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AIG PLANS NOW UNDERWAY FOR INTEGRATION OF 21ST CENTURY INSURANCE GROUP

NEW YORK, September 27, 2007 – Now that a subsidiary of American International Group, Inc. (AIG) has completed its merger with 21st Century Insurance Group (21st Century), AIG announced that integration plans have been initiated and will substantially take place through 2008.

The new combined organization, to be named **aigdirect.com**.SM, will be headquartered in Wilmington, DE and Woodland Hills, CA. Bruce Marlow, Chief Executive Officer of 21st Century, will serve as President, and Tony DeSantis, President of AIG Marketing, will serve as Chief Operating Officer.

AIG Executive Vice President, Domestic Personal Lines Robert M. Sandler said, “The combination of AIG’s direct personal auto business with that of 21st Century will create the scale and sophistication to permit us to respond more effectively to the marketplace.”

The company plans an aggressive IT integration process to be completed in three years.

As a result of the merger, duplicate positions exist in both the home office/corporate functions and in the field organization. Positions to be eliminated, as well as the locations scheduled for closing over the next two years have been identified, and will result in job actions that will affect about 11 per cent of the combined workforce.

Mr. Sandler continued, “We regret the necessity of eliminating positions as a result of the merger. Combining two separate insurance companies naturally results in some duplication, necessitating these difficult integration decisions, which we are implementing as quickly as possible.”

Employees affected by the merger have been briefed concerning the job actions and timing, severance arrangements, and the availability of positions within the organization. Wherever possible, those employees have been encouraged to apply for open positions in other parts of the organization.

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American International Group, Inc.

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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 Paris, Switzerland and Tokyo.

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