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**AIG TO ACQUIRE WÜRTTEMBERGISCHE UND BADISCHE  
VERSICHERUNGS-AG**

***Acquisition Allows AIG to Strengthen Position in German Marketplace***

NEW YORK, August 10, 2007 – A subsidiary of American International Group, Inc. (AIG) announced today that it has entered into an agreement to acquire Württembergische und Badische Versicherungs-AG (Wüba), its major subsidiary DARAG Deutsche Versicherungs- und Rückversicherungs-AG (DARAG) and other minor subsidiaries from entities associated with J.C. Flowers & Co. LLC.

Subject to regulatory approval from insurance and cartel authorities, the transaction is expected to close later this year. Terms of the agreement have not been disclosed.

“We are pleased to have reached an agreement to acquire Wüba and its subsidiaries,” said AIG President and Chief Executive Officer Martin J. Sullivan. “The transaction both reaffirms AIG’s commitment to growing in the German marketplace and greatly enhances our insurance offerings to small and medium sized companies.”

Based in Heilbronn, Germany, Wüba offers property and casualty, marine, personal lines, and accident & health insurance through its 2,500 broker relationships across the country.

“Wüba is an experienced and highly respected German insurer with a strong brand,” said Nicholas C. Walsh, Executive Vice President of Foreign General Insurance for AIG. “We plan to continue their commitment to superior customer service, broker focus, distribution management and technology.”

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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 Paris, Switzerland and Tokyo.

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