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AIG PRIVATE CLIENT GROUP ENHANCES ITS HOMEOWNERS POLICY TO ADDRESS EVOLVING THREATS TO PERSONAL WEALTH

NEW YORK, December 11, 2006 - AIG Private Client Group, a division of the personal lines property and casualty insurance subsidiaries of American International Group, Inc. (AIG), today announced enhancements to its homeowners' policy for high net worth individuals.

Three new coverage options can be added upon request to AIG Private Client Group homeowners' policies in approved states. The new coverage options are:

- ***Fraud SafeGuard***[®] protects insureds from financial losses arising from identity theft, investment schemes, dishonest advisors, forgery and similar losses;
- ***Household SafeGuard***SM reimburses medical and mental health expenses following a traumatic covered event such as kidnapping, abduction, home invasion, violent threat, stalking*, car-jacking or hijacking;
- ***Equipment Breakdown*** coverage allows for the repair or replacement of critical home equipment due to breakdown, including, but not limited to: water heaters, pool heaters, HVAC systems, boilers, well pumps and elevators. In some instances, 125% of the replacement cost is reimbursed when the newly installed equipment is deemed safer for the environment or more energy-efficient.

In addition, several improvements were made to broaden AIG Private Client Group's already comprehensive homeowners' policy, which is designed for individuals owning residences with a replacement cost in excess of \$1 million.

- Following a paid loss, up to \$2,500 is available for the installation of an approved loss prevention device to protect the residence against the same loss in the future. For example, following a covered water loss resulting from a burst pipe, AIG Private Client Group would pay up to \$2,500 toward the installation of an automatic water shutoff device.
- A premium credit is available when an automatic water shut-off device is already installed in the residence.
- Limit for damage to the property of others increases from \$1,000 to \$10,000.
- Business property is covered up to \$25,000 (higher options available upon request), if for example, an insured brought work home and it was destroyed in a fire.

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- For those who belong to homeowners' or condominium associations: coverage for payments resulting from a shared loss increases from \$50,000 to \$100,000. Similarly, payment for one's share of the association's insurance deductible increases from \$1,000 to \$10,000 (if the loss would have been covered under the AIG policy).

"Many of our policyholders own custom-built estates or unique historical properties," says Thomas Newgarden, Chief Underwriting Officer, AIG Private Client Group. "What threatens the value of one home may not be an issue for another. It's our responsibility to provide meaningful coverage solutions that adequately address a wide range of individual exposures. By expanding our suite of homeowners' coverage options, the protection we provide can be even more customized."

AIG Private Client Group's new homeowners' policy enhancements are currently available in Colorado, Connecticut, Illinois and Michigan.

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AIG Private Client Group provides comprehensive insurance products and services to help meet the unique risk management needs of high net worth individuals and their families. Its innovative products are underwritten by the member companies of American International Group, Inc., and are designed to enhance protection of, and minimize threats to, personal wealth and safety. AIG Private Client Group's portfolio of insurance products includes excess liability, homeowners, automobile, private collections, excess flood, yacht, aviation, and kidnap and ransom. In addition to its products, AIG Private Client Group offers an extensive range of risk management services that includes loss-prevention expertise for owners of fine homes, management of art collections and personal security consultation.

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.

**Household SafeGuard coverage for a stalking event is available at underwriting discretion.*

AIG Private Client Group is a division of the personal lines property and casualty insurance subsidiaries of American International Group, Inc. (AIG). Please refer to the actual policies for complete details of coverage and exclusions. Coverage is subject to underwriting review and approval, and it may not be available in all states.