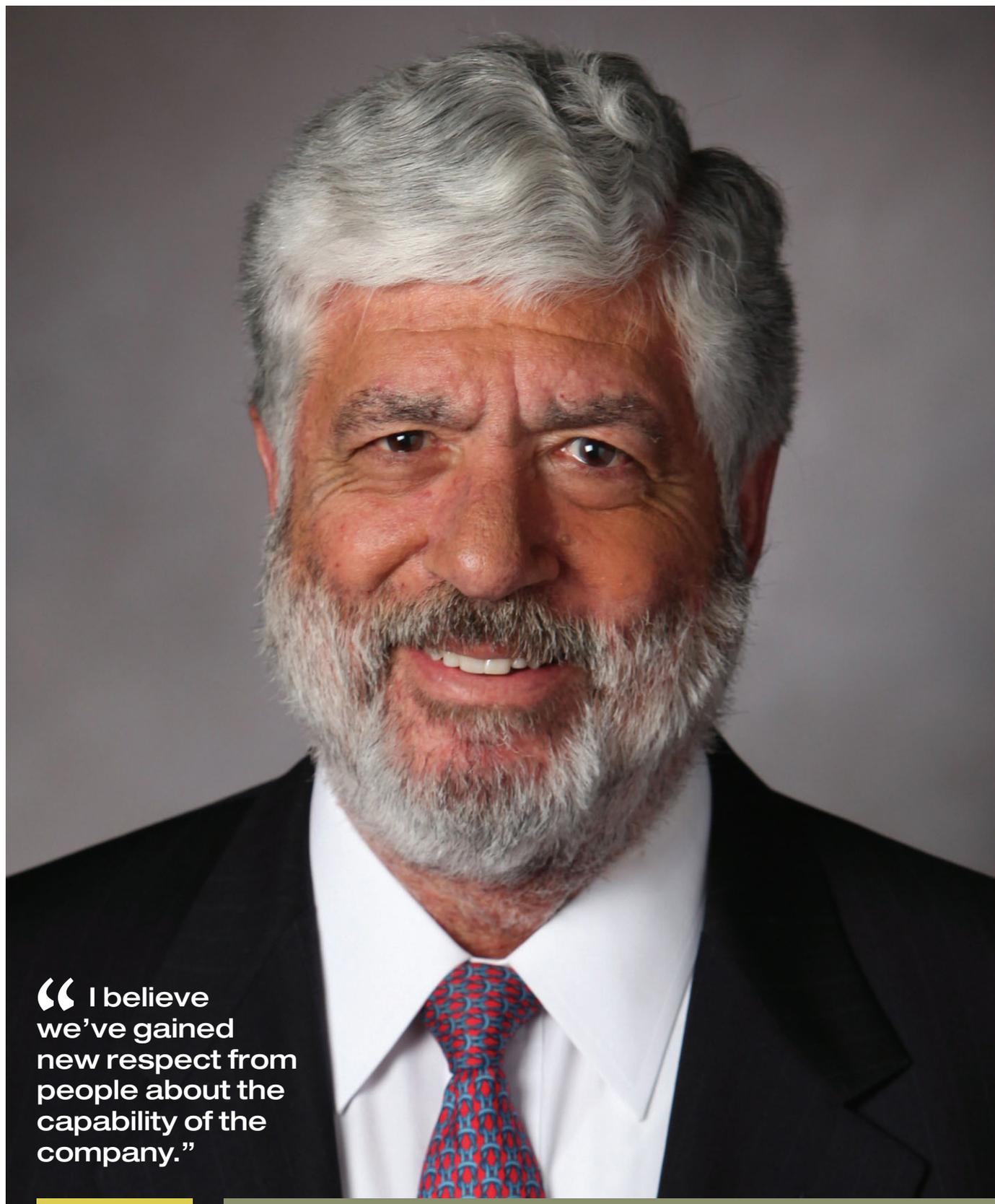


ROBERT H. BENMOSCHÉ

AIG: KEEPING ITS PROMISES



“ I believe we’ve gained new respect from people about the capability of the company.”

