

AMERICAN NATIONAL INSURANCE CO /TX/
Form DEF 14A
April 02, 2015
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A
(RULE 14a-101)
INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION
PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE
SECURITIES EXCHANGE ACT OF 1934
(Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to Section 240.14a-11(c) or Section 240.14a-12

American National Insurance Company
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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AMERICAN NATIONAL INSURANCE COMPANY

One Moody Plaza

Galveston, Texas 77550

NOTICE OF ANNUAL STOCKHOLDERS MEETING

To Be Held April 24, 2015

In Galveston, Texas

Notice is hereby given that the Annual Meeting of Stockholders of **AMERICAN NATIONAL INSURANCE COMPANY**, a Texas insurance company (the Company), will be held in the Mary Moody Northen Auditorium of the American National Insurance Company Building, Second Floor, One Moody Plaza, Galveston, Texas 77550, at 10:00 a.m. local time on April 24, 2015 for the following purposes:

1. The election of a Board of nine (9) directors of the Company;
2. A non-binding advisory vote to approve the compensation of the Company's executive officers as disclosed in the accompanying proxy statement;
3. Ratification of the appointment of KPMG LLP as auditors for 2015; and
4. The transaction of such other business as may properly come before the meeting or any adjournment thereof.

Only holders of common stock of the Company of record at the close of business on March 2, 2015 are entitled to notice of, and to vote at, the meeting or any adjournment thereof.

Except for the ratification of the appointment of KPMG LLP as auditors for 2015, your broker is not permitted to vote on your behalf on any matters to be considered at the stockholders' meeting unless you provide specific instructions. For your vote to be counted, you will need to communicate your voting decisions to your broker, bank or other financial institution before the date of the stockholders' meeting.

IT IS IMPORTANT THAT YOUR STOCK BE REPRESENTED AT THE MEETING. WHETHER OR NOT YOU PLAN TO ATTEND, PLEASE FILL IN, SIGN, DATE AND RETURN THE ACCOMPANYING PROXY CARD AS PROMPTLY AS POSSIBLE. A RETURN ENVELOPE, WHICH REQUIRES NO POSTAGE IF MAILED IN THE UNITED STATES, IS ENCLOSED FOR YOUR CONVENIENCE.

By Order of the Board of Directors

J. Mark Flippin, Secretary

April 3, 2015

Important Notice Regarding the Availability of Proxy Materials

for the Stockholders Meeting to Be Held on April 24, 2015:

Our proxy materials relating to our 2015 Annual Meeting (notice, proxy statement, proxy and 2014 Annual Report) are available at the following website: <https://materials.proxyvote.com/028591>. This information as well as similar information relating to all of our future Annual Meetings will also be available by calling 1-888-252-0177 or by email to investorrelations@anico.com. We have elected to deliver a full set of proxy materials to all of our stockholders entitled to notice of and to vote at the annual meeting, and distribution will begin on or about April 3, 2015.

For the date, time and location of the 2015 Annual Meeting and the matters to be voted upon at the 2015 Annual Meeting, please see the Notice of Annual Stockholders Meeting above. For the Board's recommendation regarding those matters, please refer to the accompanying proxy statement. For information on how to obtain directions to attend the meeting and vote in person, please contact Investor Relations at 1-888-252-0177 or by email to investorrelations@anico.com.

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AMERICAN NATIONAL INSURANCE COMPANY

P R O X Y S T A T E M E N T

For the Annual Meeting of Stockholders

To Be Held April 24, 2015

in the Mary Moody Northen Auditorium

on the Second Floor of the

American National Insurance Company Building

One Moody Plaza

Galveston, Texas 77550

INTRODUCTION

The Board of Directors of AMERICAN NATIONAL INSURANCE COMPANY, a Texas insurance company (sometimes referred to in this proxy statement as the Company, American National, or as we, us and our), is soliciting your proxy for use at the Annual Meeting of Stockholders of the Company to be held at 10:00 a.m. local time, on April 24, 2015 (the Annual Meeting), and at any adjournment thereof. At such meeting, the stockholders will consider and vote upon the items set forth in the attached Notice of Annual Stockholders Meeting. These proxy materials will be available over the Internet.

INFORMATION CONCERNING PROXY

All shares represented by duly executed proxies received by the Company will be voted in accordance with the instructions shown thereon. If no contrary instructions are given, such proxies will be voted **FOR** the election as directors of the Company of each of the director nominees named under Proposal 1, **FOR** the advisory approval of the compensation of our executive officers as disclosed in this proxy statement, and **FOR** the approval of KPMG LLP as auditors for 2015. The Board of Directors does not know of any other matters to be acted upon at the Annual Meeting. As to any other matter of business that may properly be brought before the Annual Meeting, the enclosed proxy also confers discretionary authority upon the persons named therein to vote the shares represented by such proxy in accordance with their best judgment.

Any stockholder giving a proxy may revoke it by notice in writing addressed to the Secretary of the Company at One Moody Plaza, Galveston, Texas 77550, or by a proxy bearing a later date and properly signed, which may be delivered personally or by mail to the Secretary of the Company prior to the taking of a vote at the Annual Meeting. The execution of a proxy will not affect a stockholder's right to attend the Annual Meeting and to give the Secretary of the

Company notice of such stockholder's intention to vote in person, in which event the proxy will not be used.

