Due Diligence Report

AMERICAN INTERNATIONAL GROUP INC

2008-09-26

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This document was generated from data compiled through 2008-09-26.

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AMERICAN INTERNATIONAL GROUP INC

Recent issues within the last 12 months

Recent Disclosure Control Issues Recent Director/Officer Resignation Material Legal Proceedings

Company Overview

Ticker	AIG (NYSE)
Auditor	PricewaterhouseCoopers LLP since 1980
CIK Code	5272
IRS Number	13-2592361
Accelerated Filer	Yes, as of 30 June 2008 (10-Q 2008-08-06)
Business Address	70 PINE ST NEW YORK, NY 10270 (212) 770-7000
Mailing Address	70 PINE STREET NEW YORK, NY 10270
Employees	116,000
Company Website	www.aig.com
Index	No. 13 in the Fortune 1000 Member Dow Jones Industrials Member S&P 500 Member Russell 1000
IPO Year	1969
Industry	SIC: 6331 *Fire, Marine, and Casualty Insurance* NAICS: 524130 *Reinsurance Carriers*
Fiscal Year End	December 31st
Market Cap	$32,642,400,000
Revenue (yr)**	$82,233,000,000
Revenue (mrq)	$19,933,000,000
Earnings (mrq)	$-5,357,000,000
Book Value	$67,427,000,000
Assets	$1,049,880,000,000
Shares Outstanding	2,688,830,000
Float	2,645,243,000
Short Interest	85,839,832 (2008/08/26)
Last Report	10-Q (2008-08-06)
Last Non-Timely Filing	NT 10-Q (2005-11-09)
Last Securities Registration	S-3MEF (2008-05-12)

Financial info as of 2008-06-30. ** Trailing twelve months.

Summary Information

Compliance Overview

Period	NT	ICFR (404) - Auditor	ICFR (404) - Management	DC (302) - Management	CIC (302) - Management
20080630 10-Q				🚩	↻
20080331 10-Q				🚩	↻
20071231 10-K		PricewaterhouseCoopers LLP 🚩	🚩	🚩	↻
20070930 10-Q				✓	
20070630 10-Q				🚩	
20070331 10-Q				🚩	
20061231 10-K		PricewaterhouseCoopers LLP 🚩	🚩	🚩	↻
20060930 10-Q				🚩	
20060630 10-Q				🚩	
20060331 10-Q				🚩	↻
20051231 10-K		PricewaterhouseCoopers LLP 🚩	🚩	🚩	↻
20050930 10-Q	🚩			🚩	↻
20050630 10-Q				🚩	
20050331 10-Q				🚩	
20041231 10-K	🚩	PricewaterhouseCoopers LLP 🚩 R PricewaterhouseCoopers LLP 🚩	🚩 R 🚩	🚩	
20040930 10-Q				✓	
20040630 10-Q				✓	
20040331 10-Q				✓	
20031231 10-K				✓	
20030930 10-Q				✓	
20030630 10-Q				✓	
20030331 10-Q				✓	
20021231 10-K				✓	
20020930 10-Q				✓	

NT = Non-Timely or Late Filing Notification Issued for the Period
ICFR - Auditor = Internal Controls over Financial Reporting (SOX 404) - Auditor's Assessment
ICFR - Management = Internal Controls over Financial Reporting (SOX 404) - Management's Assessment
DC - Management = Disclosure Controls (SOX 302) - Management's Assessment
CIC - Management = Changes in Internal Controls (SOX 302) - Management's Disclosure

Compliance

Auditor and Management Reports - Internal Controls

2007
[Auditor Opinion]
[Management Report]

Auditor	PricewaterhouseCoopers LLP
Year Ended	31 December 2007
Signature	28 February 2008
Auditor - internal controls are effective	No
Auditor - agrees with management's assessment	Yes
Management - internal controls are effective	No
Source	SEC form 10-K

Auditor - Assessments

Not Effective - Accounting Rule (GAAP/FASB) Application Failures
- Acc - Accounts/loans receivable, investments & cash issues
- Acc - Financial derivatives/hedging (FAS 133) acctg issues

Not Effective - Internal Control Weakness
- IC - Accounting documentation, policy and/or procedures
- IC - Accounting personnel resources, competency/training
- IC - Material and/or numerous auditor /YE adjustments
- IC - Non-routine transaction control issues

Management - Assessments

Not Effective - Accounting Rule (GAAP/FASB) Application Failures
- Acc - Accounts/loans receivable, investments & cash issues
- Acc - Financial derivatives/hedging (FAS 133) acctg issues

Not Effective - Internal Control Weakness
- IC - Accounting documentation, policy and/or procedures
- IC - Accounting personnel resources, competency/training
- IC - Material and/or numerous auditor /YE adjustments
- IC - Non-routine transaction control issues

2006
[Auditor Opinion]
[Management Report]

