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AIG SUBSIDIARY PURCHASES ARCH'S U.S. OCEAN MARINE BUSINESS

NEW YORK, October 2, 2006 – The AIG Companies have announced that a wholly owned subsidiary of American International Group, Inc. has purchased the U.S. Ocean Marine business from Arch Insurance Company.

Under the terms of the agreement, effective immediately the U.S. ocean marine insurance business underwritten by Arch Insurance Company will be serviced by AIG Global Marine, a division of the property and casualty insurance subsidiaries of AIG.

“We look forward to the addition of the Arch U.S. marine portfolio to our client base, and to offer those clients the financial strength, worldwide network, superior claims and loss control, and the wide range of products and services that distinguish AIG Global Marine as a market leader,” said Richard Decker, President, AIG Global Marine.

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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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