

GENERAL AMERICAN INVESTORS COMPANY, INC.

100 PARK AVENUE · NEW YORK · N.Y. 10017 · (212)916-8400

January 21, 2011

**FEDERAL INCOME TAX INFORMATION
Regarding Dividends and Distributions Paid in 2010***To the Common and Preferred Stockholders:*

Dividends and distributions paid during 2010 by General American Investors Company, Inc. on shares of its Common and Preferred Stock should be reported for Federal income tax purposes as follows:

| <u>Record Date</u> | <u>Payment Date</u> | <u>Total</u> | <u>Amount Per Share</u> | | |
|-------------------------|---------------------|--------------|-------------------------------|--------------------------------|---------------------------------------|
| | | | <u>Ordinary Dividends (a)</u> | <u>Qualified Dividends (b)</u> | <u>Capital Gain Distributions (c)</u> |
| <u>Taxable as:</u> | | | | | |
| <i>Common Stock:</i> | | | | | |
| November 12, 2010 | December 23, 2010 | \$0.430000 | \$0.113718 | \$0.113718 | \$0.316282 |
| <i>Preferred Stock:</i> | | | | | |
| March 8, 2010 | March 24, 2010 | \$0.371875 | \$0.098348 | \$0.098348 | \$0.273527 |
| June 7, 2010 | June 24, 2010 | \$0.371875 | \$0.098348 | \$0.098348 | \$0.273527 |
| September 7, 2010 | September 24, 2010 | \$0.371875 | \$0.098348 | \$0.098348 | \$0.273527 |
| December 7, 2010 | December 27, 2010 | \$0.371875 | \$0.098348 | \$0.098348 | \$0.273527 |

- (a) The total of Ordinary Dividends, including Qualified Dividends, are included in Box 1a of Form 1099-DIV.
 (b) A subset of Ordinary Dividends included in Box 1b of form 1099-DIV.
 (c) Designated as a "Capital Gain Dividend" and included in Box 2a of Form 1099-DIV.

The Ordinary Dividends paid to Preferred Stockholders during 2010 and to Common Stockholders on December 23, 2010 qualify to the extent of 60.9% for the dividends received deduction allowed corporations.

Dividends and distributions paid on shares of Common Stock are taxable as indicated above whether the stockholder chose to receive them in additional shares of stock or in cash. For stockholders who received additional shares in payment of the December distribution, the cost basis is \$26.01 per share and the holding period for such stock began on December 23, 2010.

We are not permitted to provide tax advice. For further assistance, we suggest that you contact your tax adviser.

During 2010, the Company made no investment in direct obligations of the U.S. Government.

WE SUGGEST THAT YOU KEEP THIS NOTICE AND THE ACCOMPANYING FORM 1099-DIV FOR USE IN PREPARING YOUR FEDERAL TAX RETURN FOR 2010.

DIANE G. RADOSTI
Treasurer