All costs of preparing, assembling and distributing the proxy materials and the cost of solicitation will be paid by the Company. The Company may pay persons holding shares in their names or the names of their nominees for the benefit of others, such as brokerage firms, banks, depositories, and other fiduciaries, for costs incurred in forwarding soliciting materials to their beneficial owners. The Company has retained Broadridge Financial Solutions, Inc., Edgewood, New York, to distribute proxies. The aggregate cost of these services is not expected to exceed \$32,000. The Company may also retain other firms or individuals to assist with the solicitation of proxies.

VOTING SECURITIES

As of the close of business on March 2, 2015, which has been fixed as the record date for the determination of stockholders entitled to notice of and to vote at the Annual Meeting, there were 26,896,982 shares of common stock, \$1.00 par value per share, of the Company (the Common Stock) issued and outstanding and entitled to vote at the meeting. There were no other classes of shares issued and outstanding. A list of registered stockholders eligible to vote may be examined during business hours at the office of the Company's Secretary, Eighth Floor, American National Insurance Company Building, One Moody Plaza, Galveston, Texas, during the ten day period immediately prior to the meeting, and it will also be available at the meeting.

Each share of Common Stock entitles the holder to one vote in the determination of all matters to be brought before the meeting. Abstentions and broker non-votes will be counted for the purpose of determining the presence or absence of a quorum, and abstentions will be counted for the purpose of determining the number of votes cast on a given proposal. However, broker non-votes will not be considered present at the Annual Meeting for such proposals and thus will have the practical effect of reducing the number of affirmative votes required to achieve a majority vote by reducing the total number of shares from which a majority is calculated. Any shares for which a broker or nominee does not have discretionary voting authority under applicable NASDAQ Stock Market, LLC (NASDAQ) rules will be considered as shares not entitled to vote and will not be considered in the tabulation of the votes. Votes cast at the Annual Meeting will be counted by the independent inspector(s) of election appointed by the Company.

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The required vote for each of the proposals expected to be acted upon at the Annual Meeting is as follows:

Proposal 1 Election of Directors. The affirmative vote of a majority of shares present at the Annual Meeting, in person or by proxy, and entitled to vote is required to elect each nominee for director. Abstentions with respect to any director nominee will have the effect of a vote against such nominee.

Proposal 2 Advisory (non-binding) vote on executive officer compensation (say-on-pay). The advisory proposal will be approved if a majority of the shares present at the Annual Meeting, in person or by proxy, and entitled to vote are voted in favor of the proposal. Abstentions will have the effect of a vote against the proposal.

Proposal 3 Ratification of the appointment of KPMG LLP as auditors for 2015. The appointment of KPMG LLP as the Company's auditors for 2015 will be ratified by the affirmative vote of a majority of shares present at the Annual Meeting, in person or by proxy, and entitled to vote. Abstentions will have the effect of a vote against the proposal.

Please note that NASDAQ rules do not give brokers discretionary authority to vote on the election of directors or on the say-on-pay advisory proposal. This means that your broker, bank, or other nominee cannot vote your shares on such matters unless you provide it with voting instructions. Therefore, if you hold shares of our Common Stock in street name and do not provide voting instructions to your broker, bank, or other nominee, your shares will not be voted on the election of directors or on the say-on-pay advisory proposal.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

The following table sets forth information as of March 2, 2015, except as otherwise noted, concerning each person or group known to own more than five percent of the outstanding shares of our Common Stock.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
THE MOODY FOUNDATION ⁽¹⁾ 2302 Postoffice Street, Suite 704 Galveston, Texas 77550	6,131,123	22.79%
LIBBIE SHEARN MOODY TRUST ⁽²⁾ c/o Moody National Bank Trust Division, Trustee 2302 Postoffice Street Galveston, Texas 77550	9,949,585	36.99%
MOODY NATIONAL BANK TRUST DIVISION (as trustee or agent of the Libbie Shearn Moody Trust and other accounts) ⁽³⁾	12,225,046	45.45%

