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**AIG TO FORM AIU HOLDINGS, INC., A GLOBAL PROPERTY CASUALTY
HOLDING COMPANY FOR ITS GENERAL INSURANCE BUSINESSES**

**POSITIONING BUSINESSES FOR FUTURE
AS MORE INDEPENDENTLY OPERATED COMPANIES**

NEW BRAND, GOVERNANCE, AND LEADERSHIP

NEW YORK, March 2, 2009 – American International Group, Inc. (AIG) today announced that it intends to form a General Insurance holding company, including its Commercial Insurance Group, Foreign General unit, and other property and casualty operations, to be called AIU Holdings, Inc., with a board of directors, management team and brand distinct from AIG. The establishment of AIU Holdings, Inc. will assist AIG in preparing for the potential sale of a minority stake in the business, which ultimately may include a public offering of shares, depending on market conditions.

Kristian P. Moor, currently President and CEO, AIG Property Casualty Group, will be President of AIU Holdings, Inc. Nicholas C. Walsh, currently President and CEO, AIU, will be Vice Chairman of AIU Holdings, Inc. A chairman will be named at a later date. John Q. Doyle, currently President and CEO, AIG Commercial Insurance, will assist in the formation of AIU Holdings, Inc. by assuming additional responsibility for the Domestic Personal Lines Division.

“AIG is executing one of the most extensive corporate restructuring programs in history,” said Edward Liddy, Chairman and Chief Executive Officer, AIG. “The formation of AIU Holdings, Inc. will help protect and enhance the value of these key businesses, and position them for the future as more independently run, transparent companies.”

When formed, AIU Holdings, Inc. will be a unique leading franchise with more than 44,000 employees and 500 products and services serving 40 million commercial and individual customers in 130 countries and jurisdictions.

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AIG to Form AIU Holdings, Inc.

March 2, 2009

Page 2

It should be noted that information contained in this press release or remarks made on the conference call may include projections and statements which may constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These projections and statements are not historical facts but instead represent only AIG’s belief regarding future events, many of which, by their nature, are inherently uncertain and outside AIG’s control. These projections and statements may address, among other things, the outcome of proposed transactions with the Federal Reserve Bank of New York and the United States Department of the Treasury, the number, size, terms, cost and timing of dispositions and their potential effect on AIG’s businesses, financial condition, results of operations, cash flows and liquidity (and AIG at any time and from time to time may change its plans with respect to the sale of one or more businesses), AIG’s exposures to subprime mortgages, monoline insurers and the residential and commercial real estate markets and AIG’s strategy for growth, product development, market position, financial results and reserves. It is possible that AIG’s actual results and financial condition will differ, possibly materially, from the anticipated results and financial condition indicated in these projections and statements. Factors that could cause AIG’s actual results to differ, possibly materially, from those in the specific projections and statements include a failure to complete the proposed transactions with the NY Fed and the United States Department of the Treasury, developments in global credit markets and such other factors as discussed in Item 1A. Risk Factors and throughout Management’s Discussion and Analysis of Financial Condition and Results of Operations in AIG’s Annual Report on Form 10-K for the year ended December 31, 2008. AIG is not under any obligation (and expressly disclaims any obligation) to update or alter any projection or other statement, whether written or oral, that may be made from time to time, whether as a result of new information, future events or otherwise.

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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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