“AIG is a company that keeps its promises to the American public, our clients, our shareholders and bondholders.”

As the Chairman of BrokersLink, it's my duty and also my great honor to help forge and nurture beneficial partnerships, and to meet with noted leaders in the insurance world, where long-term vision is critical. As we gear up for the BrokersLink 2012 Conference in Madrid, we're looking forward to hearing from some of these exceptional leaders, in particular, Robert Benmosche, President and CEO of AIG, who led the company's impressive rise from the incredible challenges of the financial crisis of 2008 and beyond.

BrokersLink and its prominent co-founder MDS, together with AIG, enjoy a reciprocal and productive partnership. Where our strategies meet, we're able to broaden our reach and refine our skills for greater services to clients worldwide. As BrokersLink moves toward greater market diversification and management of emerging risks, we know we'll go further with AIG by our side.

Mr. Benmosche recently answered questions from members of the BrokersLink board of directors to bring our readers an interview that sets an exciting tone for his upcoming speech in Madrid.

José Manuel Fonseca

“AIG is a company that keeps its promises to the American public, our clients, our shareholders and bondholders,” says Bob Benmosche. “It's about having the ability to count on the AIG promise and the AIG skills.” In the following interview, conducted during the summer, AIG's President and CEO talks about AIG's progress and rebranding, the property casualty industry and getting the right return on risks, opportunities with Independent Broker Networks, and more.

AIG'S PROGRESS AND REBRANDING

José Manuel Fonseca (JMF) | **Please tell us about AIG's progress since 2009.**

For us at AIG, the real question for the first year to year and a half after I got to AIG was: Will AIG make it? AIG appeared to be in crisis. If we weren't a company that had shareholder value, then the question was: What would happen to the bondholders, clients, and so on? In January 2011, we were able to do the restructuring, having taken AIA public at that point. By May, we were able to sell 100 million shares of AIG stock to the capital markets, which demonstrated to the Federal Reserve and the U.S. Treasury that we were able to raise capital, if we needed, to fund the company.

Since then, we've continued to make progress. As of September 2012, we've reached the point where the U.S. government has fully recouped its investments in AIG

and, by its estimate, has made more than \$15 billion of positive return. All share sales by the U.S. government from now on represent a positive return.

If you look at the profits that have been earned up until now, it's clear to everyone without question that the crisis at AIG is over; that AIG has sustained itself; that we're still, on a shareholder equity basis, the largest insurance company in the world and making progress on our market capitalization as well.

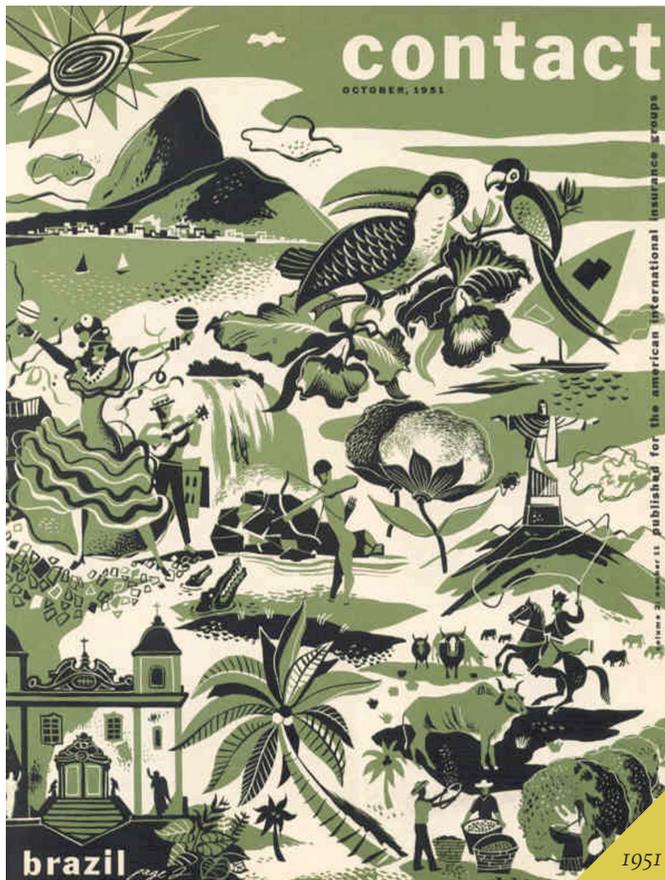
That's good for clients, it's good for brokers, it's good for everyone. Because now they can see that they can count on AIG to be there.