2302 Postoffice Street

Galveston, Texas 77550

DONALD SMITH & CO., INC.⁽⁴⁾

152 West 57th Street

New York, New York 10019

1,514,570

5.63%

- (1) The Moody Foundation is a charitable trust classified as a private foundation established in 1942 by W. L. Moody, Jr., and his wife, Libbie Shearn Moody, for charitable and educational purposes. Its Trustees are Robert L. Moody, Sr., our Chairman of the Board and Chief Executive Officer, and two of his children, Frances A. Moody-Dahlberg, who is one of our directors, and Ross Rankin Moody. The beneficial ownership information shown for The Moody Foundation is based on information contained in an amended Schedule 13G filed by it on January 26, 2015.
- (2) The Libbie Shearn Moody Trust is a split-interest trust with both charitable and non-charitable beneficiaries. It was established in 1943 and funded by a residuary bequest under the Will of Libbie Shearn Moody. Moody National Bank is the Trustee of the Libbie Shearn Moody Trust and, as such, has voting power with respect to the shares of our Common Stock owned by the trust. Robert L. Moody, Sr. is the remaining life income beneficiary of the Libbie Shearn Moody Trust. Robert L. Moody, Sr. has advised management that he has assigned all of his life income interest in such trust to National Western Life Insurance Company, a Colorado insurance company controlled by him. Management has also been advised that the Libbie Shearn Moody Trust will terminate following the death of Robert L. Moody, Sr., and that upon such termination approximately 79% of our Common Stock held in the trust is to be distributed to The Moody Foundation, and the remaining portion is to be distributed to Moody Memorial First United Methodist Church in Galveston, Texas.
- (3) The beneficial ownership shown includes the shares of our Common Stock owned by the Libbie Shearn Moody Trust. Management has been advised that, in addition to acting as Trustee of and voting the Common Stock owned by the Libbie Shearn Moody Trust, the Moody National Bank Trust Division also acts as (i) trustee for and votes the 1,155,000 shares of our Common Stock owned by the W. L. Moody, Jr. Trust for Grandchildren (Trust 19) (see Security Ownership of Directors and Executive Officers for additional information regarding Trust 19); (ii) agent for and votes 896,678 shares of our Common Stock held pursuant to an Agency and Investment Services Agreement for the benefit of The Moody Endowment, a non-profit corporation; and (iii) trustee or agent for and votes the 223,783 shares of our Common Stock owned by other trust, agency and custodian accounts. Accordingly, the Moody National Bank Trust Division, as trustee, agent or custodian, votes an aggregate of 12,225,046 shares, which constitutes 45.45% of our outstanding shares.

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Management has been advised that Moody Bank Holding Company, Inc. (MBHC), which is wholly-owned by Moody Bancshares, Inc. (Bancshares), owns approximately 97.8% of the common stock of Moody National Bank. Management has further been advised that the Three R Trusts, trusts created by Robert L. Moody, Sr. for the benefit of his children (two of whom, Russell S. Moody and Frances A. Moody-Dahlberg, are among our directors, and one of whom, Robert L. Moody, Jr., is an advisory director), own 100% of Bancshares Class B Stock (which elects a majority of Bancshares directors) and 51.3% of Bancshares Class A Stock. Accordingly, the Three R Trusts, through ownership of Bancshares, control Moody National Bank. The Trustee of the Three R Trusts is Irwin M. Herz, Jr., one of our advisory directors, and a partner in Greer, Herz & Adams, L.L.P., One Moody Plaza, 18th Floor, Galveston, Texas, General Counsel to us and counsel to Moody National Bank, Bancshares and MBHC. Robert L. Moody, Sr. is Chairman of the Board, Chief Executive Officer and a director of Moody National Bank, Bancshares and MBHC.

The beneficial ownership information shown for the Moody National Bank Trust Division is based on information contained in an amended Schedule 13G filed jointly on February 11, 2015 by the Moody National Bank Trust Division, Bancshares, MBHC, Three R Trusts, and Irwin M. Herz, Jr. (the Amended 13G). According to the Amended 13G, as of December 31, 2014, the Moody National Bank Trust Division, Bancshares and MBHC have shared voting power with respect to 12,225,046 shares of our Common Stock and shared investment power with respect to 118,709 shares of our Common Stock; the Three R Trusts and Irwin M. Herz, Jr. have shared voting power with respect to 12,234,596 shares of our Common Stock and shared investment power with respect to 128,259 shares of our Common Stock; and Irwin M. Herz, Jr. has sole voting power with respect to 18,042 shares of our Common Stock and sole investment power with respect to 14,042 shares of our Common Stock. According to the Amended 13G, Bancshares, MBHC, Three R Trusts and Irwin M. Herz, Jr. disclaim beneficial ownership with respect to the shares of our Common Stock beneficially owned by the Moody National Bank Trust Division. In addition, Irwin M. Herz, Jr. disclaims beneficial ownership with respect to the 9,550 shares of our Common Stock beneficially owned by the Three R Trusts. The principal address of Bancshares and MBHC is 2302 Postoffice, Galveston, Texas 77550. The principal address of the Three R Trusts is 2302 Postoffice, Suite 702, Galveston, Texas 77550, and the principal address of Irwin M. Herz, Jr. is One Moody Plaza, 18th Floor, Galveston, Texas 77550.

- (4) The beneficial ownership information shown for Donald Smith & Co., Inc., an investment advisor, is based on information contained in a Schedule 13G filed jointly on February 3, 2015 by Donald Smith & Co., Inc. and Donald Smith Long/Short Equities Fund, L.P., which states that each such entity has sole investment power with respect to 1,514,570 shares of our Common Stock as of December 31, 2014. Further, according to such Schedule 13G and as of such date, Donald Smith & Co., Inc. has sole voting power with respect to 874,086 shares of our Common Stock, and Donald Smith Long/Short Equities Fund, L.P. has sole voting power with respect to 5,762 shares of our Common Stock.

