

AIG PRIVATE CLIENT GROUP  
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PRESIDENT

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March X, 2009

Dear Policyholder,

On March 2, AIG, Inc. announced fourth-quarter and year-end 2008 earnings and provided updated information on its restructuring plans. I am excited to tell you about a development that marks a tremendous step forward for Private Client Group.

As I hope you are aware, the AIG insurance companies — the companies used to back your policies — are solid, well-capitalized businesses. They hold substantial liquidity and have not required capital funded through AIG's agreement with the U.S. government to support its financial strength. Their financial strength ratings remain "Excellent" and were affirmed by our industry rating agencies (A.M. Best, S&P, Moody's and Fitch) on March 2. In fact, the statutory policyholder surplus of our U.S. commercial insurance companies increased by 1.1 percent in the fourth quarter of 2008, and remains greater than all of our US peers.

To ensure our insurance companies can continue to thrive without the distractions tied to our parent company, AIG announced its intention to form a distinct General Insurance holding company called AIU Holdings, Inc. When formed, AIU Holdings will have its own capital structure, balance sheet, board of directors, management team and brand identity. The formation of AIU Holdings also will help position us for the future as more independently run, transparent companies.

Private Client Group will be a part of AIU Holdings, as will AIG's other property and casualty insurance businesses. As of December 31, 2008, these companies collectively had approximately \$43 billion in equity. They employ over 44,000 people, and offer more than 500 products and services to 40 million customers in 130 countries and jurisdictions.

We have never lost sight of why you chose Private Client Group to insure your home and other valued assets:

- financial strength
- insuring what others can't
- flexible coverage with high limits
- competitive prices
- stellar claims service
- innovative loss prevention

However, I know the frustration caused by our parent company's ongoing media scrutiny. The creation of AIU Holdings is a major turning point, and I'm extremely optimistic about the future.

I will continue to keep you abreast of our progress in the coming months. If you have any questions or concerns, please contact me at (212) 770-7824; [charles.williamson@aig.com](mailto:charles.williamson@aig.com). Detailed information regarding AIG's overall restructuring plans and agreement with the Federal Reserve can be found at [www.aig.com](http://www.aig.com).

On behalf of everyone at Private Client Group, thank you for your business and support.

Sincerely,

