company, after retro-cessions to variable quota share reinsurers, are 100% retro-ceded to another AIG subsidiary, American General Assurance Company ("AGAC"). Under the agreement with AGAC, the company remains liable for any credit losses arising from uncollectible amounts from the third party reinsurers, including the Company's 50% pool participant. During 2004 and 2003, the Company recorded charges of \$20.7 million and \$0 million, respectively, related to such uncollectible amounts. Reinsurance recoverables included in these financial statements related to the workers' compensation business were \$ 62.0 million and \$ 137.4 million at December 31, 2004 and 2003, respectively. While not included in these financial statements, the Company is contingently liable for losses incurred by its 50% pool participant should that third party become insolvent or otherwise unable to meet its obligations under the pool agreement.

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American General Life Insurance Company

Notes to Consolidated Financial Statements (continued)

14. Reinsurance

Reinsurance transactions for the years ended December 31, 2004, 2003 and 2002 were as follows:

<TABLE>

<CAPTION>

	Ceded to Other Companies	Assumed From Other Companies	Net Amount	Percentage of Amount Assumed to Net
Gross Amount	-----	-----	-----	-----

	(In Thousands)				
<S>	<C>	<C>	<C>	<C>	<C>
December 31, 2004					
Life insurance in force	\$410,133,222	\$314,611,320	\$2,814,650	\$ 98,336,552	2.86%
	=====	=====	=====	=====	
Premiums:					
Life insurance and annuities	1,898,236	395,625	9,307	1,511,918	0.62%
Accident and health insurance	25,374	2,999	1,129	23,504	4.80%
	-----	-----	-----	-----	
Total premiums	\$ 1,923,610	\$ 398,624	\$ 10,436	\$ 1,535,422	0.68%
	=====	=====	=====	=====	
December 31, 2003					
Life insurance in force	\$314,862,729	\$211,992,953	\$2,628,269	\$105,498,045	2.49%
	=====	=====	=====	=====	
Premiums:					
Life insurance and annuities	1,758,005	305,828	6,641	1,458,818	0.46%
Accident and health insurance	24,827	(6,252)	(7,296)	23,783	-30.68%
	-----	-----	-----	-----	
Total premiums	\$ 1,782,832	\$ 299,576	\$ (655)	\$ 1,482,601	-0.04%
	=====	=====	=====	=====	
December 31, 2002					
Life insurance in force	\$278,188,433	\$170,693,613	\$2,407,609	\$109,902,429	2.19%
	=====	=====	=====	=====	
Premiums:					
Life insurance and annuities	1,760,974	397,686	21,125	1,384,413	1.53%
Accident and health insurance	25,713	983	(583)	24,147	-2.41%
	-----	-----	-----	-----	
Total premiums	\$ 1,786,687	\$ 398,669	\$ 20,542	\$ 1,408,560	1.46%
	=====	=====	=====	=====	

</TABLE>

Reinsurance recoverable on paid losses was approximately \$47.5 million, and \$47.5 million, at December 31, 2004 and 2003, respectively. Reinsurance recoverable on unpaid losses was approximately \$77.7 million, and \$150.2 million at December 31, 2004 and 2003, respectively.

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American General Life Insurance Company

Notes to Consolidated Financial Statements (continued)

14. Reinsurance (continued)

In December 2002, the Company entered into a coinsured/modified coinsurance agreement with AIG Life Insurance Company of Bermuda ("AIGB"). The agreement has an effective date of March 1, 2002. Under the agreement, AIGB reinsures 100% quota share of the Company's liability on virtually all level term and universal life products issued by the Company with issue dates on or after March 1, 2002. The agreement is unlimited in duration but either party may terminate the agreement as to new business with thirty days written notice to the other party. The agreement also provides for an experience refund of all profits, less a reinsurance risk charge.

15. Shareholder's Equity

The Company has 8,500 shares of \$100 par value cumulative preferred stock authorized and outstanding with an \$80 dividend rate, redeemable at \$1,000 per share after December 31, 2000. The Company's stock is held by its immediate parent, AGC Life.

The Company paid \$300 million, \$0 million and \$445 million in dividends on common stock to the Parent Company in 2004, 2003 and 2002, respectively. The Company also paid \$680,000 in dividends on preferred stock to the Parent Company in 2004, 2003 and 2002.

On December 31, 2002, the Parent contributed to the Company a 100 percent interest in SunAmerica Hedge Fund Holdings LLC ("SAHFH"). SAHFH was formed on December 13, 2002. SAHFH's assets consist solely of investments in partnerships, which are included in partnerships in the consolidated balance sheets. The capital contribution was recorded in the amount of \$443.8 million, representing the equity of SAHFH.

The Company and its insurance subsidiaries are restricted by state insurance laws as to the amounts they may pay as dividends without prior approval from their respective state insurance departments. At December 31, 2004, approximately \$9.5 billion of consolidated shareholder's equity represents net assets of the Company, which cannot be transferred, in the form of dividends, loans, or advances to the Parent Company. Approximately \$4.3 billion of consolidated shareholder's equity is similarly restricted as to transfer from its subsidiaries to the Company.

Generally, the net assets of the Company's subsidiaries available for transfer to the Parent are limited to the amounts that the subsidiaries' net assets, as determined in accordance with statutory accounting practices, exceed minimum statutory capital requirements. However, payments of such amounts as dividends may be subject to approval by regulatory authorities and are generally limited to the greater of 10 percent of policyholders' surplus or the previous year's statutory net gain from operations.

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American General Life Insurance Company

Notes to Consolidated Financial Statements (continued)

16. Division Operations

16.1 Nature of Operations

The Company manages its business operation through two divisions, which are based on products and services offered.

Retirement Services

The Retirement Services Division, which primarily relates to the operation of VALIC, a wholly owned subsidiary of the Company, provides tax-deferred retirement annuities and employer-sponsored retirement plans to employees of educational, health care, public sector, and other not-for-profit organizations marketed nationwide through exclusive sales representatives.

Life Insurance

The Life Insurance division provides traditional, interest-sensitive, and variable life insurance and annuities to a broad spectrum of customers through multiple distribution channels focused on specific market segments.

16.2 Division Results

Results of each division exclude net realized investment gains.

Division earnings information was as follows:

	Revenues			Income Before Taxes			Earnings		
	2004	2003	2002	2004	2003	2002	2004	2003	2002
	(In Millions)								
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Retirement Services	\$2,531	\$2,301	\$2,133	\$1,116	\$ 878	\$ 772	\$ 774	\$ 593	\$ 552
Life Insurance	3,855	3,568	3,235	546	467	508	435	406	452
Total divisions	6,386	5,869	5,368	1,662	1,345	1,280	1,209	999	1,004
Realized investment gains (losses)	(158)	(57)	(295)	(158)	(57)	(295)	(103)	(37)	(192)
Total consolidated	\$6,228	\$5,812	\$5,073	\$1,504	\$1,288	\$ 985	\$1,106	\$ 962	\$ 812

</TABLE>

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American General Life Insurance Company

Notes to Consolidated Financial Statements (continued)

16. Division Operations (continued)

16.2 Division Results (continued)

Division balance sheet information was as follows:

	Assets		Liabilities	
	2004	2003	2004	2003
	December 31			
	2004	2003	2004	2003
	(In Millions)			
Retirement Services	\$68,052	\$58,738	\$63,063	\$54,213
Life Insurance	30,264	27,273	25,083	22,839

Total consolidated	\$98,316	\$86,011	\$88,146	\$77,052
	=====	=====	=====	=====

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PART C: OTHER INFORMATION

Item 26. Exhibits

(a) Board of Directors Resolution.

- (1) Resolutions of Board of Directors of American General Life Insurance Company authorizing the establishment of Separate Account VL-R. (1)

(b) Custodian Agreements. Inapplicable.

(c) Underwriting Contracts.

- (1) Distribution Agreement between American General Life Insurance Company and American General Equity Services Corporation, effective October 1, 2002. (26)
- (2) Form of Selling Group Agreement. (27)
- (3) Schedule of Commissions (Incorporated by reference from the text included under the heading "Distribution of the Policies" in the Statement of Additional Information that is filed as part of this amended Registration Statement).

(d) Contracts.

- (1) Specimen form of the "Platinum Investor(SM) Survivor II" Flexible Premium Variable Universal Life Insurance Policy (Policy Form No. 01206). (24)

(e) Applications.

