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AIG IN AGREEMENT TO SELL 21ST CENTURY INSURANCE

TO ZURICH FINANCIAL SERVICES GROUP UNIT

NEW YORK, April 16, 2009 – American International Group, Inc. (AIG) and Zurich Financial Services Group (Zurich) announced today an agreement to sell 21st Century Insurance Group, the wholly owned subsidiaries comprising AIG's U.S. personal auto insurance business, to Farmers Group, Inc. (FGI), a subsidiary of Zurich. Under the terms of the transaction, FGI will pay AIG \$1.9 billion, consisting of \$1.5 billion in cash and \$400 million in face amount of subordinated, euro-denominated capital notes backed by Zurich Insurance Company, Zurich's principal operating unit. FGI will also assume 21st Century's outstanding debt of \$100 million. The transaction is subject to satisfaction of certain conditions, including approvals by appropriate regulatory authorities.

21st Century, based in Wilmington, Delaware, includes the former AIG Direct business and Agency Auto business. The company operates in 49 states and Washington, D.C. In 2008, 21st Century reported total premiums of \$3.6 billion, including \$2.7 billion in direct sales and \$900 million through independent agents.

The transaction excludes AIG's Private Client Group, which provides property and casualty insurance to high net worth individuals.

"We are very pleased to reach agreement on a \$2 billion transaction, especially in this market environment," said Edward Liddy, AIG's chairman and chief executive officer. "In addition, we are moving forward with discussions for several other transactions, and we continue to evaluate how best to assure the continued strength and success of all of AIG's businesses."

Anthony J. DeSantis, president and chief executive officer of 21st Century, said, "Both 21st Century and Farmers are strong companies, providing policyholders with exceptional levels of service and personalized coverage. This is an excellent fit and we look forward to a smooth integration that will be seamless to our customers."

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Banc of America Securities LLC acted as financial advisor and Sidley Austin LLP acted as legal counsel to AIG on this transaction. Blackstone Advisory Services provided financial advice to AIG in connection with AIG's global restructuring program.

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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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