

| | 3-Months Ended Dec-10 \$m | 3-Months Ended Dec-09 \$m | 12-Months Ended Dec-10 \$m | 12-Months Ended Dec-09 \$m |
|--|------------------------------------|------------------------------------|-------------------------------------|-------------------------------------|
| Chartis Insurance Operations: | | | | |
| Net Premium Written | 7,578 | 6,929 | 31,612 | 30,653 |
| Net Premium Earned | 8,550 | 8,030 | 32,521 | 32,261 |
| Underwriting Profit | (5,175) | (2,606) | (5,460) | (2,598) |
| Net Investment Income | 1,201 | 855 | 4,392 | 3,292 |
| Net Realised Capital Gains | (37) | 152 | (49) | (530) |
| Pre-tax Income (Loss) | (3,342) | (1,599) | (116) | 164 |
| Loss Ratio | 125.4% | 98.9% | 85.7% | 78.6% |
| Expense Ratio | 35.1% | 33.6% | 31.1% | 29.4% |
| Combined Ratio | 160.5% | 132.5% | 116.8% | 108.0% |
| Operating Segments Income: | | | | |
| SunAmerica Financial Group | 1,299 | 670 | 2,712 | (1,179) |
| Financial Services | (369) | 474 | (636) | 2,006 |
| Other including Divested Business | 16,900 | (7,610) | 15,976 | (15,298) |
| Net Income (Loss) Continuing Operation | 9,673 | (8,086) | 12,077 | (12,818) |
| Net Income (Loss) Discontinued Operations | 2,037 | (924) | (2,064) | 505 |
| Net Income | 11,710 | (9,010) | 10,013 | (12,313) |
| Noncontrolling Interests | 534 | (137) | 2,227 | (1,364) |
| Net Income Attributable to AIG | 11,176 | (8,873) | 7,786 | (10,949) |
| | | | Dec-10 | Dec-09 |
| Total Investments | | | 410,412 | 601,165 |
| Total Assets | | | 683,443 | 847,585 |
| Total Equity | | | 85,319 | 98,076 |

JLT has access to publicly available financial data only. Whilst the information on which we rely is obtained from sources considered to be reliable, we give no assurance about nor accept any responsibility for the financial standing or performance of any (re)insurer. We do not accept any liability for financial loss or damage, howsoever caused, arising from reliance on the review process or this document.

Source: Earnings Press Release - 24th February 2011

| | 3-Months Ended Sep-11 \$m | 3-Months Ended Sep-10 \$m | 9-Months Ended Sep-11 \$m | 9-Months Ended Sep-10 \$m |
|---|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| Chartis Insurance Operations: | | | | |
| Net Premium Written | 8,659 | 8,598 | 26,992 | 24,034 |
| Net Premium Earned | 9,043 | 8,597 | 26,727 | 23,971 |
| Underwriting Profit (loss) | (582) | 65 | (2,577) | (285) |
| Net Investment Income | 1,024 | 1,007 | 3,345 | 3,191 |
| Net Realised Capital Gains (Losses) | 57 | (207) | 143 | (12) |
| Pre-tax Income | 498 | 865 | 910 | 3,226 |
| Loss Ratio | 75.6% | 71.1% | 79.6% | 71.5% |
| Expense Ratio | 30.8% | 28.2% | 30.0% | 29.7% |
| Combined Ratio | 106.4% | 99.3% | 109.6% | 101.2% |
| Operating Segments Income: | | | | |
| SunAmerica Financial Group | 309 | 998 | 2,024 | 1,413 |
| Aircraft Leasing Operations | (1,329) | (214) | (1,122) | (122) |
| Other including Divested Business | (3,202) | (1,829) | (4,622) | (2,113) |
| Net Income (Loss) Continuing Operation | (3,724) | (180) | (2,810) | 2,404 |
| Net Income (Loss) Discontinued Operations | (221) | (1,833) | 1,395 | (4,101) |
| Net Income | (3,945) | (2,013) | (1,415) | (1,697) |
| Noncontrolling Interests | 164 | 504 | 585 | 1,693 |
| Net Income Attributable to AIG | (4,109) | (2,517) | (2,000) | (3,390) |
| | | | Sep-11 | Dec-10 |
| Total Investments | | | 413,106 | 410,412 |
| Total Assets | | | 544,257 | 683,443 |
| Total Equity | | | 86,031 | 85,319 |
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Source: Earnings Press Release - 3rd November 2011