- (1) Specimen form of Life Insurance Application - Part A, Form No. AGLC 100565-2003. (18)
- (2) Specimen form of Life Insurance Application - Part B, Form No. AGLC 100566-2003. (18)
- (3) Specimen form of Variable Universal Life Insurance Supplemental Application, Form No. AGLC 0461-2001 Rev0504. (32)
- (4) Form of Service Request Form, Form No. AGLC0463 Rev1204. (32)
- (5) Form of Cash Disbursement Request Form, Form No. AGLC 0109 Rev0103. (27)
- (6) Form of Assignment Form, Form No. AGLC 0205 Rev0103. (27)

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- (7) Form of Electronic Funds Authorization Form, Form No. AGLC 0220 Rev0103. (27)
- (8) Form of Name and Address Change Form, Form No. AGLC 0222 Rev0103. (27)
- (9) Form of Request for Change of Ownership on a Life Insurance Policy Form, Form No. VUL 0013 Rev1202. (27)
- (10) Form of Request for Full Cash Surrender Value Form, Form No. VUL 0015 Rev1202. (27)
- (11) Form of Change of Beneficiary Form, Form No. VUL 0016 Rev1202. (27)

(f) Depositor's Certificate of Incorporation and By-Laws.

- (1) Amended and Restated Articles of Incorporation of American General Life Insurance Company, effective December 31, 1991. (2)
- (2) Amendment to the Amended and Restated Articles of Incorporation of American General Life Insurance Company, effective July 13, 1995. (5)
- (3) By-laws of American General Life Insurance Company, adopted January 22, 1992. (3)

(g) Reinsurance Contracts. Inapplicable.

(h) Participation Agreements.

- (1) (a) Form of Participation Agreement by and Among AIM Variable Insurance Funds, Inc., A I M Distributors, Inc., American General Life Insurance Company, on Behalf of Itself and its Separate Accounts, and American General Securities Incorporated. (6)
- (1) (b) Form of Amendment Four to Participation Agreement by and among AIM Variable Insurance Funds, Inc., A I M Distributors, Inc., American General Life Insurance Company, on Behalf of Itself and its Separate Accounts, and American General Securities Incorporated. (17)
- (1) (c) Form of Amendment Six to Participation Agreement by and among AIM Variable Insurance Funds, Inc., A I M Distributors, Inc., American General Life Insurance Company, on Behalf of Itself and its Separate Accounts, and American General Securities Incorporated. (29)

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- (2) (a) Form of Participation Agreement by and among The Alger American Fund, American General Life Insurance Company and Fred Alger & Company, Incorporated. (30)
- (27) (a) Form of Shareholder Services Agreement by and between American General Life Insurance Company and American Century Investment Management, Inc. (15)
- (27) (b) Form of Amendment Two to Shareholder Services Agreement by and between American General Life Insurance Company and American Century Investment Management, Inc. (33)
- (3) (a) Form of Participation Agreement by and between American General Life Insurance Company, Warburg Pincus Trust, Credit Suisse Asset Management, LLC and Credit Suisse Asset Management Securities, Inc. (19)
- (4) (a) Form of Participation Agreement Between American General Life Insurance Company, Dreyfus Variable Investment Fund, The Dreyfus Socially Responsible Growth Fund, Inc. and Dreyfus Life and Annuity Index Fund, Inc. (6)
- (4) (b) Amendment to Participation Agreement by and among American General Life Insurance Company, Dreyfus Variable Investment Fund, The Dreyfus Socially Responsible Growth Fund, Inc. and Dreyfus Life and Annuity Index Fund, Inc. dated December 1, 1998. (8)
- (4) (c) Form of Amendment Two to Participation Agreement by and among American General Life Insurance Company, Dreyfus Variable Investment Fund, The Dreyfus Socially Responsible Growth Fund, Inc. and Dreyfus Life and Annuity Index Fund, Inc. dated as of September 1, 1999. (35)
- (4) (d) Form of Amendment to Participation Agreement by and among American General Life Insurance Company, Dreyfus Variable Investment Fund, The Dreyfus Socially Responsible Growth Fund, Inc. and Dreyfus Life and Annuity Index Fund, Inc. dated as of October 31, 2003. (35)
- (5) (a) Form of Amended and Restated Participation Agreement by and between Variable Insurance Products Fund, Fidelity Distributors Corporation and American General Life Insurance Company. (19)

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- (5) (b) Form of Amendment No. 1 to Amended and Restated Participation Agreement by and between Variable Insurance Products Fund, Fidelity Distributors Corporation and American General Life Insurance Company. (24)
- (6) (a) Form of Amended and Restated Participation Agreement by and between Variable Insurance Products Fund II, Fidelity Distributors Corporation and American General Life Insurance Company. (19)
- (6) (b) Form of Amendment No. 1 to Amended and Restated Participation Agreement by and between Variable Insurance Products Fund II, Fidelity Distributors Corporation and American General Life Insurance Company. (24)
- (7) (a) Form of Participation Agreement by and between Variable Insurance Products Fund III, Fidelity Distributors Corporation and American General Life Insurance Company. (30)

- (8) (a) Form of Amended and Restated Participation Agreement by and among American General Life Insurance Company, American General Equity Services Corporation, Franklin Templeton Variable Insurance Products Trust and Franklin Templeton Distributors, Inc., dated as of October 1, 2002. (16)
- (9) (a) Form of Participation Agreement by and between Goldman Sachs Variable Insurance Trust, Goldman, Sachs & Co. and American General Life Insurance Company. (23)
- (10) (a) Form of Fund Participation Agreement by and between American General Life Insurance Company and Janus Aspen Series. (19)
- (10) (b) Form of Amendment No. 1 to Fund Participation Agreement by and between American General Life Insurance Company and Janus Aspen Series. (24)
- (11) (a) Form of Participation Agreement by and between American General Life Insurance Company and J.P. Morgan Series Trust II. (19)
- (11) (b) Form of Amendment No. 1 to Participation Agreement by and between American General Life Insurance Company and J.P. Morgan Series Trust II. (30)
- (12) (a) Form of Participation Agreement Among MFS Variable Insurance Trust, American General Life Insurance Company and Massachusetts Financial Services Company. (6)

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- (12) (b) Form of Amendment Five to Participation Agreement by and among MFS Variable Insurance Trust, American General Life Insurance Company and Massachusetts Financial Services Company. (19)
- (12) (c) Form of Amendment Six to Participation Agreement by and among MFS Variable Insurance Trust, American General Life Insurance Company and Massachusetts Financial Services Company. (24)
- (13) (a) Participation Agreement by and among Morgan Stanley Universal Funds, Inc., Morgan Stanley Asset Management Inc., Miller Anderson & Sherrerd LLP, Van Kampen American Capital Distributors, Inc., American General Life Insurance Company and American General Securities Incorporated. (9)
- (13) (b) Amendment Number One to Participation Agreement by and among Morgan Stanley Universal Funds, Inc., Morgan Stanley Asset Management Inc., Miller Anderson & Sherrerd LLP, Van Kampen American Capital Distributors, Inc., American General Life Insurance Company and American General Securities Incorporated. (11)
- (13) (c) Form of Amendment Seven to Participation Agreement among Morgan Stanley Universal Funds, Inc., Van Kampen American Capital Distributors, Inc., Morgan Stanley Asset Management Inc., Miller Anderson & Sherrerd LLP, American General Life Insurance Company and American General Securities Incorporated. (17)
- (13) (d) Form of Amendment Eight to Participation Agreement among Morgan Stanley Universal Funds, Inc., Van Kampen American Capital Distributors, Inc., Morgan Stanley Asset Management Inc., Miller Anderson & Sherrerd LLP, American General Life Insurance Company and American General Distributors, Inc. (24)
- (13) (e) Form of Amendment Nine to Participation Agreement among Morgan Stanley Universal Funds, Inc., Van Kampen American Capital Distributors, Inc., Morgan Stanley Asset Management Inc., Miller Anderson & Sherrerd LLP, American General Life Insurance Company and American General Distributors, Inc. (25)
- (13) (f) Form of Amendment Ten to Participation Agreement among Morgan Stanley Universal Funds, Inc., Van Kampen American Capital Distributors, Inc., Morgan Stanley Asset Management Inc., Miller Anderson & Sherrerd LLP, American General Life Insurance Company and American General Distributors, Inc. (28)

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- (13) (g) Form of Amendment Eleven to Participation Agreement among Morgan Stanley Universal Funds, Inc., Van Kampen American Capital Distributors, Inc., Morgan Stanley Asset Management Inc., Miller Anderson & Sherrerd LLP, American General Life Insurance Company

and American General Distributors, Inc. (13)

- (14) (a) Sales Agreement by and between American General Life Insurance Company, Neuberger & Berman Advisors Management Trust and Neuberger & Berman Management Incorporated. (15)
- (14) (b) Form of Amendment to Sales Agreement by and between American General Life Insurance Company, Neuberger & Berman Advisors Management Trust and Neuberger & Berman Management Incorporated. (13)
- (15) (a) Form of Assignment and Modification Agreement by and between Neuberger & Berman Management Incorporated and American General Life Insurance Company. (15)
- (16) (a) Form of Participation Agreement by and among American General Life Insurance Company, Oppenheimer Variable Account Funds and OppenheimerFunds, Inc. (21)
- (16) (b) Form of Amendment No. 1 to Participation Agreement by and among American General Life Insurance Company, Oppenheimer Variable Account Funds and OppenheimerFunds, Inc. (30)
- (17) (a) Form of Participation Agreement by and between American General Life Insurance Company, PIMCO Variable Insurance Trust and PIMCO Funds Distributor LLC. (19)
- (44) (a) Form of Participation Agreement by and Among Pioneer Variable Contracts Trust, American General Life Insurance Company, on its own Behalf and on Behalf of Each of the Segregated Asset Accounts, Pioneer Investment Management, Inc. and Pioneer Funds Distributor, Inc. (16)
- (18) (a) Form of Participation Agreement Among Putnam Variable Trust, Putnam Mutual Funds Corp., and American General Life Insurance Company. (6)
- (20) (a) Form of Participation Agreement by and among American General Life Insurance Company and SunAmerica Series Trust. (20)

