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July 22, 2008

Dear Valued Distribution Partner,

On June 25, 2008, the Securities and Exchange Commission proposed a rule that would classify certain fixed-indexed annuities as securities under the Securities Act of 1933. This would mean that distribution partners selling these types of annuities would need to have a Series 6 or 7 license, and be associated with a broker/dealer. To see the full text of this proposed rule, visit [www.sec.gov/rules/proposed/2008/33-8933.pdf](http://www.sec.gov/rules/proposed/2008/33-8933.pdf).

Note that this is a proposed rule, and some companies have announced their intentions to vigorously oppose adoption of it. Like all proposed rules, there is a comment period, which will end on September 10, 2008. There are several potential courses the SEC could take: it could adopt the rule as proposed; it could withdraw the rule; or it could adopt a considerably revised rule. Great American Financial Resources is monitoring developments and evaluating options. As proposed, the rule would take effect approximately 12 months after adoption.

Since the proposed rule is *prospective* and will not have any impact on sales before its effective date, it is important to continue to serve your clients. When working with your clients, please continue to be mindful of the high standards expected for suitability and sales practices in the fixed-indexed annuity marketplace.

GAFRI believes that fixed-indexed annuities are an important element of retirement plans, and we are dedicated to designing, developing and administering a broad spectrum of choices. We will keep you, our valued distribution partners, apprised of the status of this proposed rule and any significant changes in this matter.

Thank you for your continued business with our company.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Maxey", written over a light blue horizontal line.

Tom Maxey  
Chief Marketing Officer  
Great American Financial Resources, Inc.

**Our subsidiaries include:** Great American Life Insurance Company®  
Annuity Investors Life Insurance Company®  
Loyal American Life Insurance Company®  
United Teacher Associates Insurance Company  
Manhattan National Life Insurance Company