

March 2, 2009

AMERICAN INTERNATIONAL GROUP, INC. (AIG) RESTRUCTURES

This morning, AIG announced that it has reached an agreement with the Treasury Department and the Federal Reserve Board to restructure the federal government assistance to AIG in advance of AIG's reporting of a \$62 billion loss for the fourth quarter 2008.

This situation is truly unique, as there has never been an event like this in the insurance industry. We continue to analyze the ultimate effects of this restructuring. In the meantime, we want to share with you the most up-to-date information that we have on the situation. In addition, you may access a communication that AIG released today announcing the restructuring at:

<http://phx.corporate-ir.net/phoenix.zhtml?c=76115&p=irol-newsArticle&ID=1261313&highlight=>

The company's insurance operations are essentially being split into three parts: a new property/casualty holding company and two special purpose vehicles that will hold the assets of its two major life insurance subsidiaries. AIG will form a new unit, AIU Holdings, Inc., that will act as a General Insurance holding company and includes its Commercial Insurance Group, Foreign General Unit and other property/casualty operations. According to AIG's news release, this company will have a board of directors, management team and brand "distinct" from AIG. The unit is being formed in anticipation of the sale of a minority stake and possibly a public offering of shares, depending on market conditions.

At this time, there do not appear to be any additional effects on the property/casualty subsidiaries of AIG. A.M. Best has commented that all financial strength ratings and issuer credit ratings are unchanged for AIG and its subsidiaries. The rating outlooks remain negative. A.M. Best's decision to leave the ratings unchanged at this time "reflects the continued commitment of the U.S. Government to support AIG's financial position, demonstrated by the new and revised plans announced today." For additional information on the ratings actions taken by the individual ratings agencies, please see the following links:

[A.M. Best](#)
[Moody's](#)
[Standard & Poor's](#)
[Fitch Ratings](#)

We will continue to provide you with information and analysis on our website regarding this situation going forward.

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