Index

1. **Ownership Information**
2. **Background**
3. **Third Quarter 2011 Highlights**
4. **Recent News**
5. **Rating Information**

OWNERSHIP INFORMATION

American International Group, Inc. is an international insurance organisation with operations in more than 130 countries and jurisdictions. AIG's common stock is listed on the New York Stock Exchange, as well as the stock exchanges in Ireland and Tokyo. AIG traces its roots back 90 years when an American entrepreneur named C.V. Starr founded AIG's earliest predecessor company in Shanghai. What began as a small insurance business grew to become one of the world's largest companies. By early 2007 AIG had assets of \$1 trillion, \$110 billion in revenues, 74 million customers and 116,000 employees. Yet just 18 months later, AIG found itself on the brink of failure and in need of significant emergency governmental financial assistance. However, by October 2010 the situation had improved to the extent that AIG was able to release details of accelerated repayment of its debts.

BACKGROUND

On March 2nd 2009, AIG released details of the largest quarterly loss in US corporate history with a fourth quarter 2008 loss of \$61.7 billion and full year 2008 loss of \$99.3 billion. Following on from this, the company recorded a further full year loss in 2009. Since then the company's fortunes have improved and the company recorded a net profit of \$7.8 billion in 2010. The company's general insurance operations are now known as Chartis and a significant segment of the former AIG operations have been divested.

On November 3rd 2011, American International Group, Inc. reported a net loss attributable to AIG of \$4.1 billion and an after-tax operating loss of \$3.0 billion for the quarter ended September 30, 2011, compared with a net loss of \$2.5 billion and an after-tax operating loss of \$114 million for the third quarter of 2010.

"AIG continues to navigate a challenging global economic environment, and our results for the quarter were adversely affected by equity market declines, widening credit spreads, and declining interest rates, as well as property catastrophe losses," said Robert H. Benmosche, AIG President and Chief Executive Officer. "We also took significant impairments at ILFC, reflecting management's decision on certain aircraft that would be disposed of prior to the end of their previously estimated life in light of technological developments in the aircraft industry, fleet management announcements by certain airlines, and our newly acquired part-out company."

Mr. Benmosche concluded, "Despite the difficult external environment, we are encouraged by the progress we've made and the underlying strength of our core insurance businesses. Across AIG, we are seeing strong sales momentum as our employees continue to act as trusted partners to our customers, providing them with real value by consistently delivering quality insurance and investment products and services."

