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LEXINGTON INSURANCE COMPANY INCREASES TERRORISM CAPACITY TO \$250 MILLION

NEW YORK, Feb. 6, 2007 – Lexington Insurance Company, a member company of American International Group, Inc. (AIG), today announced the company has increased its capacity of commercial domestic property terrorism insurance to \$250 million from \$100 million.

“Lexington is committed to providing a meaningful facility for terrorism risks. This announcement represents a substantial commitment of capacity to our client base, many of whom maintain significant terrorism coverage,” said Kevin Kelley, Chairman and Chief Executive Officer of Lexington Insurance Company.

Lexington’s increased capacity of \$250 million is available for commercial property with extended business exposures, including central business districts. The \$250 million in capacity will be available for not only commercial buildings, but municipalities, retail spaces, office buildings and hotels as well. The new capacity is available for stand-alone and embedded coverages and is available on a broad form, with no sunset provisions.

For more information on Lexington’s property capacity or insurance contact George Stratts, Division Executive and EVP, Lexington Insurance at (617) 330-8433 or george.stratts@aig.com.

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American International Group, Inc. (AIG), world leaders 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 in the U.S. on the New York Stock Exchange as well as the stock exchanges in London, Paris, Switzerland and Tokyo.

*Insurance is underwritten by member companies of American International Group, Inc., and is subject to underwriting review and approval. The description herein is a summary only. It does not include all terms, conditions and exclusions of the policies described. Please refer to the actual policies for complete details of coverage and exclusions. Coverage may not be available in all states. Non-insurance products may be provided through independent third parties.

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