SECURITY OWNERSHIP OF DIRECTORS AND EXECUTIVE OFFICERS

The information contained in the following table is given with respect to the ownership of our Common Stock as of the close of business on March 2, 2015 by each of our director nominees, each of the executive officers named in the Summary Compensation Table, and for our directors and executive officers as a group:

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership ⁽¹⁾	Percent of Class
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William C. Ansell	78,375	Indirect ⁽²⁾	*
Arthur O. Dummer	6,107	Direct ⁽³⁾	*
	1,351	Indirect ⁽⁴⁾	*
Frances A. Moody-Dahlberg ⁽⁵⁾	7,187	Direct ⁽⁶⁾	*
	6,131,123	Indirect ⁽⁷⁾	22.79%
Robert L. Moody, Sr. ⁽⁵⁾⁽⁸⁾	519,833	Direct ⁽⁹⁾	1.93%
	557,025	Indirect ⁽¹⁰⁾⁽¹¹⁾	2.07%
	6,131,123	Indirect ⁽⁷⁾	22.79%
Russell S. Moody ⁽⁵⁾	8,562	Direct ⁽⁶⁾	*
James P. Payne			
E. J. Pederson	6	Direct	*
James E. Pozzi	14,457	Direct ⁽¹²⁾	*
James D. Yarbrough	10,250	Direct ⁽⁶⁾	*
David A. Behrens	1,792	Direct	*
John J. Dunn, Jr.	3,615	Direct	*
Gregory V. Ostergren	4,639	Direct	*
	500	Indirect ⁽²⁾	*
All Directors ⁽¹³⁾ and Executive Officers as a Group	661,565	Direct	2.46%
	6,781,821	Indirect	25.21%
	7,443,386		27.67%

* Less than 1%.

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- (1) All of the named beneficial owners have sole voting power and sole investment power as to all the shares shown to be directly beneficially owned by them, with the exception of shares that may be owned jointly with their spouses.
- (2) Shares owned by spouse.
- (3) Includes 2,667 shares of our Restricted Stock.
- (4) Shares owned by a family trust.
- (5) Robert L. Moody, Sr. is the remaining life income beneficiary of Trust 19. Directors Frances A. Moody-Dahlberg and Russell S. Moody, and advisory director Robert L. Moody, Jr., as children of Robert L. Moody, Sr., have a contingent residuary interest in his beneficial interest in Trust 19. The numbers in the tables above and immediately below do not include shares held in Trust 19. (See Footnote 3 under Security Ownership of Certain Beneficial Owners above for additional information about Trust 19).
- (6) Includes 4,000 shares of our Restricted Stock.
- (7) These shares are owned by The Moody Foundation, of which Frances A. Moody-Dahlberg and Robert L. Moody, Sr. are Trustees. (See Security Ownership of Certain Beneficial Owners above).
- (8) The numbers in the table above do not include shares held in the Libbie Shearn Moody Trust. See Footnote 2 under Security Ownership of Certain Beneficial Owners above for additional information about such trust.
- (9) Includes 100,000 shares of our Restricted Stock.
- (10) Robert L. Moody, Sr. is the sole owner of the 1% general partner in the M-N Family Limited Partnership (the M-N Partnership), which owns 507,025 shares of our Common Stock. As such, Robert L. Moody, Sr. has the indirect power to manage the assets of the M-N Partnership, including voting its shares of our Common Stock.
- (11) Robert L. Moody, Sr. is a 1% general partner in the RLMFLP Limited Partnership (the RLMFLP Partnership), which owns 50,000 shares of our Common Stock. As the sole general partner of the RLMFLP Partnership, Robert L. Moody, Sr. has the power to manage the assets of the RLMFLP Partnership, including voting its shares of our Common Stock.
- (12) Includes 10,000 shares of our Restricted Stock.
- (13) Includes our Advisory Directors, whose security ownership is described in the next section below.

SECURITY OWNERSHIP OF ADVISORY DIRECTORS

The information contained in the following table is given with respect to the ownership of our Common Stock as of the close of business on March 2, 2015 by each of our advisory directors.

Name of Beneficial Owner	Amount and Nature of Percent of Beneficial Ownership ⁽¹⁾ Class		
Shelby M. Elliott	7,113	Direct ⁽²⁾	*
G. Richard Ferdinandtsen	33,164	Direct	*
Irwin M. Herz, Jr. ⁽³⁾	17,738	Direct ⁽⁴⁾	*
R. Eugene Lucas	9,447	Indirect ⁽⁴⁾⁽⁵⁾	*
E. Douglas McLeod	16,750	Direct ⁽⁴⁾	*
Robert L. Moody, Jr.	2,833	Direct ⁽⁶⁾	*
	4,000	Indirect ⁽⁷⁾	*

* Less than 1%.

(1)

All of the named beneficial owners have sole voting power and sole investment power as to all the shares shown to be directly beneficially owned by them, with the exception of shares that may be owned jointly with their spouses.

- (2) Includes 2,667 shares of our Restricted Stock.
- (3) According to the Amended 13G, Mr. Herz may have beneficial ownership of the shares of our Common Stock beneficially owned by the Moody National Bank Trust Division and the Three R Trusts; however, Mr. Herz disclaims beneficial ownership of such shares. Accordingly, such shares are not included in this table. (See Footnote 3 under Security Ownership of Certain Beneficial Owners above for information regarding the Amended 13G).
- (4) Includes 4,000 shares of our Restricted Stock.
- (5) Shares owned by family trust.
- (6) Includes 1,333 shares of our Restricted Stock.
- (7) Shares owned by Moody Insurance Group, Inc., which includes 2,000 shares of our Restricted Stock.

Unless otherwise noted, the information shown in the previous three tables was obtained from ownership disclosures furnished to us by each of the persons or entities listed or from other communications with such persons or entities.

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PROPOSAL 1.