Hei Wong (HW) | **The company is returning to the AIG name. What led you to this decision?**

I believe we've gained new respect from people about the capability of the company. We're a strong, vibrant, leading company in the insurance sector around the

About Bob Benmosche

- **Joined AIG as President and CEO in August 2009, when he was also elected to the AIG Board of Directors.**
- **Retired as Chairman and CEO of MetLife, Inc., in 2006 after an 11-year career.**
- **Led the transition of MetLife from a mutual to a public company in 2000.**
- **Spent more than 13 years at PaineWebber Group Incorporated, and directed the merger of Kidder Peabody into PaineWebber in 1994.**
- **Earlier in his career was a Chase Manhattan Bank Vice President and a staff consultant with Arthur D. Little.**



A look at some of the covers from AIG's employee publication, Contact, shows the company's long-standing presence in areas across the globe, from Asia and the U.S. to Latin America and Europe.



“The buyers of our products feel very good about AIG today and have a lot of confidence in us.”

world. We feel at this stage of the game, it makes sense to return to the AIG name.

The changing of the brand signifies what we believe, and what our research is telling us. The buyers of our products feel very good about AIG today and have a lot of confidence in us. And we're building that confidence around the world.

Our rebranding approach in the fall, once we're ready, is that AIG is a company that keeps its promises to the American public, our clients, our shareholders and bondholders. It's about having the ability to count on the AIG promise and the AIG skills.

