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LEXINGTON INSURANCE COMPANY ENHANCES EPL INSURANCE TO

INCLUDE E-DISCOVERY RESPONSESM

New Endorsement Covers Costs Associated with Producing Electronic Data During Discovery to Comply with Amended Civil Procedures

NEW YORK – December 10, 2007 – Lexington Insurance Company, a member company of American International Group, Inc. (AIG), today announced it has enhanced its Employment Practices Liability (EPL) insurance offerings to include E-Discovery ResponseSM, a new endorsement designed to cover an insured's payroll expenses incurred while retrieving electronically stored information requested during discovery in a covered EPL claim.

"The discovery process in employment practices litigation has historically been extensive and expensive. The environment is now even tougher, with newly amended Federal Rules of Civil Procedure requiring companies to produce information earlier in the litigation process and raising the standards required to prove that producing such data is too difficult. In the past, companies complying with court requests for mountains of electronic data frequently felt they had no choice but to outsource this sensitive task in order to obtain coverage of this expense under their EPL policy," said Mark Ogilvie, EPL Product Line Manager, Lexington Insurance Company. "E-Discovery Response is designed to support companies' efforts to protect their private data by reimbursing the company's internal expenses associated with extracting data requested during the discovery process."

Lexington's EPL coverage with the E-Discovery Response endorsement will reimburse insureds, subject to a sub-limit, for payroll expenses, inclusive of payroll taxes and fringe benefits, incurred when information technology employees locate, extract, translate, and/or restore electronically stored data in order to comply with a written discovery request in a covered claim. Pursuant to underwriting approval, E-Discovery Response is available to qualified Lexington EPL policyholders, who can receive this coverage for no additional premium by endorsement to their existing Lexington EPL policy.

For more information on E-Discovery Response or EPL insurance, contact Mark Ogilvie, Product Line Manager, at (617) 443-4644 or mark.ogilvie@aig.com.

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Insurance is underwritten by member companies of American International Group, Inc., and is subject to underwriting review and approval. The description herein is a summary only. It does not include all terms, conditions and exclusions of the policies described. Please refer to the actual policies for complete details of coverage and exclusions. Coverage may not be available in all jurisdictions. Non-insurance products may be provided through independent third parties.

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