ELECTION OF DIRECTORS

Nine (9) directors of the Company are to be elected at the Annual Meeting to serve until our Annual Meeting of Stockholders to be held in April 2016. All nominees now serve as directors of the Company and have consented to be nominated as directors and to be named in this proxy statement. Accordingly, it is not contemplated that any nominee named herein will be unwilling or unable to serve as a director. However, if either of such events should occur, the enclosed proxy permits the persons named in the proxy to vote the shares represented by the proxy in favor of such person or persons as our Board of Directors may nominate upon the recommendation of the Nominating Committee.

William C. Ansell and James P. Payne are being nominated for election by our stockholders for the first time. Mr. Ansell and Mr. Payne were each appointed as directors by our Board at its regular meeting on February 26, 2015 to fill vacancies that existed as a result of the July 14, 2014 passing of William L. Moody, IV and the February 26, 2015 resignation as a director of Dr. Shelby M. Elliott.

The Board has determined that William C. Ansell, Arthur O. Dummer, James P. Payne, E. J. Pederson and James D. Yarbrough are independent as defined in the NASDAQ listing standards.

Board Recommendation: The Board of Directors recommends a vote FOR each of the director nominees named under this Proposal 1.

INFORMATION CONCERNING NOMINEES FOR DIRECTORS

The following information is given with respect to the nominees for election at the Annual Meeting:

William C. Ansell, CPA (age 57) has been a member of our Board since February 2015. Principal Occupation: Vice President and Shareholder of DRDA, PLLC (accounting firm), Galveston, Texas since 2001. Member of DRDA Wealth Management, LLC (wealth management and accounting services) since 2012; Treasurer of Ducks Unlimited de Mexico (non-profit conservation organization) since 2012; Past Director of Moody National Bank.

Mr. Ansell is a certified public accountant and brings to our Board his thirty-four years of experience in auditing, tax, and business and personal consulting. Mr. Ansell also holds Series 7 (general securities representative) and Series 66 (securities agent and investment adviser representative) licenses and a Texas general lines insurance agent's license, which further enhance the experience and expertise he brings to our Board.

Arthur O. Dummer (age 81) was first elected to our Board in 2004. Principal Occupation: President, The Donner Company (privately owned actuarial consulting company), Salt Lake City, Utah since 1985. Director of American Underwriters Insurance Company (privately owned insurance company); Past Chairman of the Board of Directors of the National Organization of Life and Health Guaranty Associations, Herndon, Virginia; Past Director of American Community Mutual Insurance Company, Livonia, Michigan (mutual insurance company); Casualty Underwriters Insurance Company, Salt Lake City, Utah; Beneficial Life Insurance Company, Salt Lake City, Utah; Aurora National Life Assurance Company, Los Angeles, California; Continental Western Life Insurance Company, Des Moines, Iowa; Utah Home Fire Insurance Company, Salt Lake City, Utah; and PHA Life Insurance Company, Portland, Oregon (all privately owned insurance companies); Past Director of National Western Life Insurance Company, Austin, Texas (a publicly traded life insurance company controlled by Robert L. Moody, Sr.).

Mr. Dummer is a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries. He has fifty-five years of experience in the insurance industry, including service as the former Chief Examiner and Actuary of the Utah Insurance Department. His extensive background in the insurance industry and his knowledge of actuarial and accounting issues are valuable to our Board's discussion and analysis of these issues.

Frances A. Moody-Dahlberg (age 45) was first elected to our Board in 1987. Principal Occupation: Executive Director of The Moody Foundation (charitable and educational foundation) since 1998, and a Trustee of The Moody Foundation since 2004; Director of National Western Life Insurance Company, Austin, Texas since 1990; Director of The Moody Endowment and Transitional Learning Center at Galveston (charitable organizations) since July 2009; Director of Gal-Tex Hotel Corporation (hotel management corporation) from March 2000 to December 2003.

Ms. Moody-Dahlberg has over twenty-seven years of experience as a member of our Board. Her service as Executive Director of The Moody Foundation, one of the largest charitable foundations in the State of Texas, provides her with valuable insight regarding the concerns of our significant non-profit stockholders.

Robert L. Moody, Sr. (age 79) was first elected to our Board in 1960. Principal Occupation: Chief Executive Officer since July 1991 and Chairman of the Board since 1982; Chairman of the Board, Chief Executive Officer and Director of Moody National Bank; Chairman of the Board, Chief Executive Officer and Director of National Western Life Insurance Company, Austin, Texas; Trustee of The Moody Foundation (charitable and educational foundation).

Mr. Moody has a lifetime of experience in the financial services industry, serving as a director or executive officer of a variety of insurance and banking interests. He has served on our Board for over fifty years and has served as our Chairman for over thirty years. His wealth of experience as our Chairman and Chief Executive Officer provides our Board with an insightful, long-term perspective of our Company's challenges, opportunities and operations.

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Russell S. Moody (age 53) was first elected to our Board in 1986. Principal Occupation: Investments, League City, Texas, since 2003. Director of National Western Life Insurance Company, Austin, Texas since 1988; Director of The Moody Endowment and Transitional Learning Center at Galveston (charitable organizations) since July 2009; Director of Gal-Tex Hotel Corporation (hotel management company) from March 2000 to December 2003.

Mr. Moody has served as a member of our Board for nearly twenty-nine years. Along with his sister, Frances A. Moody-Dahlberg, Mr. Moody helps to represent the concerns of our significant non-profit stockholders. Mr. Moody serves as a director of The Moody Endowment, a charitable organization that owns nearly 900,000 shares of our Common Stock.