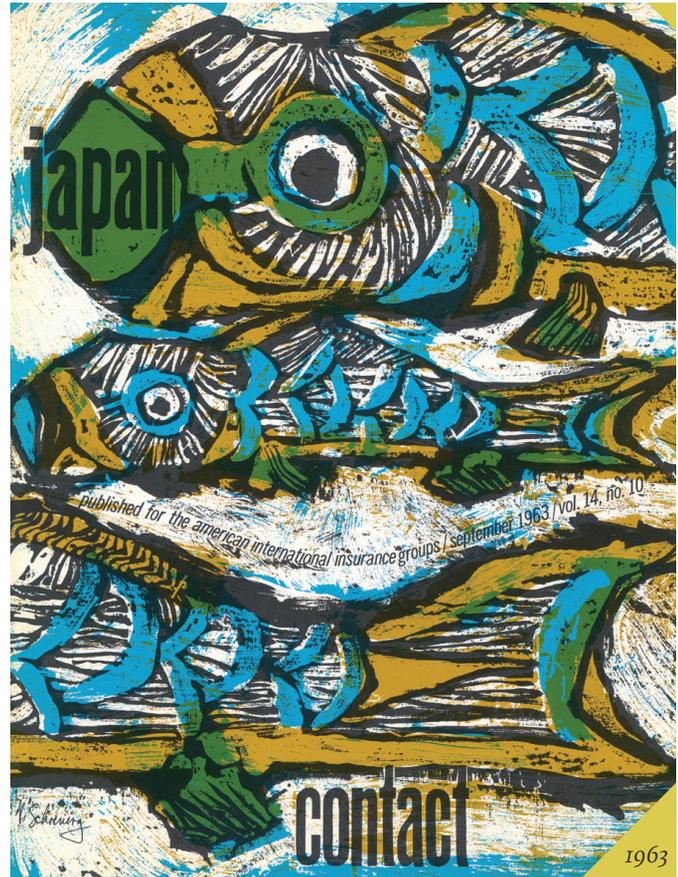
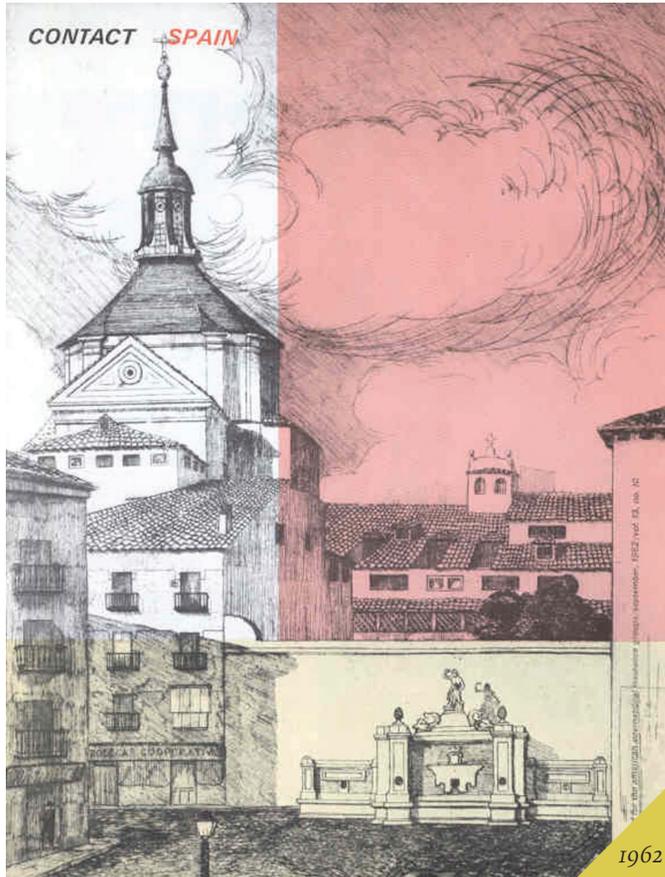
Gregory Allard (GA) | What are AIG's plans with the remaining shares the U.S. Treasury owns?

Every remaining AIG common share the U.S. Treasury owns will generate a positive return when sold. AIG continues to focus on capital management. Capital management is not necessarily just buying back shares. It could be buying back our debt. It could also be buying companies. For instance, we decided to buy Fuji Fire and Marine, which was an acquisition we made in Japan. We also recently bought the broker-dealer from The Hartford for our Advisor Group. So we will do what we think is in the best interest of our shareholders.

Jamie Crystal (JC) | What are your thoughts on being regulated by the Federal Reserve?

We recognize and respect the need for regulation. The Federal Reserve has to look at large financial institutions, or large institutions that can have an impact on the financial markets. For a company like AIG, the Federal Reserve would make sure that noninsurance activities would not affect the insurance activities or the financial markets. When we think about AIG, we're a very large company. We have a large amount of resources at the holding company, which means they are not regulated by insurance company regulators in the states or countries we do business in. A regulator like the Federal Reserve would oversee the totality of the company.

People need to be comfortable that AIG is well-run, has excellent risk management, and can be supportive to the insurance companies if there is a problem. It would be an important statement for the Federal Reserve to make that we have sufficient liquidity and sufficient risk management so that we can live up to all of our obligations and promises, and not cause a problem for the financial markets. It says to the outside world that when AIG says it's strong enough to live up to its promises, we have



a regulatory body – an independent third party beyond the rating agencies, beyond outside accounting firms – that says, you know what, we agree with them. That’s our approach.