THIRD QUARTER 2011 HIGHLIGHTS

- Chartis reported third quarter operating income of \$442 million, compared to operating income of \$1.1 billion in the third quarter of 2010. Third quarter 2011 results include \$574 million of catastrophe losses, including \$372 million related to Hurricane Irene, \$80 million related to Tropical Storm Lee, and \$79 million related to Typhoons Roke and Talas, compared to \$72 million in catastrophe losses in the third quarter of 2010. The catastrophe losses represent 0.8 percent of Chartis' third quarter 2011 shareholders' equity on an after-tax basis.
- SunAmerica reported operating income of \$444 million in the third quarter of 2011, compared to operating income of \$1.0 billion in the third quarter of 2010. Third quarter 2011 results were affected by reduced net investment income driven by a \$43 million decline in the fair value of SunAmerica's holding of ML II, compared with income of \$156 million in the third quarter of 2010; \$97 million of losses related to equity-method investments in trusts that hold leased commercial aircraft, and lower partnership income. Third quarter 2011 variable annuity results were also negatively affected by higher policyholder benefits expense and higher amortization of deferred policy acquisition costs driven by weaker equity market conditions.
- ILFC, AIG's aircraft leasing subsidiary, recorded \$1.5 billion of impairments related to its older generation and less fuel-efficient aircraft.
- AIG's Other operations, which now include results from the non-aircraft leasing operations previously included in the Financial Services segment, reported an operating loss of \$4.2 billion, compared to an operating loss of \$1.1 billion in the third quarter of 2010, reflecting fair value declines of AIG's holding of AIA ordinary shares and its holding of ML III by \$2.3 billion and \$931 million, respectively, from their values at June 30, 2011.
- During the third quarter of 2011, AIG reduced the remaining liquidation preference of preferred interests that the U.S. Department of the Treasury holds in AIA Aurora LLC (AIA SPV) to approximately \$9.3 billion by applying the proceeds of \$2.2 billion from the sale of Nan Shan Life Insurance Company, Ltd. (Nan Shan). In November, AIG made an additional payment of approximately \$972 million, primarily from the release of funds held in escrow related to the American Life Insurance Company (ALICO) sale.
- AIG shareholders' equity was \$86.0 billion at September 30, 2011, and book value per share was \$45.30.

STATE REGULATION OF INSURANCE COMPANIES

The AIG insurance companies are regulated by state law and their affairs overseen by state insurance commissioners. Those laws are designed in part to assure that regulated insurance companies are operated on a financially sound basis and their assets are protected from the financial problems of non-insurance affiliates. The insurance company subsidiaries are not subject to federal bankruptcy laws, as would be AIG and its non-insurance company subsidiaries. If AIG were to be the subject of federal insolvency proceedings, the reach of a debtor-in-possession or federal receiver would not extend to the assets of the AIG insurance company subsidiaries. All states have enacted insurance holding company statutes which authorize insurance departments to regulate the inter-company transactions involving insurance companies within holding company structures. The various state statutes are generally patterned on the Model Act adopted by the National Association of Insurance Commissioners Holding Company Regulatory Act.

These statutes provide state insurance departments with the regulatory power and responsibility to ensure that the assets of insurance companies are held separate from the other entities within the holding company system. AIG cannot legally enter into any material transaction with its insurance company subsidiaries, without the approval of the state insurance regulators. For example, approval is required for inter-company reinsurance, loans, management contracts, asset sales, swaps, or other similar transactions. The assets of the insurance business are maintained to support the insurance business underwritten by those companies and may not be hypothecated or inter-mingled with the assets of any non-insurance affiliates.

Source: Albert B Lewis - D'Amato & Lynch, LLP Attorneys New York

RECENT NEWS**AIG Repays Another \$972 Million to US Government**

American International Group Inc., which was saved from failing by a 2008 government bailout, said it's paid back another \$972 million to the U.S. Department of the Treasury. AIG said the money has gone to reduce the liquidation preference on one of the special purpose vehicles created as part of the government's assistance to AIG.

AIG's payment to the Treasury came primarily from funds released from the escrow held in connection with AIG's sale of American Life Insurance Co. to MetLife Inc. last year. After the payment, the remaining liquidation preference that the Treasury holds in the SPV, AIA Aurora LLC, has been reduced to about \$8.4 billion.

The preferred equity interests in the AIA SPV were created by AIG and the Federal Reserve Bank of New York on Dec. 1, 2009, in exchange for a reduction of the balance outstanding and the maximum credit available under the original \$85 billion credit facility provided by the FRBNY to AIG in September 2008. The original liquidation preference for the AIA SPV was \$16 billion.

This latest payment follows AIG paying about \$2 billion in August to reduce AIA Aurora's holding to \$9.3 billion (Best's News Service, Aug. 19, 2011). That \$2 billion came from the sale of Nan Shan, its Taiwan-based life insurance company, to Ruen Chen Investment Holding Co. Ltd., AIG said.