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- (20) (b) Form of Addendum to Fund Participation Agreement For Class A Shares by and between SunAmerica Series Trust and American General Life Insurance Company. (33)
- (20) (c) Form of Amendment to Participation Agreement by and between SunAmerica Series Trust and American General Life Insurance Company. (13)
- (21) (a) Amended and Restated Participation Agreement by and among American General Life Insurance Company, American General Securities Incorporated, Van Kampen American Capital Life Investment Trust, Van Kampen American Capital Asset Management, Inc., and Van Kampen American Capital Distributors, Inc. (9)
- (21) (b) Amendment One to Amended and Restated Participation Agreement by and among American General Life Insurance Company, American General Securities Incorporated, Van Kampen American Capital Life Investment Trust, Van Kampen American Capital Asset Management, Inc., and Van Kampen American Capital Distributors, Inc. (8)
- (21) (c) Form of Amendment Six to Amended and Restated Participation Agreement among Van Kampen Life Investment Trust, Van Kampen Funds Inc., Van Kampen Asset Management, Inc., American General Life Insurance Company and American General Securities Incorporated. (17)
- (21) (d) Form of Amendment Seven to Amended and Restated Participation Agreement among Van Kampen Life Investment Trust, Van Kampen Funds Inc., Van Kampen Asset Management, Inc., American General Life Insurance Company and American General Securities Incorporated. (24)
- (21) (e) Form of Amendment Eight to Amended and Restated Participation Agreement among Van Kampen Life Investment Trust, Van Kampen Funds Inc., Van Kampen Asset Management, Inc., American General Life Insurance Company and American General Distributors, Inc. (25)
- (22) (a) Form of Participation Agreement by and between Vanguard Variable Insurance Funds, The Vanguard Group, Inc., Vanguard Marketing Corporation and American General Life Insurance Company. (19)

(23) (a) Form of Participation Agreement by and between The Variable Annuity Life Insurance Company, American General Series Portfolio Company, American General Securities Incorporated and American General Life Insurance Company. (10)

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(23) (b) Amendment One to Participation Agreement by and between The Variable Annuity Life Insurance Company, American General Series Portfolio Company, American General Securities Incorporated and American General Life Insurance Company dated as of July 21, 1998. (8)

(23) (c) Form of Amendment Two to Participation Agreement by and between The Variable Annuity Life Insurance Company, American General Series Portfolio Company, American General Securities Incorporated and American General Life Insurance Company. (19)

(23) (d) Form of Amendment Three to Participation Agreement by and between The Variable Annuity Life Insurance Company, American General Series Portfolio Company, American General Securities Incorporated and American General Life Insurance Company. (17)

(23) (e) Form of Amendment Four to Participation Agreement by and between The Variable Annuity Life Insurance Company, American General Series Portfolio Company, American General Securities Incorporated and American General Life Insurance Company. (13)

(24) (a) Form of Administrative Services Agreement between American General Life Insurance Company and fund distributor. (5)

(25) (a) Form of Amended and Restated Administrative Services Agreement between American General Life Insurance Company and AIM Advisors, Inc. (33)

(26) (a) Form of Services Agreement Class O between Fred Alger Management, Inc. and American General Life Insurance Company. (30)

(28) (a) Form of Administrative Services Agreement by and between American General Life Insurance Company and Credit Suisse Asset Management, LLC. (19)

(29) (a) Administrative Services Agreement dated as of August 11, 1998, between American General Life Insurance Company and The Dreyfus Corporation. (4)

(29) (b) Amendment to Administrative Services Agreement dated as of August 11, 1998, between American General Life Insurance Company and The Dreyfus Corporation effective as of December 1, 1998. (4)

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(30) (a) Form of Service Contract by and between Fidelity Distributors Corporation and American General Equity Services Corporation, effective October 1, 2002. (30)

(31) (a) Form of Service Agreement by and between Fidelity Investments Institutional Operations Company, Inc. and American General Life Insurance Company. (19)

(32) (a) Form of Administrative Services Agreement by and among American General Life Insurance Company and Franklin Templeton Services, Inc., dated as of July 1, 1999. (12)

(32) (b) Form of Amendment to Administrative Services Agreement by and among American General Life Insurance Company and Franklin Templeton Services, LLC, effective November 1, 2001. (22)

(33) (a) Form of Administrative Services Agreement by and between Goldman, Sachs & Co. and American General Life Insurance Company. (23)

(34) (a) Form of Distribution and Shareholder Services Agreement by and between Janus Distributors, Inc. and American General Life Insurance Company. (19)

(35) (a) Form of Administrative Services Agreement by and between American General Life Insurance Company and JPMorgan Chase Bank, effective May 1, 2003. (30)

(36) (a) Form of Administrative Services Agreement between American General Life Insurance Company, Miller Anderson & Sherrard LLP and Morgan

- (36) (b) Form of Amendment One to Administrative Services Agreement between American General Life Insurance Company, Miller Anderson & Sherrard LLP and Morgan Stanley Dean Witter Investment Management Inc. (13)
- (37) (a) Form of Administrative Services Agreement by and between American General Life Insurance Company and Neuberger & Berman Management Incorporated. (15)
- (37) (b) Form of Amendment to Administrative Services Agreement by and between American General Life Insurance Company and Neuberger & Berman Management Incorporated. (13)

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- (38) (a) Form of Administrative Services Agreement by and among American General Life Insurance Company and OppenheimerFunds, Inc. (21)
- (38) (b) Form of Amendment No. 1 to Administrative Services Agreement by and among American General Life Insurance Company and OppenheimerFunds, Inc. (30)
- (39) (a) Form of Services Agreement by and between American General Life Insurance Company and Pacific Investment Management, LLC. (19)
- (40) (a) Form of PIMCO Variable Insurance Trust Services Agreement by and between American General Life Insurance Company and PIMCO Variable Insurance Trust. (19)
- (42) (a) Form of Administrative Services Agreement by and among American General Life Insurance Company and SunAmerica Asset Management Corp. (20)
- (43) (a) Form of Administrative Services Agreement between Van Kampen Asset Management Inc. and American General Life Insurance Company dated January 1, 2000 (21)
- (43) (b) Form of Amendment Two to Administrative Services Agreement between Van Kampen Asset Management Inc. and American General Life Insurance Company dated May 14, 2002. (34)
- (44) (a) Form of Indemnification Letter Agreement by and between J.P. Morgan Investment Management, Inc. and American General Life Insurance Company. (33)

(i) Administrative Contracts.

- (1) Form of services agreement dated July 31, 1975, (limited to introduction and first two recitals, and sections 1-3) among various affiliates of American General Corporation, including American General Life Insurance Company and American General Life Companies. (7)
- (2) (a) Form of Service and Expense Agreement dated February 1, 1974, between American International Group, Inc. and various affiliate subsidiaries, including American General Life Insurance Company. (31)

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- (2) (b) Form of Addendum No. 1 to Service and Expense Agreement dated February 1, 1974, between American International Group, Inc. and various affiliate subsidiaries, including American General Life Insurance Company, dated May 21, 1975. (31)
- (2) (c) Form of Addendum No. 2 to Service and Expense Agreement dated February 1, 1974, between American International Group, Inc. and various affiliate subsidiaries, including American General Life Insurance Company, dated September 23, 1975. (31)
- (2) (d) Form of Addendum No. 24 to Service and Expense Agreement dated February 1, 1974, between American International Group, Inc. and various affiliate subsidiaries, including American General Life Insurance Company, dated December 30, 1998. (31)
- (2) (e) Form of Addendum No. 28 to Service and Expense Agreement dated February 1, 1974, among American International Group, Inc. and various affiliate subsidiaries, including American General Life Insurance Company and American General Life Companies, effective January 1, 2002. (31)

- (2) (f) Form of Addendum No. 30 to Service and Expense Agreement dated February 1, 1974, among American International Group, Inc. and various affiliate subsidiaries, including American General Life Insurance Company and American General Life Companies, LLC, effective January 1, 2002. (31)
- (2) (g) Form of Addendum No. 32 to Service and Expense Agreement dated February 1, 1974, among American International Group, Inc. and various affiliate subsidiaries, including American General Life Insurance Company, American General Life Companies, LLC and American General Equity Services Corporation, effective May 1, 2004. (33)
- (j) Other Material Contracts. None
- (k) Legal Opinion.
 - (1) Opinion and Consent of Pauletta P. Cohn, General Counsel, Life Insurance Operations of American General Life Companies. (24)
- (l) Actuarial Opinion.
 - (1) Opinion and Consent of American General Life Insurance Company's actuary. (24)
- (m) Calculation. None

