

NEWS

For Immediate Release

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AIG MOVING FORWARD WITH SEPARATION OF ALICO

ALICO PLACED IN SPECIAL PURPOSE VEHICLE

NEW YORK, December 1, 2009 – American International Group, Inc. (AIG) today announced that it has closed a transaction with the Federal Reserve Bank of New York (FRBNY) positioning American Life Insurance Company (ALICO), a leading international life insurance franchise, for an initial public offering or third party sale, depending on market conditions and subject to customary regulatory approvals.

In connection with the transaction, AIG has contributed the equity of ALICO to a special purpose vehicle (SPV) in exchange for interests in the SPV. The FRBNY has received preferred interests in the ALICO SPV while AIG holds all of the common interests in the ALICO SPV.

"This action underscores ALICO's move toward independence and complements the substantial progress we have achieved this year in repositioning ALICO and reinvigorating the brand in all markets," said Rodney O. Martin, Jr., ALICO Chairman and Chief Executive Officer. "Securing the value of this well-capitalized global insurer is in the best interests of policyholders, distribution partners, and the American taxpayer. We are very excited to begin this new chapter in the life of one of the world's leading international life insurance companies."

About American Life Insurance Company (ALICO)

American Life Insurance Company (ALICO) is a leading international life insurer with a unique heritage of serving customers across the globe for over 85 years. The company provides consumers and businesses with products and services for life insurance, accident and health insurance, retirement planning, and wealth management solutions. Through an extensive network of over 40,000 agents, brokers and financial institutions and 11,000 employees across 54 countries, ALICO services 19 million customers worldwide. ALICO has branch offices, subsidiaries and affiliates in emerging, developing and developed markets in Europe, Asia, the Middle East, Africa and Latin America. ALICO is domiciled in Wilmington, Delaware and has regional headquarters in Tokyo, London, Paris, Athens, Dubai, and Santiago, Chile.

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About American International Group, Inc.

American International Group, Inc. (AIG), a world leader in insurance and financial services, is the leading international insurance organization with operations in more than 130 countries and jurisdictions. AIG companies serve commercial, institutional and individual customers through the most extensive worldwide property-casualty and life insurance networks of any insurer. In addition, AIG companies are leading providers of retirement services, financial services and asset management around the world. AIG's common stock is listed on the New York Stock Exchange, as well as the stock exchanges in Ireland and Tokyo.

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