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LEXINGTON INSURANCE COMPANY

INCREASES DOMESTIC PROPERTY CAPACITY TO \$1.5 BILLION

NEW YORK, March 12, 2008 – Lexington Insurance Company, an AIG company, today increased its capacity for commercial domestic property insurance by an additional \$1 billion, raising the total non-catastrophe property capacity to \$1.5 billion.

Lexington's additional \$1 billion capacity covers a broad array of North American-based commercial occupancies on any non-catastrophe exposed account, including commercial real estate, manufacturing, municipalities, retail and healthcare risks and can be offered on a global basis. This new capacity, combined with Lexington's risk management services, property loss-prevention engineering, and claims expertise, enables large clients with very high commercial property exposure to protect the full breadth of their commercial property assets. The commercial property coverage is available through Lexington's multiple distribution channels, including retailers, wholesalers, and Lexington's London and Bermuda operations for North American-based property risks.

"This additional capacity demonstrates Lexington's commitment to best serve our clients that need significant property limits. The increased capacity allows us to help a market segment we believe is currently underserved," said Kevin Kelley, Chairman and Chief Executive Officer of Lexington Insurance Company.

Shaun Kelly, President of Lexington Insurance Company said, "Offering this product and expanded capacity through brokers enhances our ability to serve domestic clients who have global needs. With AIG's footprint in over 130 countries and jurisdictions, Lexington is in an excellent position to work through our brokers to maximize the global potential of this capacity offering."

"Lexington continues to offer critical catastrophe capacity up to \$50 million. The quality of our partners that are supporting this additional capacity for non-catastrophic property risks is unsurpassed," added George Stratts, Division Executive and Executive Vice President of Lexington Insurance Company.

For more information on Lexington's property 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), 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.

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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