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- (n) Other Opinions.
 - (1) Consent of Independent Registered Public Accounting Firm, PricewaterhouseCoopers LLP. (Filed herewith)
- (o) Omitted Financial Statements. None
- (p) Initial Capital Agreements. None
- (q) Redeemability Exemption.
 - (1) Description of American General Life Insurance Company's Issuance, Transfer and Redemption Procedures for Variable Universal Life Insurance Policies Pursuant to Rule 6e-3(T) (b) (12) (iii) under the Investment Company Act of 1940. (33)

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- (1) Incorporated by reference to initial filing of Form S-6 Registration Statement (File No. 333-42567) of American General Life Insurance Company Separate Account VL-R filed on December 18, 1997.
 - (2) Incorporated by reference to initial filing of Form N-4 Registration Statement (File No. 033-43390) of American General Life Insurance Company Separate Account D filed on October 16, 1991.
 - (3) Incorporated by reference to Post-Effective Amendment No. 1 to Form N-4 Registration Statement (File No. 033-43390) of American General Life Insurance Company Separate Account D filed on April 30, 1992.
 - (4) Incorporated by reference to initial filing of Form N-4 Registration Statement (File No. 333-70667) of American General Life Insurance Company Separate Account D filed on January 15, 1999.
 - (5) Incorporated by reference to Pre-Effective Amendment No. 3 to Form S-6 Registration Statement (File No. 333-53909) of American General Life Insurance Company Separate Account VL-R filed on August 19, 1998.
 - (6) Incorporated by reference to Pre-Effective Amendment No. 1 to Form S-6 Registration Statement (File No. 333-42567) of American General Life Insurance Company Separate Account VL-R filed on March 23, 1998.
 - (7) Incorporated by reference to Pre-Effective Amendment No. 23 to Form N-4 Registration Statement (File No. 033-44745) of American General Life Insurance Company Separate Account A filed on April 24, 1998.

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- (8) Incorporated by reference to Pre-Effective Amendment No. 1 to Form N-4 Registration Statement (File No. 333-70667) of American General Life Insurance Company Separate Account D filed on March 18, 1999.
- (9) Incorporated by reference to Post-Effective Amendment No. 12 to Form N-4

Registration Statement (File No. 033-43390) of American General Life Insurance Company Separate Account D filed on April 30, 1997.

- (10) Incorporated by reference to Pre-Effective Amendment No. 1 to Form N-4 Registration Statement (File No. 333-40637) of American General Life Insurance Company Separate Account D filed on February 12, 1998.
- (11) Incorporated by reference to Pre-Effective Amendment No. 1 to Form S-6 Registration Statement (File No. 333-80191) of American General Life Insurance Company Separate Account VL-R filed on August 25, 1999.
- (12) Incorporated by reference to Post-Effective Amendment No. 1 to Form S-6 Registration Statement (File No. 333-87307) of American General Life Insurance Company Separate Account VL-R filed on October 10, 2000.
- (13) Incorporated by reference to Pre-Effective Amendment No. 1 to Form N-4 Registration Statement (File No. 333-109206) of American General Life Insurance Company Separate Account D filed on December 17, 2003.
- (14) Incorporated by reference to Post-Effective Amendment No. 18 to Form N-4 Registration Statement (File No. 033-43390) of American General Life Insurance Company Separate Account D filed on April 12, 2000.
- (15) Incorporated by reference to Pre-Effective Amendment No. 1 to Form S-6 Registration Statement (File No. 333-89897) of American General Life Insurance Company Separate Account VL-R filed on January 21, 2000.
- (16) Incorporated by reference to Post-Effective Amendment No. 7 to Form N-6 Registration Statement (File No. 333-80191) of American General Life Insurance Company Separate Account VL-R filed on December 2, 2004.
- (17) Incorporated by reference to Post-Effective Amendment No. 4 to Form S-6 Registration Statement (File No. 333-42567) of American General Life Insurance Company Separate Account VL-R filed on October 11, 2000.
- (18) Incorporated by reference to initial filing of Form N-6 Registration Statement (File No. 333- 109613) of American General Life Insurance Company Separate Account VL-R filed on October 10, 2003.

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- (19) Incorporated by reference to Post-Effective Amendment No. 2 to Form S-6 Registration Statement (File No. 333-80191) of American General Life Insurance Company Separate Account VL-R filed on September 20, 2000.
- (20) Incorporated by reference to Post-Effective Amendment No. 2 to Form S-6 Registration Statement (File No. 333-65170) of American General Life Insurance Company Separate Account VL-R filed on April 24, 2002.
- (21) Incorporated by reference to Pre-Effective Amendment No. 1 to Form S-6 Registration Statement (File No. 333-87307) of American General Life Insurance Company Separate Account VL-R filed on January 20, 2000.
- (22) Incorporated by reference to Post-Effective Amendment No. 1 to Form S-6 Registration Statement (File No. 333-65170) of American General Life Insurance Company Separate Account VL-R filed on December 3, 2001.
- (23) Incorporated by reference to Post-Effective Amendment No. 7 to Form N-6 Registration Statement (File No. 333-90787) of American General Life Insurance Company Separate Account VL-R filed on December 19, 2003.
- (24) Incorporated by reference to Pre-Effective Amendment No. 1 to Form S-6 Registration Statement (File No. 333-65170) of American General Life Insurance Company Separate Account VL-R filed on October 10, 2001.
- (25) Incorporated by reference to Pre-Effective Amendment No. 1 to Form S-6 Registration Statement (File No. 333-82982) of American General Life Insurance Company Separate Account VL-R filed on May 13, 2002.
- (26) Incorporated by reference to Post-Effective Amendment No. 7 to Form N-4 Registration Statement (File No. 333-40637) of American General Life Insurance Company Separate Account D filed on November 8, 2002.
- (27) Incorporated by reference to initial filing of Form N-6 Registration Statement (File No. 333- 102299) of American General Life Insurance Company Separate Account VUL-2 filed on December 31, 2002.
- (28) Incorporated by reference to Post-Effective Amendment No. 3 to Form N-6 Registration Statement (File No. 333-65170) of American General Life Insurance Company Separate Account VL-R filed on January 23, 2003.
- (29) Incorporated by reference to initial filing of Form N-6 Registration Statement (File No. 333- 103361) of American General Life Insurance Company

- (30) Incorporated by reference to Post-Effective Amendment No. 6 to Form N-6 Registration Statement (File No. 333-43264) of American General Life Insurance Company Separate Account VL-R filed on April 30, 2003.
- (31) Incorporated by reference to Post-Effective Amendment No. 8 to Form N-6 Registration Statement (File No. 333-43264) of American General Life Insurance Company Separate Account VL-R filed on May 3, 2004.
- (32) Incorporated by reference to Post-Effective Amendment No. 8 to Form N-6 Registration Statement (File No. 333-65170) of American General Life Insurance Company Separate Account VL-R filed on December 3, 2004.
- (33) Incorporated by reference to Post-Effective Amendment No. 1 to Form N-6 Registration Statement (File No. 333-118318) of American General Life Insurance Company Separate Account VL-R filed on May 2, 2005.
- (34) Incorporated by reference to Post-Effective Amendment No. 7 to Form N-6 Registration Statement (File No. 333-82982) of American General Life Insurance Company Separate Account VL-R filed on May 2, 2005.
- (35) Incorporated by reference to Post-Effective Amendment No. 6 to Form N-6 Registration Statement (File No. 333-80191) of American General Life Insurance Company Separate Account VL-R filed on June 10, 2004.

