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AIG'S AIU INSURANCE COMPANY GRANTED WHOLLY OWNED FOREIGN ENTERPRISE LICENSE IN CHINA

NEW YORK and SHANGHAI, CHINA, July 23, 2007 - American International Group, Inc. (AIG) has announced that its subsidiary AIU Insurance Company (AIU) has been granted approval by the China Insurance Regulatory Commission (CIRC) to establish a wholly owned subsidiary in China. The new subsidiary, or Wholly Owned Foreign Enterprise (WOFE), will be named AIG General Insurance Company China Limited (AIG General).

In accordance with CIRC and other government requirements, AIG General will be headquartered in Shanghai, China, and the existing AIU branches in Shanghai, Guangdong and Shenzhen will be consolidated into AIG General. The subsidiary license and subsequent branch conversion will permit AIG General to expand its general insurance capabilities, achieve operational and capital efficiencies, and, with regulatory approval, provide a platform to establish new branches in other areas of China over time.

"The license is a significant milestone for AIG and further strengthens our commitment to China," commented AIG President and CEO Martin J. Sullivan. "As the world's fastest growing economy, China continues to present great potential for AIG. We look forward to contributing to the economic growth and success of this market where AIG has had a long history, dating back to 1919, and where it became the first foreign insurance organization to receive a license to operate in 1992."

Olin Wethington, Chairman of AIG Companies in China, added: "General insurance is an important part of AIG's business in China. With the establishment of AIG General, we will be able to make more contributions to the development of the non-life insurance market in China. We are grateful to have had the support and assistance of the China Insurance Regulatory Commission and Shanghai and other local governments in connection with our plan to establish AIG General."

Peter Flint, President and CEO (Designate) of AIG General, said, "We aim to meet the increasing demand for more sophisticated insurance solutions from both individuals and companies throughout China. With our financial strength, global resources and longstanding commitment to China, we will provide clients with greater access to a wide range of innovative products and services, delivered through our worldwide network of risk and insurance specialists."

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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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