James P. Payne (age 70) has been a member of our Board since February 2015. Principal Occupation: Retired Senior Vice President - Secretary, National Western Life Insurance Company, Austin, Texas, and officer and director of various of its subsidiary companies, 1998 to February 2015.

Mr. Payne has over forty years of experience in the insurance industry, primarily as chief legal officer for various insurance companies. His extensive industry knowledge, government relations background, and significant experience with board and committee processes and deliberations are an asset to our Board.

E. J. Jere Pederson (age 67) was first elected to our Board in 2014. Principal Occupation: Managing Director of CitareTx Management, LLC (manager of medical device venture development and investment company) since 2007; Special Assistant to the Chief Executive Officer, Texas A&M Health Science Center from October 2013 to June 2014; Interim President, Texas A&M Health Science Center and Interim Vice Chancellor for Health Affairs, Texas A&M University System from October 2012 to October 2013; independent management consultant from September 2006 to October 2012; Executive Vice President and Chief Operating Officer of the University of Texas Medical Branch, Galveston, Texas, from 1986 to 2005; Director since 1992 and member of the Audit Committee and the Compensation and Stock Option Committee of National Western Life Insurance Company, Austin, Texas; Director of The Sealy & Smith Foundation, Galveston, Texas (charitable organization) since December 2010.

Mr. Pederson brings to our Board the benefit of his financial and administrative expertise gained through more than thirty years of experience in health care and university administration.

James E. Pozzi (age 64) was first elected to our Board in 2012. Principal Occupation: President and Chief Operating Officer since May 2012; Senior Executive Vice President, Chief Administrative Officer from 2008 to May 2012; Senior Executive Vice President, Corporate Planning, Systems and Life Administration from 2004 to 2008; Executive Vice President, Corporate Planning & Development from 1996 to 2004; also a director and/or officer of various Company subsidiaries.

Mr. Pozzi has been an officer of the Company for thirty-nine years. His past service as our Chief Administrative Officer and his current service as President and Chief Operating Officer have provided him with intimate knowledge of our operations.

James D. Yarbrough (age 59) was first elected to our Board in 2001. Principal Occupation: Mayor of the City of Galveston, Texas since May 2014; Owner and Consultant, James D. Yarbrough & Co., from October 2011 to May 2014, and October 1989 through December 1994 (privately owned contract management and financial consulting firm); Chairman of Galveston Industrial Development Corporation since May 2014 (municipal government body with responsibility for allocation of certain sales tax revenues); Member of Board of Trustees of the Port of Galveston since May 2014; Director of Economic Development, City of Galveston, Texas, February 2011 through September 2011; County Judge, County of Galveston, Texas, 1995 through 2010; Director and Member of the Governance and

Executive Committees of American National Life Insurance Company of New York (subsidiary life insurance company).

Mayor Yarbrough has management experience in both the private and public sectors, including his current service as the Mayor of the City of Galveston and sixteen years as the chief executive of the County of Galveston. In the private sector, he has served as a bank president, owner of a business consulting firm, and director of numerous interests. This varied experience makes him a valuable contributor to the Board's deliberations.

INFORMATION CONCERNING ADVISORY DIRECTORS

The Board of Directors has appointed the following advisory directors, who serve at the pleasure of the Board. Although advisory directors do not vote on matters considered by the Board, we benefit from their experience and advice. Advisory directors receive the same compensation and benefits as our directors who are not also our officers.

Dr. Shelby M. Elliott (age 88) was first elected to our Board in 2004 and resigned as a director in February 2015. Principal Occupation: President-Emeritus of Texas Chiropractic College since 2004; President of Texas Chiropractic College from 1990 through 2003; Director of Moody National Bank from March 2000 to March 2004; Past Director of First Texas Bank, Vidor, Texas (privately owned bank); Past Director of Yettie Kersting Memorial Hospital, Liberty, Texas; and Past Chairman of the American Chiropractic Association.

Dr. Elliott brings solid administrative and executive skills from his service as President of Texas Chiropractic College. His experience in the health care field, both as a practitioner and an educator, enables him to provide a unique perspective to our Board. Dr. Elliott is a member of the American Chiropractic Association, the Texas Chiropractic Association and the Florida Chiropractic Association.

G. Richard Ferdinandsen (age 78) was first appointed as an advisory director in 2012, having previously served as a director from 1997 to 2012. Principal Occupation: Retired Company executive. Previously Vice Chairman of the Board, May 2012 to May 2014; and President of the Company from April 2000 to May 2012.

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Mr. Ferdinandtsen has over fifty years of experience in the insurance industry, including over thirty years as an executive officer. Mr. Ferdinandtsen's experience in day-to-day leadership as our former President and Chief Operating Officer provides him with valuable insight into our operations.

Irwin M. Herz, Jr. (age 74) was first appointed as an advisory director in 2004, having previously served as a director from 1981 to 1983 and from 1984 to 2004. Principal Occupation: Since 1980, Partner of Greer, Herz & Adams, L.L.P., General Counsel to the Company; Trustee of the Three R Trusts (trusts for the benefit of the children of Robert L. Moody, Sr.).

Mr. Herz's service as a director of numerous insurance companies, including over thirty years on our Board, has provided him with extensive knowledge of the insurance industry. In addition, his background as a corporate and commercial lawyer provides an invaluable source of knowledge and problem-solving skills to the Board.