Item 27. Directors and Officers of the Depositor

Name and Principal Business Address	Positions and Offices with Depositor American General Life Insurance Company

Rodney O. Martin, Jr. 2929 Allen Parkway Houston, TX 77019	Director, Chairman of the Board of Directors, President and Chief Executive Officer
M. Bernard Aidinoff Sullivan and Cromwell 125 Broad Street New York, NY 10004	Director
David J. Dietz 830 Third Avenue New York, NY 10022	Director and Chairman-Affluent & Corporate Markets Profit Center

Name and Principal Business Address	Positions and Offices with Depositor American General Life Insurance Company

David L. Herzog 2929 Allen Parkway Houston, TX 77019	Director
Richard A. Hollar 750 West Virginia Street Milwaukee, WI 53204	Director, President-AIG Life Brokerage Profit Center and Chief Executive Officer-AIG Life Brokerage Profit Center
Royce G. Imhoff, II 2929 Allen Parkway Houston, TX 77019	Director, President-Affluent & Corporate Markets Profit Center and Chief Executive Officer-Affluent & Corporate Markets Profit Center
Donald P. Kanak, Jr. 70 Pine Street New York, NY 10270	Director
Richard J. Miller 2929 Allen Parkway Houston, TX 77019	Director, President-Independent Advisory Network Profit Center and Chief Executive Officer-Independent Advisory Group
Ernest T. Patrikis 70 Pine Street New York, NY 10270	Director
Gary D. Reddick 2929 Allen Parkway Houston, TX 77019	Director, Chief Administrative Officer and Executive Vice President
Martin J. Sullivan 70 Pine Street	Director

New York, NY 10270

Christopher J. Swift
2929 Allen Parkway
Houston, TX 77019

Director, Chief Financial Officer and Executive Vice
President

James W. Weakley
2929 Allen Parkway
Houston, TX 77019

Director, President-Worksite Solutions Profit Center
and Chief Executive Officer-Worksite Solutions Profit
Center

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Name and Principal Business Address	Positions and Offices with Depositor American General Life Insurance Company
Thomas L. Booker 2727 Allen Parkway Houston, TX 77019	President-Structured Settlements/SPIA Profit Center
Lawrence J. O'Brien 2727 Allen Parkway Houston, TX 77019	President-Agency Building Profit Center
Jeffrey H. Carlson 2727 Allen Parkway Houston, TX 77019	Chief Information Officer and Senior Vice President
Steven D. Anderson 2727 Allen Parkway Houston, TX 77019	Senior Vice President-Independent Advisory Group
Stephen A. Appleyard 2727 Allen Parkway Houston, TX 77019	Senior Vice President-Accident & Health
David R. Armstrong 3600 Route 66 Neptune, NJ 07754	Senior Vice President
Erik A. Baden 2727 Allen Parkway Houston, TX 77019	Senior Vice President
Wayne A. Barnard 2929 Allen Parkway Houston, TX 77019	Senior Vice President
Robert M. Beuerlein 2727-A Allen Parkway Houston, TX 77019	Senior Vice President
Rebecca G. Campbell 2929 Allen Parkway Houston, TX 77019	Senior Vice President

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Name and Principal Business Address	Positions and Offices with Depositor American General Life Insurance Company
James A. Galli 830 Third Avenue New York, NY 10022	Senior Vice President
William F. Guterding 830 Third Avenue New York, NY 10022	Senior Vice President
Robert F. Herbert, Jr. 2727-A Allen Parkway Houston, TX 77019	Senior Vice President, Treasurer and Controller
S. Douglas Israel 2929 Allen Parkway Houston, TX 77019	Senior Vice President
Kyle L. Jennings 2929 Allen Parkway Houston, TX 77019	Senior Vice President
Althea R. Johnson	Senior Vice President

2929 Allen Parkway
Houston, TX 77019

Glen D. Keller Senior Vice President
2727 Allen Parkway
Houston, TX 77019

Simon J. Leech Senior Vice President
2727-A Allen Parkway
Houston, TX 77019

Kent D. Major Senior Vice President
2727-A Allen Parkway
Houston, TX 77019

Mark R. McGuire Senior Vice President
2727-A Allen Parkway
Houston, TX 77019

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Name and Principal Business Address Positions and Offices with Depositor
American General Life Insurance Company

Laura W. Milazzo Senior Vice President
2727 Allen Parkway
Houston, TX 77019

A. Hasan Qureshi Senior Vice President
1 ALICO Plaza
600 King Street
Wilmington, DE 19801

Dennis H. Roberts Senior Vice President
2727 Allen Parkway
Houston, TX 77019

Richard C. Schuettner Senior Vice President
750 West Virginia Street
Milwaukee, WI 53204

James P. Sennett Senior Vice President
2727 Allen Parkway
Houston, TX 77019

James P. Steele Senior Vice President
205 E. 10th Street
Amarillo, TX 79101

Robert E. Steele Senior Vice President
205 E. 10th Street
Amarillo, TX 79101

Dan E. Trudan Senior Vice President
750 West Virginia St.
Milwaukee, WI 53204

Frederic R. Yopps Senior Vice President
750 West Virginia St.
Milwaukee, WI 53204

Steven E. Zimmerman Senior Vice President
2727 Allen Parkway
Houston, TX 77019

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Name and Principal Business Address Positions and Offices with Depositor
American General Life Insurance Company

Edward F. Bacon Vice President
2727-A Allen Parkway
Houston, TX 77019

Joan M. Bartel Vice President
2727 Allen Parkway
Houston, TX 77019

Michael B. Boesen Vice President
2727-A Allen Parkway
Houston, TX 77019

James B. Brown 2727 Allen Parkway Houston, TX 77019	Vice President
Robert W. Chesner 2929 Allen Parkway Houston, TX 77019	Vice President
Valerie A. Childrey 750 West Virginia Street Milwaukee, WI 53204	Vice President
Mark E. Childs 2727 Allen Parkway Houston, TX 77019	Vice President
Robert M. Cicchi 2727 Allen Parkway Houston, TX 77019	Vice President
Donald L. Davis 205 E. 10th Street Amarillo, TX 79101	Vice President
Steven A. Dmytrack 2929 Allen Parkway Houston, TX 77019	Vice President

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Name and Principal Business Address	Positions and Offices with Depositor American General Life Insurance Company
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Timothy M. Donovan 2727 Allen Parkway Houston, TX 77019	Vice President
Farideh N. Farrokhi 2727-A Allen Parkway Houston, TX 77019	Vice President
Patrick Froze 750 West Virginia Street Milwaukee, WI 53204	Vice President
Frederick J. Garland, Jr. 2727 Allen Parkway Houston, TX 77019	Vice President
Lisa Gerhart 2727 Allen Parkway Houston, TX 77019	Vice President
Richard L. Gravette 2727-A Allen Parkway Houston, TX 77019	Vice President
Kenneth J. Griesemer 6363 Forest Park Road Dallas, TX 75235	Vice President
Daniel J. Gutenberger 70 Pine Street New York, NY 10270	Vice President
Joel H. Hammer 1 Chase Manhattan Place New York, NY 10005	Vice President
John Harmeling 2929 Allen Parkway Houston, Texas 77019	Vice President

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Name and Principal Business Address	Positions and Offices with Depositor American General Life Insurance Company
-----	-----
Craig H. Harrel 2929 Allen Parkway	Vice President

Houston, TX 77019	
D. Leigh Harrington 2727 Allen Parkway Houston, TX 77019	Vice President
Bradley Harris 2727 Allen Parkway Houston, TX 77019	Vice President
Michael Harrison 2727 Allen Parkway Houston, TX 77019	Vice President
Neal C. Hasty 6363 Forest Park Road Dallas, TX 75235	Vice President
Keith C. Honig 1 SunAmerica Center Los Angeles, CA 90067	Vice President
Walter P. Irby 2727 Allen Parkway Houston, TX 77019	Vice President
Sharla A. Jackson 205 E. 10th Street Amarillo, TX 79101	Vice President
David S. Jorgensen 2727-A Allen Parkway Houston, TX 77019	Vice President
Stephen C. Kennedy 750 West Virginia Street Milwaukee, WI 53204	Vice President

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Name and Principal Business Address	Positions and Offices with Depositor American General Life Insurance Company

Gary J. Kleinman 1 Chase Manhattan Place New York, NY 10005	Vice President
Charles L. Levy 2727 Allen Parkway Houston, TX 77019	Vice President
Linda Lewis 6363 Forest Park Road Dallas, TX 75235	Vice President
Robert J. Ley 70 Pine Street New York, NY 10270	Vice President
Jerry L. Livers 2727 Allen Parkway Houston, TX 77019	Vice President
Gwendolyn J. Mallett 2727 Allen Parkway Houston, TX 77019	Vice President
W. Larry Mask 2727 Allen Parkway Houston, TX 77019	Vice President
Gordon S. Massie 2929 Allen Parkway Houston, TX 77019	Vice President
Melvin C. McFall 2727 Allen Parkway Houston, TX 77019	Vice President
Richard D. McFarland 2727 Allen Parkway Houston, TX 77019	Vice President

Name and Principal Business Address	Positions and Offices with Depositor American General Life Insurance Company
Candace A. Michael 2727 Allen Parkway Houston, TX 77019	Vice President
Anne K. Milio 2727 Allen Parkway Houston, TX 77019	Vice President
Sylvia A. Miller #1 Franklin Square Springfield, IL 62713	Vice President
Alex N. Moral 2727 Allen Parkway Houston, TX 77019	Vice President-Product Design and Development
Michael R. Murphy 750 West Virginia Street Milwaukee, WI 53204	Vice President
Carl T. Nichols 205 E. 10th Street Amarillo, TX 79101	Vice President
Deanna D. Osmonson 2727 Allen Parkway Houston, TX 77019	Vice President and Chief Compliance Officer
Rembert R. Owen, Jr. 2929 Allen Parkway Houston, TX 77019	Vice President
Lori J. Payne 2727 Allen Parkway Houston, TX 77019	Vice President
Kirsten M. Pedersen 2929 Allen Parkway Houston, TX 77019	Vice President