Auditor	PricewaterhouseCoopers LLP
Year Ended	31 December 2006
Signature	1 March 2007
Auditor - internal controls are effective	No
Auditor - agrees with management's assessment	Yes
Management - internal controls are effective	No
Source	SEC form 10-K

Auditor - Assessments

Not Effective - Accounting Rule (GAAP/FASB) Application Failures
- Acc - Tax expense/benefit/deferral/other (FAS 109) issues

Not Effective - Internal Control Weakness
- IC - Accounting documentation, policy and/or procedures
- IC - Material and/or numerous auditor /YE adjustments

Management - Assessments

Not Effective - Accounting Rule (GAAP/FASB) Application Failures
- Acc - Tax expense/benefit/deferral/other (FAS 109) issues

Not Effective - Internal Control Weakness
- IC - Accounting documentation, policy and/or procedures
- IC - Material and/or numerous auditor /YE adjustments

2005

Auditor Opinion

Management Report

Auditor	PricewaterhouseCoopers LLP
Year Ended	31 December 2005
Signature	16 March 2006
Auditor - internal controls are effective	No
Auditor - agrees with management's assessment	Yes
Management - internal controls are effective	No
Source	SEC form 10-K

Auditor - Assessments

Not Effective - Accounting Rule (GAAP/FASB) Application Failures
- Acc - Accounts/loans receivable, investments & cash issues
- Acc - Financial derivatives/hedging (FAS 133) acctg issues
- Acc - Foreign, related party, affiliated and/or subsid issues
- Acc - Intercompany/Investment w/ sub/affil issues
- Acc - Lease, FAS 5, legal, contingency & commit issues
- Acc - Liabilities, payables, reserves and accrual est failures
- Acc - Tax expense/benefit/deferral/other (FAS 109) issues

Not Effective - Internal Control Weakness
- IC - Accounting documentation, policy and/or procedures
- IC - Material and/or numerous auditor /YE adjustments
- IC - Restatement or nonreliance of company filings
- IC - Untimely or inadequate account reconciliations

Management - Assessments

Not Effective - Accounting Rule (GAAP/FASB) Application Failures
- Acc - Accounts/loans receivable, investments & cash issues
- Acc - Financial derivatives/hedging (FAS 133) acctg issues
- Acc - Foreign, related party, affiliated and/or subsid issues
- Acc - Intercompany/Investment w/ sub/affil issues
- Acc - Lease, FAS 5, legal, contingency & commit issues
- Acc - Liabilities, payables, reserves and accrual est failures
- Acc - Tax expense/benefit/deferral/other (FAS 109) issues

Not Effective - Internal Control Weakness
- IC - Accounting documentation, policy and/or procedures
- IC - Material and/or numerous auditor /YE adjustments
- IC - Restatement or nonreliance of company filings
- IC - Untimely or inadequate account reconciliations

2004 - Restated (1)
[Auditor Opinion]
[Management Report]

Auditor	PricewaterhouseCoopers LLP
Year Ended	31 December 2004
Signature	16 March 2006
Auditor - internal controls are effective	No
Auditor - agrees with management's assessment	Yes
Management - internal controls are effective	No
Source	SEC form 10-K/A

Auditor - Assessments

Not Effective - Accounting Rule (GAAP/FASB) Application Failures
- Acc - Balance sheet classification of asset issues
- Acc - Consolidation, (Fin46r/Off BS) & foreign curr transl iss
- Acc - Financial derivatives/hedging (FAS 133) acctg issues
- Acc - Foreign, related party, affiliated and/or subsid issues
- Acc - Tax expense/benefit/deferral/other (FAS 109) issues

Not Effective - Internal Control Weakness
- IC - Accounting documentation, policy and/or procedures
- IC - Accounting personnel resources, competency/training
- IC - Ethical or compliance issues with personnel
- IC - Restatement or nonreliance of company filings
- IC - Restatement of previous 404 disclosures
- IC - Senior management competency, tone, reliability issues

Management - Assessments

Not Effective - Accounting Rule (GAAP/FASB) Application Failures
- Acc - Balance sheet classification of asset issues
- Acc - Consolidation, (Fin46r/Off BS) & foreign curr transl iss
- Acc - Financial derivatives/hedging (FAS 133) acctg issues
- Acc - Foreign, related party, affiliated and/or subsid issues
- Acc - Tax expense/benefit/deferral/other (FAS 109) issues

Not Effective - Internal Control Weakness
- IC - Accounting documentation, policy and/or procedures
- IC - Accounting personnel resources, competency/training
- IC - Ethical or compliance issues with personnel
- IC - Restatement or nonreliance of company filings
- IC - Restatement of previous 404 disclosures
- IC - Senior management competency, tone, reliability issues

2004
[Auditor Opinion]
[Management Report]

Auditor	PricewaterhouseCoopers LLP
Year Ended	31 December 2004
Signature	27 May 2005
Auditor - internal controls are effective	No
Auditor - agrees with management's assessment	Yes
Management - internal controls are effective	No
Source	SEC form 10-K

