

From: Ken Kilbane
To: General Agents
Subject: Transamerica's Financial Strength
Date: September 16, 2008

Despite the current turbulence in the financial markets, AEGON's capital position and cash flows continue to be strong. Since AEGON is our parent company, that means that Transamerica Occidental Life Insurance Company and Transamerica Life Insurance Company (the sister company into which TOLIC will be merged next month) also remain strong. We have top ratings (see below) and at the end of the second quarter, AEGON announced solid underlying earnings and growth in both sales and deposits. (Click [HERE](#) [<http://download.transamerica.info/tiig/AEGON/Aegon_Release_2.pdf>](http://download.transamerica.info/tiig/AEGON/Aegon_Release_2.pdf) for AEGON's second quarter financial results press release, which includes information about AEGON's limited and manageable exposure to the subprime mortgage market.)

Earlier today, Pat Baird, CEO of AEGON USA, sent a message to his senior management team, which focused on our exposure to Lehman Brothers. I've quoted the portions of that message that I think will be of most interest to you.

"While the Lehman Brothers bankruptcy filing is a very significant event, for us it represents an impairment loss and a reduction in our level of capital. However, we still remain well capitalized. As far as liquidity is concerned, there was no intent to use any of the Lehman Brothers bonds to fund any of our cash flow needs in the foreseeable future. (Click [HERE](#) [<http://download.transamerica.info/tiig/AEGON/Aegon_Release_1.pdf>](http://download.transamerica.info/tiig/AEGON/Aegon_Release_1.pdf) to view the statement from AEGON regarding exposure to Lehman Brothers.)

"As regards to the Merrill Lynch transaction, AEGON and Merrill Lynch finalized a strategic business relationship at the end of last year. Although the Bank of America acquisition of Merrill Lynch may cause us some minor disruption, we look forward to continuing our strong relationship with Merrill Lynch distribution. Long-term, we view the transaction as a positive event because of the potential additional access to the advisors in the Bank of America network.

"Finally, the events of this past weekend and yesterday were historic. We are thinking about capital and liquidity every day, and our investment professionals continue to work over the portfolio every day. Our intent is to keep our capital levels at an AA level and not take chances with our liquidity levels."

I understand that distributors and customers are anxious. These are difficult times. However, Transamerica has the good fortune of having a strong, stable and prudent parent company.

TOLIC and TLIC Ratings, as of 8/31/08

AM Best	Moody's	Fitch	S&P
Transamerica Life Insurance Company			A+
Aa3	AA+	AA	
Transamerica Occidental Life Insurance Company			A+
Aa3	AA+	AA	

A.M. Best: An insurer rating A+ is considered 'superior.' Best's Financial Strength Rating is an opinion of an insurer's ability to meet its obligations to policyholders. This is the second highest rating of 16 ratings in the A.M. Best scale.

Moody's: Insurance companies rated Aa offer 'excellent' financial security. Together with the Aaa group, they constitute what are generally known as high-grade companies. The Aa3 rating is the fourth highest of 21 ratings in the Moody's scale.

Fitch: AA ratings indicate 'very strong,' denoting a very low expectation of ceased or interrupted payments. They indicate very strong capacity to meet policyholder and contract obligations on a timely basis. The AA+ rating is the second highest of 24 ratings on the Fitch scale.

Standard & Poor's: An insurer rated AA has 'very strong' financial security characteristics, differing only slightly from those rated higher (AAA). This is the third highest rating of 21 ratings on the S&P scale.