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AIG CONFIRMS SETTLEMENT WITH
PENNSYLVANIA INSURANCE DEPARTMENT

NEW YORK, March 17, 2008 – American International Group, Inc. (AIG) confirmed today that it has reached a settlement with the Pennsylvania Insurance Department relating to the Department's investigation into the affairs of AIG and certain of its Pennsylvania-domiciled insurance company subsidiaries.

The settlement calls for total payments of approximately \$13.5 million, of which approximately \$4.4 million has already been paid. During the term of the settlement agreement, AIG will provide annual reinsurance reports, as well as maintain certain producer compensation disclosure and ongoing compliance initiatives. Under the settlement agreement, AIG neither admits nor denies the allegations made by the Department.

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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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