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AIG RESPONDS TO BLOOMBERG STORY

NEW YORK, December 17, 2008 – American International Group, Inc. (AIG) has issued the following statement regarding an article published today by *Bloomberg*:

“AIG reports all its derivatives at fair value in accordance with US GAAP including AIGFP’s credit derivative portfolios. In accordance with US GAAP, in its determination of fair value for its credit derivatives, AIG considers all available information including but not limited to market available data, dealer provided prices, prices used for collateral posting and recent trades including early terminations initiated by counterparties. In evaluating fair value for its Regulatory Capital portfolio, AIG also considers factors relating to the individual underlying portfolios including, but not limited to, asset type and seasoning, default history, loss history and attachment point.

“AIG has clearly described its valuation approach including key assumptions used for AIGFP’s super senior credit default swap portfolio in its Form 10-Q for the quarter ended September 30, 2008.”

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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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