

Contacts: Christina Pretto (AIG Media Relations)
212-770-7083
Teri Watson (AIG Investment Community)
212-770-7074
John Jones (AIU Holdings)
212-458-5807

AIG TO ACCELERATE SEPARATION OF AIU HOLDINGS, INC.

AIU HOLDINGS TO BE PLACED IN SPECIAL PURPOSE VEHICLE AND POSITIONED AS INDEPENDENT, GLOBAL PROPERTY CASUALTY HOLDING COMPANY

AIG INTENDS TO PURCHASE AIU HOLDINGS' INTERESTS IN ILFC, UNITED GUARANTY, AND TRANSATLANTIC

MOVES ADVANCE AIG RESTRUCTURING PLAN

NEW YORK, April 21, 2009 – American International Group, Inc. (AIG) today announced it will accelerate steps to position AIU Holdings (AIU Holdings, Inc. and AIU Holdings LLC, collectively “AIU Holdings”) as an independent entity by transferring the company to a special purpose vehicle (SPV) in preparation for the potential sale of a minority stake in the business, which ultimately may include a public offering of shares, depending on market conditions. This is the first step in the process that was announced on March 2 that will result in AIU Holdings’ having a board of directors, management team, and brand distinct from AIG.

Under the plan announced on March 2, AIU Holdings will serve as the holding company for AIG’s Commercial Insurance, Foreign General Insurance, and Private Client Group units.

“Placing AIU Holdings into an SPV marks the latest significant step to position our strong insurance companies as independent businesses, which will benefit all stakeholders, including policyholders, employees, and distribution partners,” said Edward Liddy, chairman and chief executive officer, AIG.

Under the SPV arrangement, AIG intends to contribute the equity of AIU Holdings into an SPV in exchange for preferred and common interests in the SPV. AIG also intends to purchase from AIU Holdings its equity interests in International Lease Finance Corporation, United Guaranty Corporation, and Transatlantic Holdings, Inc. The sale of these interests to AIG further separates the property casualty operations from AIG and its other affiliates. Moreover, the sales clarify the businesses of AIU Holdings, improve the quality of its capital, and help position the company for continued success in the future.

“Taken together, these actions accelerate the move of AIU Holdings toward greater independence,” said Kristian P. Moor, president, AIU Holdings, Inc. “Securing the value of these well capitalized insurance companies, which had net written premiums of about \$36 billion in 2008 serving millions of clients around the world, is in the best interests of policyholders and the American taxpayer. We are very excited to begin this new chapter in the life of one of the world’s pre-eminent global insurance organizations.”

-more-

AIG to Accelerate Separation of AIU Holdings, Inc.

April 21, 2009

Page two

“AIU Holdings is a unique global franchise, and today’s actions signal that the franchise will remain a leader in the general insurance industry for years to come,” said Nicholas C. Walsh, vice chairman, AIU Holdings, Inc.

According to the Federal Reserve Bank of New York: “This action is an important next step in the company’s efforts to place key business units in the best position to optimize their operations and maximize their value. It is in the best interests of the American taxpayers, the company and its customers and employees that these efforts succeed.”

AIU Holdings has initiated a review of its holding company and subsidiary brands aimed at distinguishing these well-capitalized businesses from AIG.

#

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.

#