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LEXINGTON INSURANCE COMPANY INTRODUCES LEX P-3 SOLUTIONSSM

INSURANCE TO COVER CONSTRUCTION AND LIABILITY RISKS FACED

BY PUBLIC PRIVATE PARTNERSHIPS

NEW YORK – August 4, 2008 - Lexington Insurance Company, a unit of AIG Commercial Insurance, today announced Lex P-3 SolutionsSM, tailored risk management and insurance products that respond to risks associated with public private partnerships throughout the life of the partnership. Public private partnerships allow private capital to be invested in public construction projects in return for future income after construction during the operational phase.

Lex P-3 Solutions covers the risks unique to public private partnerships. The coverage addresses risks starting with the design and construction phase and continues through the operational phase of a project and can include professional liability, general liability, excess liability and builders' risk during construction. Upon completion of the project, Lex P-3 Solutions can provide property insurance and operational general liability during the ownership and maintenance phase. All of the P-3 Solutions coverages are available on a stand-alone basis or on a combined policy form.

"Infrastructure, including many roads, bridges, tunnels, water, power utilities, airports and rail/light rail, are either in disrepair or in need of serious upgrades to meet today's needs in America. Unfortunately, current government funding sources fall far short of this need. A significant portion of the funding gap will likely be filled by public private partnerships," said Kevin Kelley, Chairman and CEO, Lexington Insurance Company. "We created P-3 Solutions to cover the risks unique to public private partnerships."

Lex P-3 Solutions builds upon Lexington's history in the construction and property markets and leverages an experienced team of underwriting, risk management, claims and legal counsel to facilitate a quality and efficient insurance program.

Lex P-3 Solutions is available in all 50 States except New York. For more information contact Tom Grandmaison, Thomas.Grandmaison@AIG.com, (617) 345-4130 or Bob Rogers, Robert.Rogers@AIG.com, (617) 330-8564.

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AIG Commercial Insurance serves a wide range of entities from multinational and middle-market companies to non-profit organizations and small entrepreneurs. Its extensive product offerings include general and excess liability, property, management and professional liability, workers' compensation, accident and health, environmental liability, and integrated global programs for multinational companies. AIG Commercial Insurance also maintains dedicated industry groups to serve the insurance needs of the aviation, energy, marine, healthcare, construction, financial institution, real estate and education sectors.

AIG Commercial Insurance is the marketing name for the domestic commercial property casualty insurance operations of American International Group, Inc. For additional information, please visit our website at www.aig.com. All products are written by insurance company subsidiaries of AIG Commercial Insurance Group, Inc. Coverage may not be available in all jurisdictions and is subject to actual policy language. Non-insurance products and services may be provided by independent third parties.

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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