In March, AIG said it used \$6.9 billion from the sale of Alico to pay down those federal loans. AIG sold \$9.6 billion in shares of MetLife Inc., which was part of the \$16.8 billion AIG received from MetLife for Alico, but under terms of the sale agreement, AIG was required to retain about \$3 billion in escrow as substitute collateral for the MetLife shares sold, the company said.

The money paid today is the sixth major payment to the government in 2011 and brings the total repaid in 2011 to approximately \$45 billion, the company said.

AIG was in danger of failing in September 2008 when the federal government first stepped in to provide the insurer with an emergency loan. The available bailout grew as high as \$182 billion, but AIG said it never borrowed the full amount it was offered. Since then, AIG has been selling noncore assets to pay back what it owes to the federal government.

In addition to the \$8.4 billion owed by the AIA Auroa SPV, the U.S. Treasury still owns about 77% of AIG's stock. There are also two SPVs, Maiden Lane II and III, which are paying back loans to the federal government by gradually selling off assets. AIG itself isn't responsible to repay those loans.

Source: Best's Insurance News, 1st November 2011

RATINGS INFORMATION SUMMARY**STANDARD & POOR'S:**

| | | | |
|---|-----------|-------------------------|---------------|
| Long-Term Counterparty Credit Rating | A- | 28 February 2011 | Stable |
| Insurer Financial Strength Rating (main subsidiaries) | A | 28 February 2011 | Stable |

Overview

- Because the operating performance of AIG's Chartis companies has been lower than our expectations and will likely remain so, we now view the Chartis group as strategically important to the parent (like SunAmerica) rather than core as defined under our group methodology; as a result, we have lowered our ratings on Chartis to 'A' from 'A+'.
- By contrast, SunAmerica's competitive position and operating performance continues to improve, so we have affirmed the 'A+' ratings on these companies.
- The liquidity and the financial profile of AIG, the holding company, continue to improve as government support decreases, so we have also affirmed the 'A-' rating on AIG.
- In addition, we have revised the outlook on AIG and all of its operating companies to stable from negative because we believe the overall group will sustain its competitive position while its operating performance remains consistent.

Rating Action

On Feb. 28, 2011, Standard & Poor's Ratings Services lowered its counterparty credit and financial strength ratings on American International Group Inc.'s (AIG) Chartis operating subsidiaries to 'A' from 'A+'. At the same time, Standard & Poor's revised the outlook on AIG and all its operating companies to stable from negative. In addition, Standard & Poor's affirmed its 'A+' counterparty credit and financial strength ratings on the SunAmerica Financial group of insurance companies and its 'A-' counterparty credit rating on AIG.

Rationale

While acknowledging the overall improvement in the holding company's and SunAmerica's financial profiles, we lowered the Chartis ratings because of the deterioration in the group's operating performance. Notwithstanding the previously announced \$4.1 billion adverse prior-year reserve development (see "American International Group Inc. And Operating Companies Ratings Unaffected By Announced \$4.1 Billion Charge," Feb. 9, 2010) already incorporated into our analysis, Chartis's fourth-quarter 2010 underwriting results were lower than expected. The group's accident-year combined ratio (excluding prior-year reserve development) was 111.3% for the fourth quarter and 103.6% for the 12 months ended Dec. 31, 2010. This is a marked deterioration from the 101.2% combined ratio for 2010 through Sept. 30.

Although we recognize that some of this deterioration stemmed from nonrecurring items that we don't expect will affect prospective operating performance, the downgrade reflects our modified view that Chartis will not be able to outperform the industry over the next one to two years, despite its formidable competitive global presence. For example, Chartis U.S.'s 2010 accident-year combined ratio of 105.5% (a calendar-year combined ratio of 127.2% inclusive of prior-year reserve development) is below the commercial lines insurer segment average of 102.3% for the nine months ended Sept. 30, 2010, as calculated by the Insurance Services Office. Moreover, the group's return on revenue (ROR)--even when excluding prior-year reserve development of 13% in 2009 and partnership investment losses of 12% in 2008--trails the 16% average for 'A' rated commercial lines insurers during this period. Similarly, Chartis International's ROR, though a rating strength prior to 2008, has declined to 3% in 2010 and 4% in 2009.