Auditor - Assessments

Not Effective - Accounting Rule (GAAP/FASB) Application Failures
- Acc - Accounts/loans receivable, investments & cash issues
- Acc - Consolidation, (Fin46r/Off BS) & foreign curr transl iss
- Acc - Financial derivatives/hedging (FAS 133) acctg issues
- Acc - Foreign, related party, affiliated and/or subsid issues
- Acc - Intercompany/Investment w/ sub/affil issues
- Acc - Liabilities, payables, reserves and accrual est failures
- Acc - Revenue recognition issues
- Acc - Tax expense/benefit/deferral/other (FAS 109) issues

Not Effective - Internal Control Weakness
- IC - Accounting documentation, policy and/or procedures
- IC - Ethical or compliance issues with personnel
- IC - Management/Board/Audit Committee investigation(s)
- IC - Restatement or nonreliance of company filings
- IC - SEC or other regulatory investigations and/or inquiries
- IC - Segregations of duties/ design of controls (personnel)
- IC - Senior management competency, tone, reliability issues
- IC - Untimely or inadequate account reconciliations

Management - Assessments

Not Effective - Accounting Rule (GAAP/FASB) Application Failures
- Acc - Accounts/loans receivable, investments & cash issues
- Acc - Consolidation, (Fin46r/Off BS) & foreign curr transl iss
- Acc - Financial derivatives/hedging (FAS 133) acctg issues
- Acc - Foreign, related party, affiliated and/or subsid issues
- Acc - Intercompany/Investment w/ sub/affil issues
- Acc - Liabilities, payables, reserves and accrual est failures
- Acc - Revenue recognition issues
- Acc - Tax expense/benefit/deferral/other (FAS 109) issues

Not Effective - Internal Control Weakness
- IC - Accounting documentation, policy and/or procedures
- IC - Ethical or compliance issues with personnel
- IC - Management/Board/Audit Committee investigation(s)
- IC - Restatement or nonreliance of company filings
- IC - SEC or other regulatory investigations and/or inquiries
- IC - Segregations of duties/ design of controls (personnel)
- IC - Senior management competency, tone, reliability issues
- IC - Untimely or inadequate account reconciliations

Management Assessment - Disclosure Controls

Management Assessment for Period Ended 30 June 2008	
Management - disclosure controls are effective	No
Material Weakness	Yes
Other Deficiencies / Disclosures	No
Source	10-Q
Source Filed	2008-08-06
Management - Assessments	

Accounting Rule (GAAP/FASB) Application Failures
- Acc - Accounts/loans receivable, investments & cash issues
- Acc - Consolidation, (Fin46r/Off BS) & foreign curr transl iss
- Acc - Financial derivatives/hedging (FAS 133) acctg issues
- Acc - Tax expense/benefit/deferral/other (FAS 109) issues

Other Deficiencies / Disclosures
- DC - Fin close process/ policy/info accum & timeliness issues
- DC - Period end close & non-routine adjustment issues
- DC - Personnel inadequacies/segregation of duty issues
- DC - Sect 404 adverse report (recent past/pending) filed

Management Assessment for Period Ended 31 March 2008

Management - disclosure controls are effective	No
Material Weakness	Yes
Other Deficiencies / Disclosures	No
Source	10-Q
Source Filed	2008-05-08

Management - Assessments

Accounting Rule (GAAP/FASB) Application Failures
- Acc - Accounts/loans receivable, investments & cash issues
- Acc - Consolidation, (Fin46r/Off BS) & foreign curr transl iss
- Acc - Financial derivatives/hedging (FAS 133) acctg issues
- Acc - Tax expense/benefit/deferral/other (FAS 109) issues

Other Deficiencies / Disclosures
- DC - Fin close process/ policy/info accum & timeliness issues
- DC - Period end close & non-routine adjustment issues
- DC - Personnel inadequacies/segregation of duty issues
- DC - Sect 404 adverse report (recent past/pending) filed

Management Assessment for Period Ended 31 December 2007

Management - disclosure controls are effective	No
Material Weakness	Yes
Other Deficiencies / Disclosures	No
Source	10-K
Source Filed	2008-02-28

Management - Assessments

Accounting Rule (GAAP/FASB) Application Failures
- Acc - Accounts/loans receivable, investments & cash issues
- Acc - Consolidation, (Fin46r/Off BS) & foreign curr transl iss
- Acc - Financial derivatives/hedging (FAS 133) acctg issues
- Acc - Tax expense/benefit/deferral/other (FAS 109) issues

Other Deficiencies / Disclosures
- DC - Fin close process/ policy/info accum & timeliness issues
- DC - Period end close & non-routine adjustment issues
- DC - Personnel inadequacies/segregation of duty issues
- DC - Sect 404 adverse report (recent past/pending) filed

Management Assessment for Period Ended 30 September 2007

Management - disclosure controls are effective	Yes
Material Weakness	No
Other Deficiencies / Disclosures	No
Source	10-Q
Source Filed	2007-11-07