Steve Jackson (SJ) | **Besides acquiring broker-dealer Woodbury Financial from The Hartford in July, are you looking to make other acquisitions? If so, in what areas?**

In looking at potential acquisitions, we feel it’s important to stay within our realm of insurance. We’re looking at anything in the insurance arena that we think would provide us with a good investment return – better than buying back our debt or buying back our stock. I really can’t give you a more definitive answer other than that we look at what the best return is for the company’s shareholders over time.

EXPERIENCE IN INSURANCE AND AT AIG

JMF | **How and why did you enter the insurance industry?**

When I was at PaineWebber in the early 1980s, I was asked to take on marketing responsibility for the insurance area. That was my first exposure. I didn’t think, however, that I would be involved in insurance after I moved into other

Commitment to BrokersLink

AIG is committed to diversifying its distribution channels through Independent Broker Networks (IBNs) such as BrokersLink. AIG and BrokersLink share key characteristics, including a global footprint and an entrepreneurial approach to meeting clients’ needs. BrokersLink is uniquely positioned – with the support of its senior leadership, management team, and members – to drive success through jointly identified strategies with AIG.

AIG sees its alliance and business with BrokersLink growing as this IBN focuses on such areas as:

- Multinational business, regional and global
- Middle market and other customer segments
- Specialty lines, such as aviation, energy, and marine
- Emerging risks, such as cyber risk
- Emerging markets, including Brazil, China, and India

Partnering with BrokersLink to help grow multinational business, AIG has hosted regional multinational training sessions for BrokersLink members: Latin America in 2011, Europe in 2012, and Asia Pacific, planned for 2013.

“ The AIG culture is about innovation, entrepreneurialism, and empowerment of people...”

“**AIG has always been a strong and loyal partner of BrokersLink since its inception, and we highly value its close business relationship with our community around the world.**”

José Manuel Fonseca, Chairman of BrokersLink

Key Facts and Figures About AIG

- 90+** Years in operation
- 100+** Countries where AIG operates
- 57,000+** AIG employees
- 30%** Percentage of revenue outside of the U.S. and Canada
- \$64bn** AIG's revenue in 2011
- 88m** Clients that AIG serves
- 100%** U.S. government assistance recovered, with a positive return
- \$27.5bn** Claims paid in 2011
- \$117m** Average claims paid each business day in 2011 by AIG's property casualty business

aspects of the securities business...until I decided to change my career in 1995.

I was looking for something else. One of the options was to help the Metropolitan Insurance Company think through distribution strategies. I figured that working for a mutual insurance company, you'd get a little bit of quality of life. It didn't last very long. I wound up helping them restore the field force. Within a couple of years, I was surprised to find that I was named the Chairman, CEO, and President of MetLife. Then we decided it didn't make sense to stay as a mutual, so we took it public in 2000.

I retired in 2006 after eight years as CEO, restoring MetLife as the leader in our industry. (We were second in the U.S. when I started, and when I retired, MetLife was the largest in North America.) I retired to Dubrovnik, Croatia, to become a winemaker.

HW | What made you decide to come out of retirement?

First and foremost, I realized that American business was in rapid decline because people had lost confidence in the ability of corporations to do the right thing. And I thought if AIG were to fail, it would be difficult for the industry to recover. It's a very important institution. I felt, and my family and close friends felt, that I could make a difference – that, along with my meeting with Hank Greenberg, who basically felt that if I were to do the job, he would be able to support the vision that I had, which was to restore AIG and do what we, in fact, have done.

In 2009, I said to the people of AIG that we were the icon of everything that went wrong in America in 2008. But if we all worked hard and had a vision that we all believed in, we could pay back the American people for their support with a profit and be left with one of the strongest insurance

companies in the world.

The people of AIG at that time rolled up their sleeves and worked as hard as they could. What I say to them today is that we can actually become the icon of everything that's right about America.

JC | What made you decide to stay on at AIG, despite your diagnosis/illness?