Name and Principal Business Address	Positions and Offices with Depositor American General Life Insurance Company
John W. Penko 2727 Allen Parkway Houston, TX 77019	Vice President
Cathy A. Percival 2727 Allen Parkway Houston, TX 77019	Vice President
Terri Robbins 175 Water Street New York, NY 10038	Vice President
Dale W. Sachtleben #1 Franklin Square Springfield, IL 62713	Vice President
Robert C. Sage 2727 Allen Parkway Houston, TX 77019	Vice President
Kristin Sather 1 Chase Manhattan Place New York, NY 10005	Vice President
Richard W. Scott 2929 Allen Parkway Houston, TX 77019	Vice President
Tom L. Scott 2929 Allen Parkway Houston, TX 77019	Vice President

T. Clay Spires
2929 Allen Parkway
Houston, TX 77019

Vice President

Gregory R. Thornton
#1 Franklin Square
Springfield, IL 62713

Vice President

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Name and Principal Business Address	Positions and Offices with Depositor American General Life Insurance Company
Alan Vale 2929 Allen Parkway Houston, TX 77019	Vice President
Christian D. Weiss #1 Franklin Square Springfield, IL 62713	Vice President
Bridgette Wilson #1 Franklin Square Springfield, IL 62713	Vice President
Elizabeth M. Tuck 70 Pine Street New York, NY 10270	Secretary

Item 28. Persons Controlled by or Under Common Control with the Depositor or the Registrant

The Depositor is an indirect wholly-owned subsidiary of American International Group, Inc. ("AIG"). Set forth below is an organizational chart for AIG filed with the SEC on March 15, 2004 as Exhibit 21 to the Form 10-K. Footnotes to the organizational chart below are located at the end of Item 28. The current organizational chart for AIG can be found as Exhibit 21 in Form 10-K filed in 2005, SEC file number 001-08787.

SUBSIDIARIES OF AIG

<TABLE>
<CAPTION>

	Jurisdiction of Incorporation or Organization	% of Voting Securities Owned by its Immediate Parent (2)
<S>	<C>	<C>
American International Group, Inc. (1)	Delaware	(3)
AIG Aviation, Inc.	Georgia	100%
AIG Bulgaria Insurance and Reinsurance Company EAD	Bulgaria	100%
AIG Capital Corporation	Delaware	100%
AIG Consumer Finance Group, Inc.	Delaware	100%
AIG Bank Polska S.A.	Poland	97.23%
AIG Credit S.A.	Poland	80%
Compania Financiera Argentina S.A.	Argentina	92.7%
AIG Global Asset Management Holdings Corp.	Delaware	100%

</TABLE>

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SUBSIDIARIES OF AIG

<TABLE>
<CAPTION>

	Jurisdiction of Incorporation or Organization	% of Voting Securities Owned by its Immediate Parent (2)
<S>	<C>	<C>
AIG Capital Partners, Inc.	Delaware	100%
AIG Global Investment Corp.	New Jersey	100%
John McStay Investment Counsel, L.P.	Texas	82.84%

International Lease Finance Corporation	California	64.85%	(4)
AIG Claim Services, Inc.	Delaware	100%	
AIG Credit Corp.	Delaware	100%	
A.I. Credit Corp.	New Hampshire	100%	
Imperial Premium Finance, Inc.	California	100%	
Imperial Premium Finance, Inc.	Delaware	100%	
AIG Equity Sales Corp.	New York	100%	
AIG Federal Savings Bank	Delaware	100%	
AIG Finance Holdings, Inc.	New York	100%	
AIG Finance (Hong Kong) Limited	Hong Kong	100%	
AIG Financial Advisor Services, Inc.	Delaware	100%	
AIG Financial Advisor Services (Europe), S.A.	Luxembourg	100%	
AIG Financial Products Corp.	Delaware	100%	
AIG Matched Funding Corp.	Delaware	100%	
Banque AIG	France	90%	(5)
AIG Funding, Inc.	Delaware	100%	
AIG Global Real Estate Investment Corp.	Delaware	100%	
AIG Global Trade & Political Risk Insurance Company	New Jersey	100%	
A.I.G. Golden Insurance Ltd.	Israel	50.01%	
AIG Life Insurance Company	Delaware	79%	(6)
AIG Life Insurance Company of Canada	Canada	100%	
AIG Life Insurance Company of Puerto Rico	Puerto Rico	100%	
AIG Marketing, Inc.	Delaware	100%	
AIG Memsas, Inc.	Delaware	100%	
Tata AIG General Insurance Company Limited	India	26%	
AIG Private Bank Ltd.	Switzerland	100%	
AIG Retirement Services, Inc.	Delaware	100%	(7)
SunAmerica Life Insurance Company	Arizona	100%	
SunAmerica Investments, Inc.	Georgia	70%	(8)
AIG Advisor Group, Inc.	Maryland	100%	
Advantage Capital Corporation	New York	100%	
FSC Securities Corporation	Delaware	100%	
Sentra Securities Corporation	California	100%	
Spelman & Co., Inc.	California	100%	
SunAmerica Securities, Inc.	Delaware	100%	
AIG SunAmerica Life Assurance Company	Arizona	100%	(9)
Saamsun Holdings Corp.	Delaware	100%	
SAM Holdings Corporation	California	100%	
AIG SunAmerica Asset Management Corp.	Delaware	100%	
AIG SunAmerica Capital Services, Inc.	Delaware	100%	
Sun Royal Holdings Corporation	California	100%	
Royal Alliance Associates, Inc.	Delaware	100%	
First SunAmerica Life Insurance Company	New York	100%	
AIG Risk Management, Inc.	New York	100%	

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SUBSIDIARIES OF AIG

<TABLE>
<CAPTION>

	Jurisdiction of Incorporation or Organization	% of Voting Securities Owned by its Immediate Parent(2)	
<S>	<C>	<C>	
AIG Technologies, Inc.	New Hampshire	100%	
AIGTI, Inc.	Delaware	100%	
AIG Trading Group Inc.	Delaware	100%	
AIG International, Inc.	Delaware	100%	
AIU Insurance Company	New York	52%	(10)
AIU North America, Inc.	New York	100%	
American General Corporation	Texas	100%	
American General Bancassurance Services, Inc.	Illinois	100%	
AGC Life Insurance Company	Missouri	100%	
AIG Assurance Canada	Canada	100%	(11)
AIG Life of Bermuda, Ltd.	Bermuda	100%	
American General Life and Accident Insurance Company	Tennessee	100%	
American General Life Insurance Company	Texas	100%	
American General Annuity Service Corporation	Texas	100%	
AIG Enterprise Services, LLC	Delaware	100%	
American General Equity Services Corporation	Delaware	100%	
American General Life Companies, LLC	Delaware	100%	
The Variable Annuity Life Insurance Company	Texas	100%	
VALIC Retirement Services Company	Texas	100%	
VALIC Trust Company	Texas	100%	
American General Property Insurance Company	Tennessee	51.85%	(12)
American General Property Insurance Company of Florida	Florida	100%	
AIG Annuity Insurance Company	Texas	100%	

The United States Life Insurance Company in the City of New York	New York	100%
American General Finance, Inc.	Indiana	100%
AGF Investment Corp.	Indiana	100%
American General Auto Finance, Inc.	Delaware	100%
American General Finance Corporation	Indiana	100%
Crossroads Mortgage, Inc.	Tennessee	100%
ENM, Inc.	Tennessee	100%
MorEquity, Inc.	Nevada	100%
Wilmington Finance, Inc.	Delaware	100%
Merit Life Insurance Co.	Indiana	100%
Yosemite Insurance Company	Indiana	100%
CommoLoCo, Inc.	Puerto Rico	100%
American General Financial Services of Alabama, Inc.	Alabama	100%
HSA Residential Mortgage Services of Texas, Inc.	Delaware	100%
American General Investment Management Corporation	Delaware	100%
American General Realty Investment Corporation	Texas	100%
American General Assurance Company	Illinois	100%
American General Indemnity Company	Illinois	100%
USLIFE Credit Life Insurance Company of Arizona	Arizona	100%
Knickerbocker Corporation	Texas	100%
American Home Assurance Company	New York	100%
AIG Hawaii Insurance Company, Inc.	Hawaii	100%
American Pacific Insurance Company, Inc.	Hawaii	100%
American International Insurance Company	New York	100%