Management Assessment for Period Ended 30 June 2007

Management - disclosure controls are effective	No
Material Weakness	Yes
Other Deficiencies / Disclosures	No
Source	10-Q
Source Filed	2007-08-08

Management - Assessments

Accounting Rule (GAAP/FASB) Application Failures

Acc - Tax expense/benefit/deferral/other (FAS 109) issues

Other Deficiencies / Disclosures

DC - Fin close process/ policy/info accum & timeliness issues

DC - Period end close & non-routine adjustment issues

DC - Sect 404 adverse report (recent past/pending) filed

Management Assessment for Period Ended 31 March 2007

Management - disclosure controls are effective	No
Material Weakness	Yes
Other Deficiencies / Disclosures	No
Source	10-Q
Source Filed	2007-05-10

Management - Assessments

Accounting Rule (GAAP/FASB) Application Failures

Acc - Tax expense/benefit/deferral/other (FAS 109) issues

Other Deficiencies / Disclosures

DC - Fin close process/ policy/info accum & timeliness issues

DC - Period end close & non-routine adjustment issues

DC - Revision made later to these 302/404 disclosures

DC - Sect 404 adverse report (recent past/pending) filed

Management Assessment for Period Ended 31 December 2006

Management - disclosure controls are effective	No
Material Weakness	Yes
Other Deficiencies / Disclosures	No
Source	10-K
Source Filed	2007-03-01

Management - Assessments

Accounting Rule (GAAP/FASB) Application Failures

Acc - Accounts/loans receivable, investments & cash issues

Acc - Financial derivatives/hedging (FAS 133) acctg issues

Acc - Foreign, related party, affiliated and/or subsid issues

Acc - Intercompany/Investment w/ sub/affil issues

Acc - Tax expense/benefit/deferral/other (FAS 109) issues

Other Deficiencies / Disclosures

DC - Fin close process/ policy/info accum & timeliness issues
DC - Information technology, software, access/security issues
DC - Period end close & non-routine adjustment issues
DC - Personnel inadequacies/segregation of duty issues
DC - Remediation of Disclosure Control Weakness asserted
DC - Sect 404 adverse report (recent past/pending) filed

Management Assessment for Period Ended 30 September 2006	
Management - disclosure controls are effective	No
Material Weakness	Yes
Other Deficiencies / Disclosures	No
Source	10-Q
Source Filed	2006-11-09

Management - Assessments

Accounting Rule (GAAP/FASB) Application Failures

Acc - Accounts/loans receivable, investments & cash issues
Acc - Financial derivatives/hedging (FAS 133) acctg issues
Acc - Foreign, related party, affiliated and/or subsid issues
Acc - Intercompany/Investment w/ sub/affil issues
Acc - Tax expense/benefit/deferral/other (FAS 109) issues

Other Deficiencies / Disclosures

DC - Fin close process/ policy/info accum & timeliness issues
DC - Information technology, software, access/security issues
DC - Period end close & non-routine adjustment issues
DC - Restatement (recent past or pending) evident
DC - Sect 404 adverse report (recent past/pending) filed

Management Assessment for Period Ended 30 June 2006	
Management - disclosure controls are effective	No
Material Weakness	Yes
Other Deficiencies / Disclosures	No
Source	10-Q
Source Filed	2006-08-09

Management - Assessments

Accounting Rule (GAAP/FASB) Application Failures

Acc - Accounts/loans receivable, investments & cash issues
Acc - Financial derivatives/hedging (FAS 133) acctg issues
Acc - Foreign, related party, affiliated and/or subsid issues
Acc - Intercompany/Investment w/ sub/affil issues
Acc - Tax expense/benefit/deferral/other (FAS 109) issues

Other Deficiencies / Disclosures

DC - Fin close process/ policy/info accum & timeliness issues
DC - Information technology, software, access/security issues
DC - Period end close & non-routine adjustment issues
DC - Restatement (recent past or pending) evident
DC - Sect 404 adverse report (recent past/pending) filed

Management Assessment for Period Ended 31 March 2006

Management - disclosure controls are effective	No
Material Weakness	Yes
Other Deficiencies / Disclosures	No
Source	10-Q
Source Filed	2006-05-10

Management - Assessments

Accounting Rule (GAAP/FASB) Application Failures
- Acc - Accounts/loans receivable, investments & cash issues
- Acc - Financial derivatives/hedging (FAS 133) acctg issues
- Acc - Foreign, related party, affiliated and/or subsid issues
- Acc - Intercompany/Investment w/ sub/affil issues
- Acc - Tax expense/benefit/deferral/other (FAS 109) issues

Other Deficiencies / Disclosures
- DC - Fin close process/ policy/info accum & timeliness issues
- DC - Information technology, software, access/security issues
- DC - Period end close & non-routine adjustment issues
- DC - Restatement (recent past or pending) evident
- DC - Sect 404 adverse report (recent past/pending) filed

