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**AIG EXCESS CASUALTY® ENHANCES COMMERCIAL UMBRELLA POLICY TO  
HELP INTERNATIONAL BANKS MEET BASEL II REQUIREMENTS**

NEW YORK, October 21, 2008 – AIG Excess Casualty®, a unit of AIG Commercial Insurance, today announces it is offering an endorsement to its commercial umbrella policy to help U.S. banks operating overseas meet Basel II requirements.

Basel II, the second of the Basel Accords issued by the Basel Committee on Banking Supervision, created an international standard for banks, which requires specific capital and risk management practices to protect against operational risks.

AIG Excess Casualty's new endorsement allows a financial institution classified as a Consolidated Supervised Entity (CSE) using the Advanced Measurement Approach (AMA) to purchase insurance as a partial offset to their capital requirements for operational risk. The endorsement is structured to meet the Basel II insurance protocols, including an extended policy period and appropriate cancellation provisions. Insureds taking advantage of this new endorsement also benefit from the unparalleled crisis management, underwriting and claims resources of AIG Excess Casualty.

"The new endorsement to our commercial umbrella policy was created specifically for U.S.-based banks operating overseas. These banks are obliged or incentivized to meet the Basel II Accord, and we are proud to be a market of choice in helping them accomplish this objective," said Tim McAuliffe, President, AIG Excess Casualty. "The new Basel II endorsement is yet another example of AIG Excess Casualty's flexibility and ability to quickly respond to our clients' needs."

For more information, e-mail [excess.casualty@aig.com](mailto:excess.casualty@aig.com).

AIG Commercial Insurance serves a wide range of customers 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.

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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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