When I was diagnosed with cancer, it was before we did the restructuring with the Federal Reserve. I felt that if I were to step down before I physically needed to, we would lose the momentum. I felt that we'd come too close to achieving the turnaround, and I wanted to make sure we reached the point where there was great confidence that this would happen. My family and I agreed that I should keep fighting this, keep doing what I had to do.

The good news is, while the original chemo did not work, they put me on a therapy in late November of 2010 that, by January of 2011 – just as we were doing the restructuring with the Federal Reserve – had an effect. I didn't know how much time I had, but the doctors said I had more time. And I'm still having more time. Then, in May of 2011, the crisis at AIG was over. This company would be here and continue to be strong. And the team that was here could carry the ball if I couldn't. I'm still here kicking and screaming. I couldn't be happier.

GA | What drives you to succeed?

I guess it's something to do with my mother. When my dad died, I was 10. He didn't have a will, didn't have any life insurance; he was 50 years old and left my mother with \$250,000 in debt. My mom had a motel, cabins, a restaurant, and a bar. She was able to get her four kids off to school every day, close the bar at one in the morning, and start the restaurant at six in the morning. And she did it with a smile.



“ I believe we are what we choose to make of ourselves.”

She made all of us go to college. We had to pay for it; she didn't have the money to do it. But she made us all go to college. I spent almost seven years driving a Coca-Cola truck selling soda. I made the most money of any salesman because I worked hard at it. It put me through all of my educational experiences – prepschool as well as college. I'm proud of what it was able to do to get me started in life.

When I look at my life, what's clear to me is that however difficult the hand is that you're dealt, it's your hand. You need to make the most of it. If you wait for somebody else to do it for you, it won't happen. I believe we are what we choose to make of ourselves. And I recognize that if you take on a responsibility, you have to live up to it. Coming to AIG was something I chose to do. I will see it through. That's what drives me to succeed. And I enjoy it.

SJ | How would you describe the corporate culture at AIG, and how has it changed since you arrived at the company in 2009?

The AIG culture is about innovation, entrepreneurialism, and empowerment of people at the point of sale in working with our clients and our brokers. We've got to preserve those strengths.

On the other hand, we are changing into a culture that relies much more on

analytics, data management, and data mining. We are highly skilled as technicians, underwriters, and product creators. We were not that skilled in leveraging information to help us think through what pricing should be and what risks really should be considered.

The new AIG has all of the old strengths, and we're adding to them a whole new strength of being very analytic, with predictive data modeling and other information-gathering tools to help us be even better than we were before.

FUTURE OF THE INSURANCE INDUSTRY

SJ | In what areas of the world does AIG see the best growth potential?

AIG has a deep relationship in many places around the world. One area where we see real growth is China. On the personal lines side, we're going to look to expand in mandatory auto. On the commercial side, we can leverage our global footprint for Chinese companies doing business outside of China. We also see Korea as an opportunity. And we continue to see Japan as an important market for us. We're very large in Japan; we're still the largest foreign property

casualty insurer in the country.

We also see Brazil as a vibrant growth economy. We were very big in Brazil before the crisis. Unfortunately, we had to sell our joint venture there. Starting from scratch, we're making great progress, especially using the AIG brand in Brazil, and we think we can come back. We're also strong in Argentina and Mexico. We have been in Argentina for a long time and have a big operation there. Overall, Latin America still looks like a great growth opportunity.

There are opportunities for us in the Middle East, Asia, and parts of Europe. And we are – and expect to continue to be – a major player in the United States, with more innovation on the property casualty side.

I believe you'll see us continually grow our life and retirement business in the U.S., but also begin to move back outside the U.S. Having sold ALICO and taken AIA public, we still have the ability, in places where we currently have licenses, to grow those businesses organically or through acquisition – and, when the time is right, to expand to other countries.