Management Assessment for Period Ended 31 December 2005

Management - disclosure controls are effective	No
Material Weakness	Yes
Other Deficiencies / Disclosures	No
Source	10-K
Source Filed	2006-03-16

Management - Assessments

Accounting Rule (GAAP/FASB) Application Failures
- Acc - Accounts/loans receivable, investments & cash issues
- Acc - Financial derivatives/hedging (FAS 133) acctg issues
- Acc - Foreign, related party, affiliated and/or subsid issues
- Acc - Intercompany/Investment w/ sub/affil issues
- Acc - Tax expense/benefit/deferral/other (FAS 109) issues

Other Deficiencies / Disclosures
- DC - Ethics code issues
- DC - Fin close process/ policy/info accum & timeliness issues
- DC - Information technology, software, access/security issues
- DC - Period end close & non-routine adjustment issues
- DC - Restatement (recent past or pending) evident
- DC - Sect 404 adverse report (recent past/pending) filed
- DC - Senior management tone and/or self dealing issues

Management Assessment for Period Ended 30 September 2005

Management - disclosure controls are effective	No
Material Weakness	Yes
Other Deficiencies / Disclosures	No
Source	10-Q
Source Filed	2005-11-14

Management - Assessments

Accounting Rule (GAAP/FASB) Application Failures
- Acc - Financial derivatives/hedging (FAS 133) acctg issues
- Acc - Tax expense/benefit/deferral/other (FAS 109) issues

Other Deficiencies / Disclosures
- DC - Board, Audit Committee, Corp Governance issues
- DC - Fin close process/ policy/info accum & timeliness issues
- DC - Internal investigation evident/noted
- DC - Period end close & non-routine adjustment issues
- DC - Restatement (recent past or pending) evident
- DC - Sect 404 adverse report (recent past/pending) filed

Management Assessment for Period Ended 30 June 2005

Management - disclosure controls are effective	No
Material Weakness	Yes
Other Deficiencies / Disclosures	No
Source	10-Q
Source Filed	2005-08-09

Management - Assessments

Accounting Rule (GAAP/FASB) Application Failures
- Acc - Accounts/loans receivable, investments & cash issues
- Acc - Consolidation, (Fin46r/Off BS) & foreign curr transl iss
- Acc - Foreign, related party, affiliated and/or subsid issues
- Acc - Intercompany/Investment w/ sub/affil issues
- Acc - Liabilities, payables, reserves and accrual est failures
- Acc - Revenue recognition issues
- Acc - Tax expense/benefit/deferral/other (FAS 109) issues

Other Deficiencies / Disclosures
- DC - Fin close process/ policy/info accum & timeliness issues
- DC - Information technology, software, access/security issues
- DC - Internal investigation evident/noted
- DC - Period end close & non-routine adjustment issues
- DC - Personnel inadequacies/segregation of duty issues
- DC - Restatement (recent past or pending) evident
- DC - Sect 404 adverse report (recent past/pending) filed
- DC - Senior management tone and/or self dealing issues

Management Assessment for Period Ended 31 March 2005

Management - disclosure controls are effective	No
Material Weakness	Yes
Other Deficiencies / Disclosures	No
Source	10-Q
Source Filed	2005-06-28

Management - Assessments

Accounting Rule (GAAP/FASB) Application Failures
- Acc - Accounts/loans receivable, investments & cash issues
- Acc - Consolidation, (Fin46r/Off BS) & foreign curr transl iss
- Acc - Financial derivatives/hedging (FAS 133) acctg issues
- Acc - Foreign, related party, affiliated and/or subsid issues

- Acc - Intercompany/Investment w/ sub/affil issues
- Acc - Liabilities, payables, reserves and accrual est failures
- Acc - Revenue recognition issues

Other Deficiencies / Disclosures

- DC - Fin close process/ policy/info accum & timeliness issues
- DC - Insufficient management review,inadequate control procedu
- DC - Internal investigation evident/noted
- DC - Period end close & non-routine adjustment issues
- DC - Personnel inadequacies/segregation of duty issues
- DC - Restatement (recent past or pending) evident
- DC - Sect 404 adverse report (recent past/pending) filed
- DC - Senior management tone and/or self dealing issues

Management Assessment for Period Ended 31 December 2004

Management - disclosure controls are effective	No
Material Weakness	Yes
Other Deficiencies / Disclosures	No
Source	10-K
Source Filed	2005-05-31

Management - Assessments

Accounting Rule (GAAP/FASB) Application Failures

- Acc - Accounts/loans receivable, investments & cash issues
- Acc - Consolidation, (Fin46r/Off BS) & foreign curr transl iss
- Acc - Financial derivatives/hedging (FAS 133) acctg issues
- Acc - Foreign, related party, affiliated and/or subsid issues
- Acc - Intercompany/Investment w/ sub/affil issues
- Acc - Liabilities, payables, reserves and accrual est failures
- Acc - Revenue recognition issues
- Acc - Tax expense/benefit/deferral/other (FAS 109) issues