Although we believe that a combination of underwriting initiatives and a continued shift toward lower-volatility business lines will support future profitability, continued pricing pressure in the U.S. and--to a lesser extent--in the International segment will hamper improvement. The decline in operating performance relative to historical norms drives our revised view that although Chartis remains a strategically important part of the AIG group that we believe is important to the group's long-term strategy, we no longer view it as core, as defined under our group methodology.

For SunAmerica, we had identified competitive pressure and prospective operating performance as potential weaknesses to the rating. However, we affirmed the ratings because the companies' competitive position has strengthened as the issues related to the government bailout fade. For example, SunAmerica has been able to expand distribution and has re-entered into agreements with independent distributors. As a result, net flows, though still negative, have improved markedly, reflecting a stabilization of surrenders.

SunAmerica's operating performance has continued to improve, with pretax operating income (before realized gains/losses) of \$4.0 billion in 2010, a 75% increase from 2009. Increases to net investment income and lower costs from policyholder benefits were the primary reasons for the improvements in operating performance, leading to a 19% increase in GAAP equity in 2010. The successful execution of the recapitalization plan, which the group completed ahead of our expected timeline, provides further support for the rating and has restored AIG's access to the capital markets. Although SunAmerica's capitalization continues to be a weakness to the rating, we anticipate that capital levels will benefit from the continued improvements in the company's competitive position and operating performance.

We affirmed the 'A-' rating on AIG because of the strength of the Chartis and SunAmerica operating companies as well as the diversification between property/casualty and life insurance profile that they provide. We expect that each operating unit will contribute approximately equal pretax operating income in the coming years. Accordingly, the holding company benefits from the diversification of the group. This benefit--in combination with reduced uncertainty resulting from the recently executed recapitalization plan, including the accelerated repayment of federal government obligations--is a further strength to the AIG rating. AIG has improved its overall liquidity position through its successful wind-down of AIG Financial Products, the reduction of other contingent liquidity needs, and the recent issuance of senior unsecured fixed-rate debt. Overall, AIG's financial profile continues to strengthen as government support decreases.

The 'A-' rating on AIG continues to receive a one-notch uplift from the company's stand-alone credit profile because of the continued, albeit diminished, support from the U.S. government. The 'A' ratings on the Chartis subsidiaries reflect our opinion of the group's strong and diverse competitive profile, strong capital adequacy, and strong though diminished operating performance. The 'A+' ratings on SunAmerica reflect our opinion of its very strong competitive position and strong and improving operating performance, somewhat offset by capital—which, though strong and further supported by holding-company liquidity--remains a weakness to the rating. AIG's enterprise risk management (ERM), though markedly improved at the holding company, also remains a weakness to the ratings.

Outlook

The stable outlook reflects our belief that the group will sustain its competitive position while reporting industry-consistent operating performance at Chartis, with a combined ratio near 100% in 2011, including potential reserve development but excluding significant catastrophe losses (greater than 3 combined ratio points). We expect that premium and deposit growth at SunAmerica will be in the low single digits as SunAmerica continues to benefit from its very strong competitive position and uncertainty at the AIG group declines because of the repayment of government debt. Chartis will likely continue to shift its business toward less-volatile lines of business that will translate into more consistent operating performance. AIG's ERM should strengthen as the Chartis and SunAmerica operating companies implement improved risk-management processes and are further integrated into the AIG organization. We expect that AIG's financial leverage (including debt and hybrid securities) will be approximately 17%, with fixed-charge coverage (expected to be exceed 5x in 2011 and 6.5x in 2012) remaining well within the tolerance for an 'A-' rating.