Again, we're going to focus on a handful of countries in the growth economies, and we'll continue to keep moving in other countries as well. We just had our 50th anniversary in South

History of AIG

- 1919** C.V. Starr establishes a general insurance company, American Asiatic Underwriters, in Shanghai, China.
- 1926** First U.S. office, American International Underwriters (AIU), opens in New York City.
- 1937** First Latin American market operation opens, in Cuba.
- 1939** Company headquarters relocates from Shanghai to New York City.
- 1946** Soon after World War II, C.V. Starr opens AIU offices in Japan and Germany to provide insurance for the U.S. military.
- 1948** Global expansion continues by entering France and Mexico.
- 1949** Offices open in Brazil and Italy.
- 1951** AIU establishes its first Middle Eastern operation, in Lebanon.
- 1969** AIG stock begins publicly trading in the over-the-counter market.
- 1984** AIG begins trading on the New York Stock Exchange.
- 1992** The People's Republic of China grants AIG a license to operate a life and non-life insurance business in Shanghai, the first license granted by the Chinese government to a foreign insurance organization in more than 40 years.
- 2001** Tata and AIG form a joint venture general insurance company in India.
- 2005** AIG receives a general insurance license in Vietnam.

Progress Since 2008

AIG Is Close to Achieving a Complete Turnaround of the Company

- 2008** The U.S. government, through the Federal Reserve Bank of New York (FRBNY) and the U.S. Department of the Treasury, steps in to help AIG during the financial crisis; maximum support authorized by the U.S. government to AIG reaches \$182.3 billion by the end of 2008.
- 2009** AIG announces that its Board of Directors has elected Robert H. Benmosche as President and CEO. Mr. Benmosche is also elected a member of the Board.
- 2010** AIG enters into an agreement-in-principle with the Treasury and the FRBNY, designed to repay AIG's obligations to U.S. taxpayers, and to position AIG as strong, independent, and worthy of investor confidence.
- 2011** AIG announces that it has executed its recapitalization plan with the Treasury and the FRBNY; AIG repays in full the approximately \$21 billion outstanding balance on the FRBNY credit facility and exchanges various forms of government support for 1.655 billion common shares, resulting in the Treasury owning approximately 92 percent of AIG's common stock.
- 2012** As of September 2012, together with repayments, withdrawals, exchanges, sales, and other actions, the U.S. government has now recovered a combined total of \$197.4 billion, representing a combined positive return of \$15.1 billion to date - with approximately 234.2 million shares of AIG common stock, approximately 15.9 percent, owned by the Treasury as the remaining investment.

Africa. We have a strong operation there; it's an important market.

AIG is strong in many places, and we want to make sure we maximize wherever we can.

SJ | What is your outlook for the property casualty industry in general, and AIG's property casualty business specifically?

There's no question that when people focus on capital preservation, they need to be able to use insurance companies to support that capital base in times of crisis. That's what insurance does. If you look at large fires, tornadoes, earthquakes, tsunamis...this is all about companies not having enough capital to withstand those kinds of crises. So they rent that capital from the insurance companies.

Clearly, I see the world growing, and I see the need for insurance growing. Therefore, I see our business as a growth business.

At AIG, what's important is that we make sure that we don't provide capital for an inappropriate return on the risks we're taking away from clients and putting on the books of AIG. We've got to be much more data-driven than before. That should give us a competitive advantage in making sure that whatever we are doing, it is priced appropriately for AIG and for the clients of AIG.

GA | AIG is known for its innovative coverages. Can you tell us about how AIG is responding to some emerging risks?

Whether it's CyberEdge or whether it's taking a look at workers' compensation, which is more traditional to other kinds of insurance, there's no question that companies have to ask themselves whether they understand what will happen under certain conditions.

Even at AIG, through our prior ownership of a company, we had a break

“ Clearly, I see the world growing, and I see the need for insurance growing. Therefore, I see our business as a growth business.”

in data security using a third party in another country. It was expensive and difficult to go through, and it required a lot of remediation and disruption. You've seen what's happened with other leaks where people's information is out there. This is a catastrophe that a company may face, and it may not have the skills, the loss control, or the ability to insure those resources when something does go wrong.