Other Deficiencies / Disclosures

- DC - Fin close process/ policy/info accum & timeliness issues
- DC - Fin records controlled in part or wholly by third party
- DC - Insufficient management review,inadequate control procedu
- DC - Internal investigation evident/noted
- DC - Personnel inadequacies/segregation of duty issues
- DC - Restatement (recent past or pending) evident
- DC - Sect 404 adverse report (recent past/pending) filed
- DC - Senior management tone and/or self dealing issues

Management Assessment for Period Ended 30 September 2004

Management - disclosure controls are effective	Yes
Material Weakness	No
Other Deficiencies / Disclosures	No
Source	10-Q
Source Filed	2004-11-09

Management Assessment for Period Ended 30 June 2004

Management - disclosure controls are effective	Yes
Material Weakness	No

Other Deficiencies / Disclosures	No
Source	10-Q
Source Filed	2004-08-09

Management Assessment for Period Ended 31 March 2004	
Management - disclosure controls are effective	Yes
Material Weakness	No
Other Deficiencies / Disclosures	No
Source	10-Q
Source Filed	2004-05-10

Management Assessment for Period Ended 31 December 2003	
Management - disclosure controls are effective	Yes
Material Weakness	No
Other Deficiencies / Disclosures	No
Source	10-K
Source Filed	2004-03-15

Management Assessment for Period Ended 30 September 2003	
Management - disclosure controls are effective	Yes
Material Weakness	No
Other Deficiencies / Disclosures	No
Source	10-Q
Source Filed	2003-11-14

Management Assessment for Period Ended 30 June 2003	
Management - disclosure controls are effective	Yes
Material Weakness	No
Other Deficiencies / Disclosures	No
Source	10-Q
Source Filed	2003-08-14

Management Assessment for Period Ended 31 March 2003	
Management - disclosure controls are effective	Yes
Material Weakness	No
Other Deficiencies / Disclosures	No
Source	10-Q
Source Filed	2003-05-14

Management Assessment for Period Ended 31 December 2002	
Management - disclosure controls are effective	Yes
Material Weakness	No
Other Deficiencies / Disclosures	No
Source	10-K
Source Filed	2003-03-31

Management Assessment for Period Ended 30 September 2002	
Management - disclosure controls are effective	Yes
Material Weakness	No
Other Deficiencies / Disclosures	No
Source	10-Q
Source Filed	2002-11-14

Company Late Filing Notifications

Late Filing for period 2005-09-30	
Source	2005-11-09 NT 10-Q
2a	☐ (Filed due to unreasonable effort or expense)
2b	☒ (To be filed by the 15th of the following month)
2c	☐ (Accountant's statement attached)
4.3	☒ (Anticipate disclosing a significant change in results)

General Reason
Insufficient time to prepare report
Additional Reasons
Restatement of financials pending

Late Filing for period 2004-12-31	
Source	2005-03-17 NT 10-K
2a	☐ (Filed due to unreasonable effort or expense)
2b	☐ (To be filed by the 15th of the following month)
2c	☐ (Accountant's statement attached)
4.3	☒ (Anticipate disclosing a significant change in results)

General Reason
Insufficient time to prepare report
Additional Reasons
Change, newly hired, turnover, reduction or resignation of personnel, management, board, legal staff
Discrepancies or errors discovered
In negotiations: SEC, regulators, tax authorities, creditors etc.
Restatement of financials pending
Sarbanes Oxley (404 or 302) implementation issues

Late Filing for period 2003-12-31	
Source	2004-06-29 NT 11-K
2a	☐ (Filed due to unreasonable effort or expense)
2b	☒ (To be filed by the 15th of the following month)
2c	☐ (Accountant's statement attached)
4.3	☐ (Anticipate disclosing a significant change in results)

General Reason
Waiting on key information - Inability to obtain

Late Filing for period 2003-12-31	
Source	2004-06-29 NT 11-K
2a	☐ (Filed due to unreasonable effort or expense)
2b	☒ (To be filed by the 15th of the following month)
2c	☐ (Accountant's statement attached)
4.3	☐ (Anticipate disclosing a significant change in results)

General Reason
Waiting on key information - Inability to obtain

Late Filing for period 2002-12-31	
Source	2003-07-01 NT 11-K
2a	☐ (Filed due to unreasonable effort or expense)
2b	☒ (To be filed by the 15th of the following month)
2c	☐ (Accountant's statement attached)
4.3	☐ (Anticipate disclosing a significant change in results)

General Reason
Insufficient time to prepare report
Additional Reasons
Change, newly hired, turnover, reduction or resignation of personnel, management, board, legal staff

Late Filing for period 2002-12-31	
Source	2003-07-01 NT 11-K
2a	☐ (Filed due to unreasonable effort or expense)
2b	☒ (To be filed by the 15th of the following month)
2c	☐ (Accountant's statement attached)
4.3	☐ (Anticipate disclosing a significant change in results)

