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LEXINGTON INSURANCE COMPANY INCREASES PROPERTY FIRE CAPACITY TO \$500 MILLION

NEW YORK — June 04, 2007 – Lexington Insurance Company, a member company of American International Group, Inc. (AIG), today announced that the company has increased capacity for fire property insurance to \$500 million from \$250 million.

“The marketplace is demanding higher capacity for property fire risks, particularly from the higher education and healthcare sectors. By doubling our available in-house capacity, we can readily provide the high limits of financially sound coverage our clients need,” said George Stratts, Division Executive and EVP, Lexington Insurance Company.

The full property fire capacity is accessible through Lexington. In addition to property fire coverage, Lexington offers a full range of property coverages, including: evacuation response coverage, general commercial property coverages, all-risk construction/contractors property insurance coverages (including flood, earthquake and coastal windstorm); real estate property and broad form property terrorism which includes Bio-Chem Shield and Operations Shield.

For more information on Lexington’s property fire insurance, contact Jennifer Wilkinson, Product Line Manager for Healthcare and Higher Education, Property Division at Jennifer.Wilkinson@aig.com or 617-330-4307.

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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 on the New York Stock Exchange, as well as the stock exchanges in London, Paris, Switzerland and Tokyo.

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