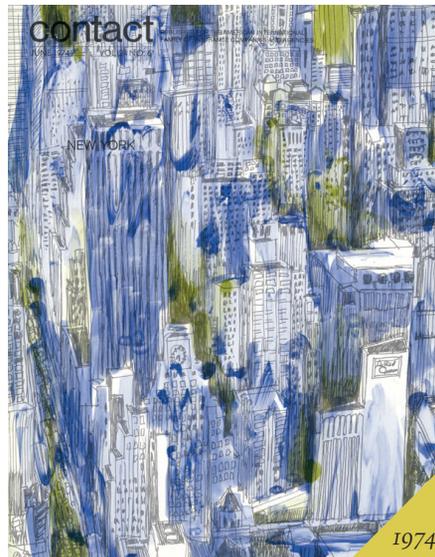
It's not only having the insurance. It's also having people who help deal with risk management. We're going to sit down with the client and broker, and say, "Here are the things you need to do to mitigate the risk." So they're getting the benefit of our skills and our knowledge, as well as our insurance products.

We're going to continue to look at major issues and see how we can support clients as they deal with those issues.

GA | What are your thoughts on pricing and property casualty rates?

People are looking for a hard or soft market, which has been the tradition of the business. What we're looking at is not prices per se, but risks and whether we're getting the right return on risks. For example, we looked at the way we were handling fleet risk in transportation companies. We realized that, regardless of price, we were not doing the right risk selection. Some of our competitors had better analytical tools. They understood what risks they should or should not write, and then they thought about how they priced.

Part of what we're going to see at AIG is a lot more refinement in how we use data, which is a competitive advantage for us because we have more information than most about many risks. We just have to do a better job of mining it – especially on the property casualty side, but also on the life side. We're doing a lot more analytics than we ever did before. That's allowing us to be much more effective in selecting and pricing the right risk.



INDEPENDENT BROKER NETWORKS

GA | What do you see as the role of Independent Broker Networks in a global environment?

What we've seen is an industry that grew up being very product-focused – focused on how to distribute its products and on finding specialized brokers, who then found clients who needed those specialties. It's clear that clients are now becoming more than just mono-product and mono-geography.

At AIG, we now have a Global Commercial business and a Global Consumer business, versus a U.S. business and a non-U.S. business. We have to think about our financial lines products around

“ We're doing a lot more analytics than we ever did before. That's allowing us to be much more effective in selecting and pricing the right risk.”

the world, our liability products around the world, our medical products around the world, because our clients now want us to pull all of this together. So the independent brokers out there that are much more limited in geography, limited by product, aren't going to retain those relationships unless they can make themselves virtually appear as a global broker with broad skills.

Independent Broker Networks are allowing their members to virtualize themselves by being part of a broader group providing service around the world. And we, as a manufacturer of product, are going to be able to provide service around the world. So this form of independent distribution is important.

GA | What's your advice for Independent Broker Networks like BrokersLink?

We see Independent Broker Networks as helping us be part of the solution in a broad way. Clients rely on us to do more than just be product sales organizations. I would encourage everyone to think about how we can be more to the client than we are today – to ask clients, "As you think about our relationship, what more could we give you to make your job easier and better?" Sometimes we're afraid to ask those open-ended questions.

It's got to be beyond just financials. It's got to be problem solving – thinking about innovative ways to be more to the clients than just somebody who helps them work on the financial spreadsheets.

One change I've seen at AIG is that, because of the crisis, we have gotten closer to our clients. Clients are looking to AIG and the broker to problem-solve. So it's all of us working together to be more client-focused and nimble in meeting their needs.

There's no question that there's got to be more seamlessness as we think about the client. It can't look like a patchwork quilt; it's got to look like a blanket that's been woven by everybody working together.