

AIU Holdings

On April 21, 2009, significant steps were announced to accelerate separation of AIU Holdings from AIG, including that AIU Holdings will be transferred into a Special Purpose Vehicle (SPV) to help it prepare for the potential sale of a minority stake, and that AIG will purchase the interests of certain other AIG entities from AIU Holdings.

Key Developments

- AIU Holdings' core businesses include the Commercial Insurance Group, Foreign General Insurance and the Private Client Group.
- AIU Holdings will be placed into a Special Purpose Vehicle (SPV) as an independent, global property casualty and general insurance company. AIG will contribute the equity of AIU Holdings into an SPV in exchange for preferred and common interests in the SPV. This will facilitate separation from AIG and help prepare AIU Holdings for the potential sale of a minority stake in the business, which may include a public offering of shares.
- AIG intends to purchase AIU Holdings' interests in ILFC, Transatlantic and United Guaranty Corporation. These transactions and the pending sale of 21st Century will help prepare AIU Holdings' balance sheet for separation and improve its capital quality.
- AIU Holdings' investments in these entities will be replaced with cash and other high quality investments, resulting in more favorable capital treatment including for rating agency models; a significant benefit to AIU Holdings.

Quick facts about AIU Holdings:

- AIU Holdings' property casualty and general insurance units serve over 40 million individual and commercial customers.
- Its global network of underwriting, claims and service operations spans over 130 countries and jurisdictions.
- AIU Holdings is part of a rich history of underwriting profitability that dates back 90 years.
- AIU Holdings companies continue to hold "Excellent" financial strength ratings, which were affirmed by Moody's, Fitch, AM Best and Standard & Poor's in March 2009.
- 2008 net premiums written were approximately \$36 billion and 2008 U.S. GAAP shareholders equity was approximately \$38 billion.¹
- With over 500 products and services, AIU Holdings can provide solutions for almost any new and emerging risk challenges.
- AIU Holdings' worldwide claims offices are staffed by local independent professionals. In 2008, AIU Holdings paid over \$26 billion in claims.

What should you expect from AIU Holdings:

- AIU Holdings is a property casualty and general insurance operation with extensive, worldwide underwriting, claims and service capabilities.
- The organization will continue to offer stable, high-limit capacity.
- AIU Holdings' disciplined underwriting philosophy is broad and innovative, focusing on finding solutions to the risks customers face today and tomorrow.
- Service will be a priority, including excellent global claims management capabilities and resources.
- Entrepreneurship and innovation will continue to be ingrained in the culture of AIU Holdings.
- Financial strength and a conservative investment philosophy will be the highest priority for our businesses to maintain stability and peace of mind for policyholders.

AIU Holdings is a leading property casualty and general insurance organization serving more than 40 million businesses and individuals worldwide. With a 90-year history, more than 500 products and services, deep claims management expertise, and excellent financial strength ratings, AIU Holdings enables individual consumers, entrepreneurial businesses, and large multinationals alike to manage virtually any risk with confidence. Our insurance and risk management products and services are provided through insurance brokers, agents, and other distribution partners around the globe.

AIU Holdings is the marketing name for the worldwide property-casualty and general insurance operations of AIU Holdings, Inc. and AIU Holdings LLC. For additional information, please visit our website at www.aiuholdings.com. In the United States, all products are written by insurance company subsidiaries of AIU Holdings, Inc. Coverage may not be available in all jurisdictions and is subject to actual policy language. Certain coverage may be provided by a surplus lines insurer. Surplus lines insurers do not generally participate in state guaranty funds and insureds are therefore not protected by such funds. Non-insurance products and services may be provided by independent third parties.

For additional information about AIU Holdings please visit our website at: www.aiuholdings.com or email us at aiuholdings@aiuholdings.com

¹Information is provided solely for the purpose of evaluating the announced restructuring of AIU Holdings' worldwide property-casualty businesses and not for the purpose of advertising the financial condition of any particular insurer to prospective policyholders.

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