</TABLE>

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SUBSIDIARIES OF AIG

<TABLE>
<CAPTION>

	Jurisdiction of Incorporation or Organization	% of Voting Securities Owned by its Immediate Parent(2)
<S>	<C>	<C>
American International Insurance Company of California, Inc.	California	100%
American International Insurance Company of New Jersey	New Jersey	100%
Minnesota Insurance Company	Minnesota	100%
American International Realty Corp.	Delaware	31.5% (13)
Pine Street Real Estate Holdings Corp.	New Hampshire	31.47% (13)
Transatlantic Holdings, Inc.	Delaware	33.61% (14)
Transatlantic Reinsurance Company	New York	100%
Putnam Reinsurance Company	New York	100%
Trans Re Zurich	Switzerland	100%
American International Insurance Company of Delaware	Delaware	100%
American International Life Assurance Company of New York	New York	77.52% (15)
American International Reinsurance Company, Ltd	Bermuda	100%
AIG Edison Life Insurance Company	Japan	90% (16)
American International Assurance Company, Limited	Hong Kong	100%
American International Assurance Company (Australia) Limited	Australia	100%
American International Assurance Company (Bermuda) Limited	Bermuda	100%
American International Assurance Co. (Vietnam) Limited	Vietnam	100%
Tata AIG Life Insurance Company Limited	India	26%
Nan Shan Life Insurance Company, Ltd.	Taiwan	95%
American International Underwriters Corporation	New York	100%
American International Underwriters Overseas, Ltd.	Bermuda	100%
AIG Europe (Ireland) Limited	Ireland	100%
AIG Europe (U.K.) Limited	England	100%
AIG Brasil Companhia de Seguros	Brazil	50%
Universal Insurance Co., Ltd.	Thailand	100%
La Seguridad de Centroamerica, Compania de Seguros S.A.	Guatemala	100%
American International Insurance Company of Puerto Rico	Puerto Rico	100%
A.I.G. Colombia Seguros Generales S.A.	Colombia	100%
American International Underwriters GmbH	Germany	100%
Underwriters Adjustment Company, Inc.	Panama	100%
American Life Insurance Company	Delaware	100%
AIG Life (Bulgaria) Z.D. A.D	Bulgaria	100%
ALICO, S.A	France	100%
American Life Insurance Company (Kenya) Limited	Kenya	66.67%
Pharaonic American Life Insurance Company	Egypt	71.63%
AIG Life Insurance Company (Switzerland) Ltd.	Switzerland	100%
American Security Life Insurance Company, Ltd.	Lichtenstein	100%
Birmingham Fire Insurance Company of Pennsylvania	Pennsylvania	100%
China America Insurance Company, Ltd.	Delaware	50%
Commerce and Industry Insurance Company	New York	100%
Commerce and Industry Insurance Company of Canada	Ontario	100%
Delaware American Life Insurance Company	Delaware	100%

Hawaii Insurance Consultants, Ltd.	Hawaii.....	100%
HSB Group, Inc.	Delaware.....	100%
The Hartford Steam Boiler Inspection and Insurance Company.	Connecticut.....	100%
The Allen Insurance Company, Ltd.	Bermuda.....	100%
The Hartford Steam Boiler Inspection and Insurance Company of Connecticut	Connecticut.....	100%

</TABLE>

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SUBSIDIARIES OF AIG

<TABLE>
<CAPTION>

	Jurisdiction of Incorporation or Organization	% of Voting Securities Owned by its Immediate Parent (2)
<S>	<C>	<C>
HSB Engineering Insurance Limited	England.....	100%
The Boiler Inspection and Insurance Company of Canada.....	Canada.....	100%
The Insurance Company of the State of Pennsylvania	Pennsylvania.....	100%
Landmark Insurance Company	California.....	100%
Mt. Mansfield Company, Inc.	Vermont.....	100%
National Union Fire Insurance Company of Pittsburgh, Pa	Pennsylvania.....	100%
American International Specialty Lines Insurance Company	Alaska.....	70% (17)
Lexington Insurance Company	Delaware.....	70% (17)
GE Property & Casualty Insurance Company	Pennsylvania.....	100%
GE Casualty Insurance Company	Pennsylvania.....	100%
GE Indemnity Insurance Company	Pennsylvania.....	100%
GE Auto & Home Assurance Company	Pennsylvania.....	100%
Bayside Casualty Insurance Company	New Jersey.....	100%
JJ Accident & Fire Insurance Co. Ltd.	Japan.....	50%
National Union Fire Insurance Company of Louisiana	Louisiana.....	100%
National Union Fire Insurance Company of Vermont	Vermont.....	100%
21st Century Insurance Group	California.....	33.03% (18)
21st Century Insurance Company	California.....	100%
21st Century Casualty Company	California.....	100%
21st Century Insurance Company of Arizona	Arizona.....	100%
Starr Excess Liability Insurance Company, Ltd.	Delaware.....	100%
Starr Excess Liability Insurance International Ltd.	Ireland.....	100%
NHIG Holding Corp.	Delaware.....	100%
Audubon Insurance Company	Louisiana.....	100%
Audubon Indemnity Company	Mississippi.....	100%
Agency Management Corporation	Louisiana.....	100%
The Gulf Agency, Inc.	Alabama.....	100%
New Hampshire Insurance Company	Pennsylvania.....	100%
AIG Europe, S.A	France.....	(19)
AI Network Corporation	Delaware.....	100%
American International Pacific Insurance Company	Colorado.....	100%
American International South Insurance Company	Pennsylvania.....	100%
Granite State Insurance Company	Pennsylvania.....	100%
New Hampshire Indemnity Company, Inc.	Pennsylvania.....	100%
AIG National Insurance Company, Inc.	New York.....	100%
Illinois National Insurance Co.	Illinois.....	100%
New Hampshire Insurance Services, Inc.	New Hampshire.....	100%
AIG Star Life Insurance Co., Ltd	Japan.....	100%
Pharaonic Insurance Company, S.A.E	Egypt.....	89.98%
The Philippine American Life and General Insurance Company	Philippines.....	99.78%
Pacific Union Assurance Company	California.....	100%
Philam Equitable Life Assurance Company, Inc.	Philippines.....	95.31%
The Philippine American General Insurance Company, Inc.	Philippines.....	100%
Philam Insurance Company, Inc.	Philippines.....	100%
Risk Specialist Companies, Inc.	Delaware.....	100%
United Guaranty Corporation	North Carolina.....	36.31% (20)
United Guaranty Insurance Company	North Carolina.....	100%

</TABLE>

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SUBSIDIARIES OF AIG

<TABLE>
<CAPTION>

	Jurisdiction of	% of Voting Securities Owned by its

	Incorporation or Organization	Immediate Parent (2)
<S>	<C>	<C>
United Guaranty Mortgage Insurance Company	North Carolina.....	100%
United Guaranty Mortgage Insurance Company of North Carolina	North Carolina.....	100%
United Guaranty Partners Insurance Company	Vermont.....	80%
United Guaranty Residential Insurance Company of North Carolina	North Carolina.....	100%
United Guaranty Residential Insurance Company	North Carolina.....	75.03% (21)
United Guaranty Commercial Insurance Company of North Carolina	North Carolina.....	100%
United Guaranty Mortgage Indemnity Company	North Carolina.....	100%
United Guaranty Credit Insurance Company	North Carolina.....	100%
United Guaranty Services, Inc.	North Carolina.....	100%

</TABLE>

- (1) All subsidiaries listed are consolidated in the financial statements of AIG filed in its Form 10-K in 2004, SEC file number 001-08787. Certain subsidiaries have been omitted from the tabulation. The omitted subsidiaries, when considered in the aggregate as a single subsidiary, do not constitute a significant subsidiary.
- (2) Percentages include directors' qualifying shares.
- (3) The common stock is owned approximately 11.9 percent by Starr International Company, Inc., 1.8 percent by C. V. Starr & Co., Inc. and 2.0 percent by The Starr Foundation.
- (4) Also owned 35.15 percent by National Union Fire Insurance Company of Pittsburgh, Pa.
- (5) Also owned 10 percent by AIG Matched Funding Corp.
- (6) Also owned 21 percent by Commerce and Industry Insurance Company.
- (7) Formerly known as AIG SunAmerica Inc.
- (8) Also owned 30 percent by AIG Retirement Services, Inc.
- (9) Formerly known as Anchor National Life Insurance Company.
- (10) Also owned 8 percent by The Insurance Company of the State of Pennsylvania, 32 percent by National Union Fire Insurance Company of Pittsburgh, Pa. and 8 percent by Birmingham Fire Insurance Company of Pennsylvania.
- (11) Indirect wholly-owned subsidiary.
- (12) Also owned 48.15 percent by American General Life and Accident Insurance Company.
- (13) Also owned by 11 other AIG subsidiaries.
- (14) Also owned 26.06 percent by AIG.
- (15) Also owned 22.48 percent by American Home Assurance Company.
- (16) Also owned 10 percent by a subsidiary of American Life Insurance Company.
- (17) Also owned 20 percent by The Insurance Company of the State of Pennsylvania and 10 percent by Birmingham Fire Insurance Company of Pennsylvania.
- (18) Also owned 16.85 percent by American Home Assurance Company, 6.34 percent by Commerce and Industry Insurance Company and 6.34 percent by New Hampshire Insurance Company.
- (19) 100 percent to be held with other AIG companies.
- (20) Also owned 45.88 percent by National Union Fire Insurance Company of Pittsburgh, Pa., 16.95 percent by New Hampshire Insurance Company and 0.86 percent by The Insurance Company of the State of Pennsylvania.
- (21) Also owned 24.97 percent by United Guaranty Residential Insurance Company of North Carolina.