General Reason
Insufficient time to prepare report
Additional Reasons
Aquisition, merger, reverse merger, joint venture
Change, newly hired, turnover, reduction or resignation of personnel, management, board, legal staff
Z - Acquisition, merger, disposal, or discontinued operations issues

Late Filing for period 2002-12-31	
Source	2003-07-01 NT 11-K
2a	☐ (Filed due to unreasonable effort or expense)
2b	☒ (To be filed by the 15th of the following month)
2c	☐ (Accountant's statement attached)
4.3	☐ (Anticipate disclosing a significant change in results)

General Reason
Insufficient time to prepare report
Additional Reasons
Change, newly hired, turnover, reduction or resignation of personnel, management, board, legal staff

Audit

Company Non-Reliance / Restatements

FIN 48 Revision		
Sources: 2007-05-10 SEC Form 10-Q 2007-08-08 SEC Form 10-Q 2007-11-07 SEC Form 10-Q 2008-02-28 SEC Form 10-K	**Effect to the Financial Statements**	Negative
	Auditor Letter or Discussion	
	Board or Audit Committee Involvement	
	SEC (or Other Regulatory) Investigation	No
Accounting Rule (GAAP/FASB) Application Failures		
	Tax - FIN 48 Retained Earnings Cumulative Adjustment	
	Tax - FIN 48 Statutory Tax Periods Noted	
	Tax - FIN 48 Unrecognized Tax Benefit Liability Affected	

Restatement of 2000-01-01 to 2005-06-30		
Sources: 2005-11-09 Press Release 2005-11-09 SEC Form 8-K 2005-11-14 SEC Form 10-Q 2006-03-16 SEC Form 10-K/A 2006-03-16 SEC Form 10-K 2006-05-10 SEC Form 10-Q 2006-06-19 SEC Form 10-Q/A 2006-06-19 SEC Form 10-K/A 2006-06-19 SEC Form 8-K/A	**Effect to the Financial Statements**	Negative
	Auditor Letter or Discussion	Yes
	Board or Audit Committee Involvement	Yes
	SEC (or Other Regulatory) Investigation	No
Accounting Rule (GAAP/FASB) Application Failures		
	Accounts/loans receivable, investments & cash issues	
	Financial derivatives/hedging (FAS 133) acct issues	
	Tax expense/benefit/deferral/other (FAS 109) issues	

Restatement of 2000-01-01 to 2004-12-31		
Sources: 2005-05-01 Press Release 2005-05-02 SEC Form 8-K 2005-05-31 SEC Form 10-K 2005-06-28 SEC Form 10-Q/A 2005-08-09 SEC Form 10-Q/A	**Effect to the Financial Statements**	Negative
	Auditor Letter or Discussion	Yes
	Board or Audit Committee Involvement	Yes
	SEC (or Other Regulatory) Investigation	Yes
Accounting Rule (GAAP/FASB) Application Failures		
	Accounts/loans receivable, investments & cash issues	
	Balance sheet classification of assets issues	
	Cash flow statement (SFAS 95) classification errors	
	Comprehensive income issues	
	Consolidation issues incl Fin 46 variable interest & off-B/S	

	Deferred, stock-based and/or executive comp issues
	EPS, ratio and classification of income statement issues
	Financial derivatives/hedging (FAS 133) acct issues
	Foreign, related party, affiliated, or subsidiary issues
	Gain or loss recognition issues
	Intercompany, investment in subs./affiliate issues
	Lease, SFAS 5, legal, contingency and commitment issues
	Liabilities, payables, reserves and accrual estimate failures
	PPE intangible or fixed asset (value/diminution) issues
	Revenue recognition issues
	Tax expense/benefit/deferral/other (FAS 109) issues
Financial Fraud, Irregularities and Misrepresentations	
	Unspecified (amounts or accounts) restatement adjustments
Other Significant Issues	
	X - Audit or auditor related restatements or nonreliance
	X - Audit(or) - defective acct records (subcategory)

Auditor Fees

2007	**PricewaterhouseCoopers LLP**	**DEF 14A 2008-04-04**
	Audit Fees	97,700,000
	Financial Information Systems Design and Implementation Fees	0
	Audit Related Fees	7,100,000
	Benefit Plans Related Fees	0
	Tax Related Fees	10,600,000
	Other Fees	4,100,000
	Total Fees	119,500,000

2006	**PricewaterhouseCoopers LLP**	**DEF 14A 2007-04-06**
	Audit Fees	87,700,000
	Financial Information Systems Design and Implementation Fees	0
	Audit Related Fees	4,200,000
	Benefit Plans Related Fees	0
	Tax Related Fees	11,600,000
	Other Fees	4,200,000
	Total Fees	107,700,000

2005	**PricewaterhouseCoopers LLP Revised**	**DEF 14A 2007-04-06**
	Audit Fees	70,700,000
	Financial Information Systems Design and Implementation Fees	0
	Audit Related Fees	2,600,000
	Benefit Plans Related Fees	0
	Tax Related Fees	6,500,000
	Other Fees	2,500,000
	Total Fees	82,300,000

