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AIG SPECIALTY EXCESS® INCREASES CAPACITY
FOR PUBLIC ENTITIES TO \$25 MILLION

NEW YORK, April 2, 2007 – AIG Specialty Excess®, an umbrella and excess casualty underwriting unit of the AIG Companies®, today announced it has increased its capacity of excess liability insurance for public entities to \$25 million from \$15 million.

In response to the varied insurance needs and significant casualty exposures facing public entities, AIG Specialty Excess will offer the increased capacity of \$25 million on all commercial umbrella and excess casualty policies for public entities. The new capacity will be available for not only states, counties and cities, but also educational institutions, transit authorities, utilities and other public agencies.

“As public entities continue to face increased financial pressures, we’ve found they require more comprehensive insurance programs,” said Todd Germano, Executive Vice President of AIG Specialty Excess. “The increased capacity to \$25 million is a logical extension of AIG Specialty Excess’ commitment to the public sector, offering public entities all the excess limits they need from one carrier.”

AIG Specialty Excess responds to the unique insurance needs of public entities with the ability to write policies “follow-form” of other carriers, and, last year, AIG Specialty Excess announced the addition of PublicResponseSM, a dedicated crisis management enhancement to all public entity policies. The \$25 million capacity will be available on a broad occurrence-based form.

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AIG Specialty Excess, a division of the general insurance subsidiaries of American International Group, Inc., provides commercial umbrella and excess casualty insurance for difficult-to-place classes of business including construction, educational institutions, public entities and transportation. AIG Specialty Excess offers low attachments points, limits up to \$25 million and exceptional claims handling, supported by an excess claims unit of over 500 severity claims professionals, including a dedicated claims team.

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.

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