We could lower the ratings on AIG, Chartis, and SunAmerica if the group's performance were to fall short of our expectations, particularly if there were a shortfall in earnings (expected pretax consolidated operating earnings of \$7 billion), capitalization (currently strong), or leverage. Alternatively, we could raise the ratings if the consolidated group, while demonstrating enhanced ERM practices, were to improve its operating performance, particularly at Chartis, to a level markedly above industry norms while continuing to shift Chartis's risk profile to less-volatile, short-duration, non-catastrophe-exposed business lines.

Source: Standard & Poor's ClassicDirect

A.M. BEST:

| | | | |
|-----------------------------------|------------|------------------------|---------------|
| Issuer Credit Rating | bbb | 27 January 2012 | Stable |
| Best's Rating (main subsidiaries) | A | 27 January 2012 | Stable |

Rating Action

On 27th February 2012, AM Best revised the outlook to stable from negative and affirmed the issuer credit rating (ICR) of "bbb" of American International Group, Inc. (AIG). Concurrently, A.M. Best revised the outlook to stable from negative and affirmed the financial strength ratings (FSR) of 'A' and ICRs of "a" of Chartis US Insurance Group and its members as well as the Lexington Insurance Pool (headquartered in Boston, MA) and its members. Additionally A.M. Best also revised the outlook to stable from negative and affirmed the FSR of A and ICRs of "a" of the domestic life/health subsidiaries of AIG, collectively referred to as SunAmerica Financial Group (SAFG).

AM Best also upgraded the FSR to A- from B++ and the ICR to "a-" from "bbb+" for The Fuji Fire & Marine Insurance Company Limited (Fuji) (Japan). These ratings were removed from under review with positive implications and assigned a stable outlook.

Rationale

The revised outlook for AIG reflected A.M. Best's assessment that the potential for negative effects on the operating insurance companies due to issues at the holding company or in AIG's non-insurance operations has diminished. The successful recapitalization of AIG, its issuance of public debt and equity in 2010 and 2011, the execution of new credit facilities to provide back-up liquidity and the reduction of risk related to the non-insurance operations have contributed to this assessment. While A.M. Best acknowledges that AIG's income will continue to show variability from quarter to quarter, it does not expect at this time that the variances will substantially impact the company's capital position or the claims paying ability of its insurance subsidiaries.

The rating of the Chartis US Insurance Group reflects the group's supportive level of risk-adjusted capitalization and its leadership position in the global commercial lines insurance market, including the successful initiation of the Chartis brand for its products and services. Offsetting factors include the effect of soft market conditions on the group's underwriting and operating results, expectation of continued deterioration in prior years' loss reserves, and its exposure to natural and man-made catastrophe losses. The group has historically demonstrated an ability to produce favourable operating results despite variability in underwriting performance, however. The stable outlook reflects Chartis' market position; its ability to lead, attract and retain clients by leveraging its significant global capacity, extensive product offerings and innovation; and greater emphasis on technical pricing and predictive modelling. While reserve development remains a concern, the stable outlook suggests that any future reserve development will be within a level acceptable to AM Best. A.M. Best also expects that the group will continue to maintain a supportive level of risk-adjusted capitalization through favourable net earnings while providing shareholder dividends to its parent in accordance with historical norms. This outlook also considers the continued improvements at the group's ultimate parent American International Group, Inc. (AIG) including the January 2011 implementation of its recapitalization plan, AIG's recent issuance of debt and equity in the public capital markets, enhanced holding company liquidity and the orderly wind down of its financial products division.

The group's risk-adjusted capitalization remained stable in 2011, as the effect of lower absolute reserve levels and decreased premium volumes driven primarily by underwriting actions offset a decline in reported surplus levels. The drop in surplus was driven primarily by the impact of catastrophe and weather-related losses and a return to a more normal shareholder dividends, as part of a strategy of maintaining more capital at the ultimate parent. Risk-based capital has also improved in recent years as the level of affiliated investments decreased. Actions to reduce the group's exposure to natural and man-made catastrophes have also benefited its risk-adjusted capital level. Increases in the group's PMLs in 2011 were driven primarily by changes in net retentions and by model revisions, as individual exposures continued to be reduced.