R. Eugene Lucas (age 89) was first appointed as an advisory director in 2004, having previously served as a director from 1981 to 2004. Principal Occupation: Since 1971, President and Director of Gal-Tex Hotel Corporation (hospitality and hotel management company); President of Gal-Tenn Hotel Corporation, LHH Hospitality, LLC, Colorado Landmark Hotels, LLC, Kentucky Landmark Hotels, LLC, and Virginia Landmark Hotels, LLC (hospitality and hotel management companies); Director of Colonel Museum, Inc. (charitable corporation); President and Director of 1859-Beverage Company (hospitality company).

Mr. Lucas has served on our Board for over thirty years, including twenty-three years as a member of our Audit Committee. In addition, Mr. Lucas provides our Board with the perspective of an experienced and knowledgeable executive officer outside of the insurance industry. He has been associated with Gal-Tex Hotel Corporation since 1941, including over forty years as its President.

E. Douglas McLeod (age 73) was first appointed as an advisory director in 2004, having previously served as a director from 1984 to 2004. Principal Occupation: Chairman and Director of Moody Gardens, Inc. (charitable corporation); Attorney; Past Director of Development of The Moody Foundation (charitable and educational foundation) from 1982 to 2013 (retired); Director of National Western Life Insurance Company, Austin, Texas since 1979; Director of ANREM Corporation (subsidiary real estate management corporation); Vice President and Director of Colonel Museum, Inc. (charitable organization); Vice Chairman of Lone Star Coastal National Recreation Area (Congressional-designated area with outdoor recreation potential of national significance); Past Director and past Chairman of Center for Transportation and Commerce (charitable organization); Past Director and Executive Board Member, South Texas College of Law (law school); Past Member of State House of Representatives of the State of Texas (terms ended January 1983).

Mr. McLeod has experience as a lawyer and public servant, including as a state legislator, as well as experience in real estate development and non-profit administration. He brings a varied set of problem-solving skills and valuable insight to the Board.

Robert L. Moody, Jr. (age 55) was first appointed as an advisory director in 2009, having previously served as a director from 1982 to 1987. Principal Occupation: Since 1986, President and Director of Moody Insurance Group, Inc. (privately owned insurance agency); Director of Moody National Bank; Director of ANREM Corporation (subsidiary real estate management corporation); Director of HomeTown Bank, National Association (national bank); Director of The Moody Endowment (charitable organization).

Mr. Moody is the owner of Moody Insurance Group, Inc., a marketing consultant to the Company and one of the many significant producers marketing our products. Through this insurance agency experience, Mr. Moody brings the

valuable perspective of an agent to our Board's deliberations. In addition, Mr. Moody's experience as an entrepreneur provides him with a broad perspective of business operations.

RELATIONSHIPS AMONG DIRECTORS, ADVISORY DIRECTORS AND CERTAIN ENTITIES

Robert L. Moody, Sr. is the father of Frances A. Moody-Dahlberg, Russell S. Moody and Robert L. Moody, Jr. and the brother-in-law of E. Douglas McLeod. William C. Ansell is the step son-in-law of E. Douglas McLeod. The Moody Foundation owns 34.0% and the Libbie Shearn Moody Trust owns 50.2% of Gal-Tex Hotel Corporation. Robert L. Moody, Sr. is Chairman of the Board, Chief Executive Officer and controlling stockholder of National Western Life Insurance Company, a publicly traded life insurance company.

DIRECTOR ATTENDANCE AT MEETINGS

During the year ended December 31, 2014, the Board of Directors of the Company held a total of five (5) meetings. All of the nominees for director who served as directors during the past year and all of the advisory directors attended at least 75% of the aggregate of (1) the total number of such meetings and (2) the total number of meetings held by all committees of the Board on which such nominees served during such year. It is the Company's policy that all directors should make an effort to attend the Company's annual meeting of stockholders. All directors attended the 2014 Annual Meeting.

BOARD OF DIRECTORS AND COMMITTEES

Board Leadership Structure

Our Chief Executive Officer serves as our Chairman of the Board; however, the Board does not have a requirement that the roles of Chief Executive Officer and Chairman of the Board be either combined or separated. The Board has found that its current leadership structure promotes strategy development and execution and facilitates information flow between management and the Board, which are essential to effective governance. The Board retains the authority to change its leadership structure if it determines that its responsibilities can be better fulfilled with a different approach.

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The Board's Role in Risk Oversight

The Company is exposed to a number of risks and undertakes enterprise risk management reviews to identify and evaluate these risks and to develop plans to manage them effectively. Two committees lend support to the Board in reviewing the Company's consideration of material risks and overseeing the Company's management of material risks. First, the Management Risk Committee coordinates the risk management efforts that occur within our business segments to (i) ensure alignment between our risk-taking activities and strategic objectives and (ii) ensure consistent application of enterprise risk management processes across all business units. The Management Risk Committee provides periodic reports to the Board of Directors concerning the Company's risk management, which may cover risk identification, risk limits and related significant breaches, returns on risk-adjusted capital, and information related to the development of the Company's enterprise risk management program. The Management Risk Committee is comprised of several members of our senior management team and is chaired by the Executive Vice President, Director of Multiple Line and Chief Corporate Risk Officer. Second, the Audit Committee of the Board of Directors makes inquiries to senior management about the Company's risk assessment and risk management policies, including risks related to our financial position and internal controls. These policies address our major financial risk exposures and the steps management has taken to monitor and mitigate these risks.