The Registrant is a separate account of American General Life Insurance Company (Depositor).

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Item 29. Indemnification

Article VII, section 1, of the Company's By-Laws provides, in part, that the Company shall have power to indemnify any person who was or is a party or is threatened to be made a party to any proceeding (other than an action by or in the right of the Company) by reason of the fact that such person is or was serving at the request of the Company, against expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with such proceeding if such person acted in good faith and in a manner such person reasonably believed to be in the best interest of the Company and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful.

Article VII, section 1 (in part), section 2, and section 3, provide that the Company shall have power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action by or in the right of the Company to procure a judgment in its favor by reason of the fact that such person is or was acting in behalf of the Company, against expenses actually and reasonably incurred by such person in connection with the defense or settlement of such action if such person acted in good faith, in a manner such person believed to be in the best interests of the Company, and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. No indemnification shall be made under section 1: (a) in respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable to the Company, unless and

only to the extent that the court in which such action was brought shall determine upon application that, in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for the expenses which such court shall determine; (b) of amounts paid in settling or otherwise disposing of a threatened or pending action with or without court approval; or (c) of expense incurred in defending a threatened or pending action which is settled or otherwise disposed of without court approval.

Article VII, section 3, provides that, with certain exceptions, any indemnification under Article VII shall be made by the Company only if authorized in the specific case, upon a determination that indemnification of the person is proper in the circumstances because the person has met the applicable standard of conduct set forth in section 1 of Article VII by (a) a majority vote of a quorum consisting of directors who are not parties to such proceeding; (b) approval of the shareholders, with the shares owned by the person to be indemnified not being entitled to vote thereon; or (c) the court in which such proceeding is or was pending upon application made by the Company or the indemnified person or the attorney or other persons rendering services in connection with the defense, whether or not such application by the attorney or indemnified person is opposed by the Company.

Article VII, section 7, provides that for purposes of Article VII, those persons subject to indemnification include any person who is or was a director, officer, or employee of the Company, or is or was serving at the request of the Company as a director, officer, or employee of another foreign or domestic corporation which was a predecessor corporation of the Company or of another enterprise at the request of such predecessor corporation.

Insofar as indemnification for liability arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or

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otherwise, the Registrant 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 is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant 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 Registrant 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 30. Principal Underwriters

(a) Other Activity. Registrant's principal underwriter, American General Equity Services Corporation, also acts as principal underwriter for American General Life Insurance Company Separate Account A and American General Life Insurance Company Separate Account D, which both offer interests in variable annuities. American General Equity Services Corporation also acts as principal underwriter for certain other separate accounts of American General Life Insurance Company affiliates.

(b) Management.

Name and Principal Business Address	Positions and Offices with Underwriter American General Equity Services Corporation
----- Rodney O. Martin, Jr. 2929 Allen Parkway Houston, TX 77019	Director and Chairman of the Board of Directors
Mark R. McGuire 2727 Allen Parkway Houston, TX 77019	Director and Senior Vice President
Ernest T. Patrikis 70 Pine Street New York, NY 10270	Director
Gary D. Reddick 2929 Allen Parkway Houston, TX 77019	Director
Richard J. Miller 2929 Allen Parkway Houston, TX 77019	President and Chief Executive Officer

Name and Principal Business Address	Positions and Offices with Underwriter American General Equity Services Corporation
Robert F. Herbert, Jr. 2727-A Allen Parkway Houston, TX 77019	Vice President
Lucille S. Martinez 2727 Allen Parkway Houston, TX 77019	Vice President, Treasurer and Controller
Deanna D. Osmonson 2727 Allen Parkway Houston, TX 77019	Vice President, Chief Compliance Officer and Anti-Money Laundering Compliance Officer
Elizabeth M. Tuck 70 Pine Street New York, NY 10270	Secretary
Edward F. Andrzejewski 70 Pine Street New York, NY 10270	Tax Officer
Amy M. Cinquegrana 2929 Allen Parkway Houston, TX 77019	Assistant Secretary
Lauren W. Jones 2929 Allen Parkway Houston, TX 77019	Assistant Secretary
David M. Robinson 2929 Allen Parkway Houston, TX 77019	Assistant Secretary
John D. Fleming 2929 Allen Parkway Houston, TX 77019	Assistant Treasurer
Barbara J. Moore 2919 Allen Parkway Houston, TX 77019	Assistant Tax Officer

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Name and Principal Business Address	Positions and Offices with Underwriter American General Equity Services Corporation
T. Clay Spires 2727-A Allen Parkway Houston, TX 77019	Assistant Tax Officer

(c) Compensation From the Registrant.

<TABLE>

<CAPTION>

Name of Principal Underwriter	Net Underwriting Discounts and Commissions	Compensation on Events Occasioning the Deduction of a Deferred Sales Load	Brokerage Commissions	Other Compensation
<S>	<C>	<C>	<C>	<C>
American General Equity Services Corporation	0	0	0	0

</TABLE>

Item 31. Location of Accounts and Records

All records referenced under Section 31(a) of the 1940 Act, and Rules 31a-1 through 31a-3 thereunder, are maintained and in the custody of American General Life Insurance Company at its principal executive office located at 2727-A Allen Parkway, Houston, Texas 77019-2191 or at American General Life Insurance Company's Administrative Office located at #1 Franklin Square, Springfield, Illinois 62713.

Item 32. Management Services Not applicable.

Item 33. Fee Representation

American General Life Insurance Company hereby represents that the fees and charges deducted under the Policy, in the aggregate, are reasonable in relation to the services rendered, the expenses expected to be incurred, and risks assumed by American General Life Insurance Company.

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POWERS OF ATTORNEY

Each person whose signature appears below hereby appoints Robert F. Herbert, Jr., Gary D. Reddick and Kyle L. Jennings 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

Pursuant to the requirements of the Securities Act of 1933 and the Investment Company Act of 1940, the Registrant, American General Life Insurance Company Separate Account VL-R, certifies that it meets all of the requirements for effectiveness of this amended Registration Statement under Rule 485(b) under the Securities Act of 1933 and has duly caused this amended Registration Statement to be signed on its behalf by the undersigned, duly authorized, in the City of Houston, and State of Texas on the 29th day of April, 2005.

AMERICAN GENERAL LIFE INSURANCE COMPANY
SEPARATE ACCOUNT VL-R
(Registrant)

BY: AMERICAN GENERAL LIFE INSURANCE COMPANY
(On behalf of the Registrant and itself)

BY: ROBERT F. HERBERT, JR.

ROBERT F. HERBERT, JR.
SENIOR VICE PRESIDENT, TREASURER
AND CONTROLLER

[SEAL]

ATTEST: LAUREN W. JONES

LAUREN W. JONES
ASSISTANT SECRETARY

Pursuant to the requirements of the Securities Act of 1933, this amended Registration Statement has been signed below by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
-----	-----	----
RODNEY O. MARTIN, JR.	Director, Chairman,	April 29, 2005
-----	President and Chief	
RODNEY O. MARTIN, JR.	Executive Officer	
CHRISTOPHER J. SWIFT	Director and Chief	April 29, 2005
-----	Financial Officer	
CHRISTOPHER J. SWIFT		
M. BERNARD AIDINOFF	Director	April 29, 2005

M. BERNARD AIDINOFF		
DAVID J. DIETZ	Director	April 29, 2005

DAVID J. DIETZ		
DAVID L. HERZOG	Director	April 29, 2005

DAVID L. HERZOG

RICHARD A. HOLLAR Director April 29, 2005

RICHARD A. HOLLAR

ROYCE G. IMHOFF II Director April 29, 2005

ROYCE G. IMHOFF II

DONALD P. KANAK, JR. Director April 29, 2005

DONALD P. KANAK, JR.

Signature Title Date

RICHARD J. MILLER Director April 29, 2005

RICHARD J. MILLER

ERNEST T. PATRIKIS Director April 29, 2005

ERNEST T. PATRIKIS

GARY D. REDDICK Director April 29, 2005

GARY D. REDDICK

MARTIN J. SULLIVAN Director April 29, 2005

MARTIN J. SULLIVAN

JAMES W. WEAKLEY Director April 29, 2005

JAMES W. WEAKLEY

EXHIBIT INDEX

Item 26. Exhibits

- (n) (1) Consent of Independent Registered Public Accounting Firm, PricewaterhouseCoopers LLP.

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the use in this Post-Effective Amendment No. 9 to the Registration Statement on Form N-6 (Registration Nos. 333-65170 and 811-08561) of our report dated April 29, 2005 relating to the financial statements and financial highlights of American General Life Insurance Company Separate Account VL-R and our report dated April 29, 2005 relating to the consolidated financial statements of American General Life Insurance Company, which appear in such Registration Statement. We also consent to the references to us under the heading "Financial Statements" in such Registration Statement.

PRICEWATERHOUSECOOPERS LLP

Houston, Texas
April 29, 2005