Chartis has remained a leading provider of global commercial lines insurance products, with an operating scope that remains a key differentiator in its ability to provide products and services that meet the needs of global and local insurers. After declining significantly in 2008 and early 2009, Chartis' premium retention has stabilized, with the decline in premiums in recent years primarily reflecting underwriting actions undertaken by the group to reduce its exposure to catastrophe and mono-line workers' compensation business, as well as the continuing impact of soft market conditions in the group's major continuing lines of insurance. Favourable pricing actions began in 2011, increased through the year and are expected to continue into 2012.

Recent deterioration in underwriting and operating results at Chartis reflects the effects of those underwriting actions, as well as the group's exposure to natural catastrophe (particularly in 2008, 2010 and 2011), soft market conditions that persist in many of the group's key businesses and, in late 2008 and early 2009, actions by clients to reduce their

business exposure to AIG. Policyholder retention has returned to historical norms in 2011 and the effects of the AIG issues on the group's business has abated.

NAME: American International Group - Consolidated

DOMICILE: USA

An increase in prior years' loss reserves of \$5.2 billion was recorded in 2010 in the group, reflecting both adverse development and strengthening of reserves. In 2011, the group transferred its outstanding asbestos reserves to National indemnity Company. The net effect of these actions have resulted in a reduction of A.M. Best's estimate of the reserve deficiency in the group, but it is A.M. Best's expectation that additional reserve increases are likely over the near-to-mid term. This is a key offsetting factor to the rating.

Historically, A.M. Best has considered parental support and financial flexibility when evaluating the group's ability to manage catastrophe risk beyond the traditional 1-in-100-year and 250-year events. From September 2008 until the completion of AIG, Inc.'s recapitalization plan in January, 2011, various facilities provided by the U.S. government were the main source of liquidity and financial flexibility for AIG and its subsidiaries. The parent company has also accessed public debt and equity markets in 2010 and 2011. It also recently entered into expanded syndicated bank credit facilities which afford additional financial flexibility and serve as an immediate source of back-up liquidity. Significant steps by AIG to reduce the risk to the insurance operations from non-core, non-insurance businesses have contributed to the application of a stable outlook to the group. While A.M. Best anticipates that the holding company will continue to report variability in earnings from quarter to quarter, these variations are expected to be mainly mark to market valuation adjustments which do not represent calls on holding company liquidity or cash.

The rating of Chartis' commercial lines group is assigned to the nine members of the inter-company pool led by National Union Fire Insurance Company of Pittsburgh, Pa., and two additional statutory entities who have substantial reinsurance with members of the pool. The pool's financial results provided herein consolidate other domestic property/casualty insurance operations within the AIG enterprise, including the Lexington Insurance Pool, which is separately rated.

Outlook:

A.M. Best does not expect positive movement on AIG's ratings in the near to mid term. Potential drivers that would downgrade the ratings of AIG and its insurance subsidiaries include a change in the ratings of a major AIG insurance subsidiary; a significant reduction or withdrawal of AIG's ability to access its lines of credit; recognition of a failure of management to disclose information that is relevant to the rating process; and deterioration in the financial position of AIG, whether driven by its insurance or non-insurance operations.

Source: © A.M. Best International Ltd – used by permission

OTHER AGENCIES**MOODY'S:**

| | | | |
|--------------------------|-------------|------------------------|---------------|
| Holding Company | | | |
| Senior Debt Rating | Baa1 | 12 January 2011 | Stable |
| Main Insurance Companies | A1 | 12 January 2011 | Stable |

FITCH:

| | | | |
|---------------------------------|------------|-------------------------|---------------|
| Holding Company | | | |
| Long Term Issuer Default Rating | BBB | 9 September 2011 | Stable |
| Main Insurance Companies | A | 9 September 2011 | Stable |