Additionally, our Board Compensation Committee considers risks that may result from our compensation policies, including working directly with senior management to determine whether such programs improperly encourage management to take risks relating to our business and whether risks arising from our compensation programs are likely to have a material adverse effect on the Company.

Independent Directors and Executive Sessions

The Board has determined, after considering all of the relevant facts and circumstances, that William C. Ansell, Arthur O. Dummer, James P. Payne, E. J. Pederson and James D. Yarbrough are independent from management in accordance with the NASDAQ listing standards. To be considered independent, the Board must determine that a director nominee does not have any direct or indirect material relationships with our Company. In making this determination, the Board considered that E. J. Pederson serves as an independent director of National Western Life Insurance Company, a company controlled by Robert L. Moody, Sr., that James P. Payne is a retired employee of National Western Life Insurance Company, and that William C. Ansell served as a director of Moody National Bank from April 2013 through 2014. The Board determined that such relationships do not impair the independence of these director nominees.

Our independent directors meet in executive session at least twice per year. We do not have a lead independent director.

Board Committees

The Company's Board has an Audit Committee, a Compensation Committee, a Nominating Committee and an Executive Committee. The Compensation Committee of the Board of Directors is referred to herein as the Board Compensation Committee to distinguish it from the Management Compensation Committee. The Board has determined that all of the members of the Audit Committee, the Board Compensation Committee and the Nominating Committee are independent in accordance with the NASDAQ listing standards and applicable independence requirements under the Securities Exchange Act of 1934.

The Board of Directors has adopted written charters for the Audit Committee, the Board Compensation Committee and the Nominating Committee. Each of these committees reviews the adequacy of its charter annually. These

charters are posted on the Company's website and can be viewed by going to www.anico.com/InvestorRelations/CorporateGovernance/index.htm. Stockholders may also obtain a printed copy of the committee charters at no charge by writing to the office of the Secretary at One Moody Plaza, Galveston, Texas 77550.

Audit Committee

Arthur O. Dummer, Chairman, E. J. Pederson and James D. Yarbrough are the current members of the Audit Committee. The Board has determined that Mr. Dummer is the financial expert on the Audit Committee, as defined by NASDAQ listing standards and by the Securities Exchange Act of 1934. The Audit Committee held fifteen meetings during 2014. The Audit Committee is responsible for, among other matters, recommending the appointment of independent auditors for the Company, reviewing the activities and independence of such independent auditors, including the plan and scope of the audit and audit fees, monitoring the adequacy of the Company's reporting and internal controls, reviewing related party transactions, recommending the inclusion of the Company's audited financial statements in the Company's Annual Report, and meeting periodically with management and the Company's independent auditors.

Board Compensation Committee

James D. Yarbrough, Chairman, and E. J. Pederson are the current members of the Board Compensation Committee. The Board Compensation Committee makes recommendations as to the compensation of the Company's executive officers. The committee conducts regular executive sessions with its independent consultant without management present. A description of the Company's process and procedures for the consideration and determination of executive compensation is provided below in the Compensation Discussion and Analysis. The Board Compensation Committee held five meetings during 2014.

Nominating Committee

E. J. Pederson and James D. Yarbrough are the current members of the Nominating Committee. The Nominating Committee recommends to the Board director nominees to be submitted for election at each Annual Meeting of Stockholders. The Nominating Committee held one meeting during 2014. After receiving the Nominating Committee's recommendations, the full Board nominates the slate of directors to be presented to the Company's stockholders at the Annual Meeting.

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While there are no specific minimum qualifications that a potential nominee must possess, director nominees are evaluated based upon, among other things, their integrity, diversity of experience, business or other relevant experience, leadership, the ability to exercise sound judgment, satisfaction of applicable independence standards, civility, and ability to devote sufficient time to Board matters. The Board of Directors and the Nominating Committee believe that, based on their knowledge of the needs and qualifications of the Board at any given time, the Board, with the help of the Nominating Committee, is best equipped to select nominees that will result in a well-qualified and well-rounded Board of Directors. The Nominating Committee may (but is not required to) consider candidates suggested by management or other members of the Board. In addition, the Nominating Committee may (but is not required to) consider stockholder recommendations for candidates to the Board. In order to recommend a candidate to the Board, stockholders should submit the recommendation to the Chairperson of the Nominating Committee in the manner described in the section of this proxy statement titled Communications with the Board of Directors.

In making its nominations, the Board and the Nominating Committee identify nominees by first evaluating the current members of the Board willing to continue their service. Current members with qualifications and skills that are consistent with the criteria for Board service are re-nominated. The Nominating Committee did not receive any stockholder recommendations for Board nominees to be considered at the Annual Meeting. As to potential new candidates, it is expected that the Board and the Nominating Committee would discuss among themselves and members of management their respective recommendations and any recommendations submitted by stockholders and evaluate the qualifications, experience and background of the potential candidates. The Nominating Committee does not have a formal policy with respect to diversity; however, the Board and the Nominating Committee believe that it is valuable that Board members represent diverse experience and viewpoints.

Executive Committee

Robert L. Moody, Sr., Chairman, and James E. Pozzi are the present members of the Executive Committee. The Executive Committee may act on behalf of the full Board of Directors, withi