	Initial Statement	DEF 14A 2006-04-05
	Audit Fees	67,200,000
	Financial Information Systems Design and Implementation Fees	0
	Audit Related Fees	2,600,000
	Benefit Plans Related Fees	0
	Tax Related Fees	6,500,000
	Other Fees	2,500,000
	Total Fees	78,800,000

2004	PricewaterhouseCoopers LLP	DEF 14A 2005-06-27
	Audit Fees	66,700,000
	Financial Information Systems Design and Implementation Fees	0
	Audit Related Fees	1,400,000
	Benefit Plans Related Fees	0
	Tax Related Fees	6,900,000
	Other Fees	2,700,000
	Total Fees	77,700,000

2003	PricewaterhouseCoopers LLP	DEF 14A 2004-04-05
	Audit Fees	33,700,000
	Financial Information Systems Design and Implementation Fees	0
	Audit Related Fees	2,200,000
	Benefit Plans Related Fees	0
	Tax Related Fees	7,000,000
	Other Fees	1,900,000
	Total Fees	44,800,000

2002	PricewaterhouseCoopers LLP Revised	DEF 14A 2004-04-05
	Audit Fees	28,900,000
	Financial Information Systems Design and Implementation Fees	0
	Audit Related Fees	2,100,000
	Benefit Plans Related Fees	0
	Tax Related Fees	5,300,000
	Other Fees	3,200,000
	Total Fees	39,500,000
	Initial Statement	DEF 14A 2003-04-04
	Audit Fees	27,831,200
	Financial Information Systems Design and Implementation Fees	0
	Audit Related Fees	0
	Benefit Plans Related Fees	0
	Tax Related Fees	4,600,000
	Other Fees	7,000,000
	Total Fees	39,431,200

2001	PricewaterhouseCoopers LLP	DEF 14A 2002-04-05
	Audit Fees	15,500,400

	Financial Information Systems Design and Implementation Fees	64,000
	Audit Related Fees	2,300,000
	Benefit Plans Related Fees	0
	Tax Related Fees	5,600,000
	Other Fees	1,800,000
	Total Fees	25,264,400

2000	**PricewaterhouseCoopers LLP**	**DEF 14A 2001-04-06**
	Audit Fees	14,914,100
	Financial Information Systems Design and Implementation Fees	94,482
	Audit Related Fees	0
	Benefit Plans Related Fees	0
	Tax Related Fees	0
	Other Fees	10,418,200
	Total Fees	25,426,800

Auditor Changes

No auditor change data found.

Auditor Report - Financial Statements

2007 Opinion	
Auditor	PricewaterhouseCoopers LLP
Auditor Location	New York, New York
Year Ended	31 December 2007
Signature	28 February 2008
Going Concern Issued	No
Non-Standard Opinion	Yes
Source	10-K

2006 Opinion	
Auditor	PricewaterhouseCoopers LLP
Auditor Location	New York, New York
Year Ended	31 December 2006
Signature	1 March 2007
Going Concern Issued	No
Non-Standard Opinion	Yes
Source	10-K

2005 Opinion	
Auditor	PricewaterhouseCoopers LLP
Auditor Location	New York, New York
Year Ended	31 December 2005
Signature	16 March 2006

Going Concern Issued	No
Non-Standard Opinion	Yes
Source	10-K

2004 Opinion	
Auditor	PricewaterhouseCoopers LLP
Auditor Location	New York, New York
Year Ended	31 December 2004
Signature	16 March 2006
Going Concern Issued	No
Non-Standard Opinion	Yes
Source	10-K/A

2003 Opinion	
Auditor	PricewaterhouseCoopers LLP
Auditor Location	New York, New York
Year Ended	31 December 2003
Signature	11 February 2004
Going Concern Issued	No
Non-Standard Opinion	No
Source	10-K

2002 Opinion	
Auditor	PricewaterhouseCoopers LLP
Auditor Location	New York, New York
Year Ended	31 December 2002
Signature	12 February 2003
Going Concern Issued	No
Non-Standard Opinion	No
Source	10-K

2001 Opinion	
Auditor	PricewaterhouseCoopers LLP
Auditor Location	New York, New York
Year Ended	31 December 2001
Signature	6 February 2002
Going Concern Issued	No
Non-Standard Opinion	No
Source	10-K

2000 Opinion	
Auditor	PricewaterhouseCoopers LLP
Auditor Location	New York, New York
Year Ended	31 December 2000
Signature	7 February 2001
Going Concern Issued	No

Non-Standard Opinion	No
Source	10-K

Auditor Report - Benefit Plans

Legal

Litigation

Jacksonville Police & Fire Pension Fund et al v. American International Group Inc et al	
Court	New York Southern District Court
Named	Lead defendant
Representation	
Category	Class Action, Securities Law (NOS 850)
Case began	2008-05-21
Case ended	
Claim	
Settlement	

Sears et al v. Marsh & McLennan Companies Inc et al	
Court	Georgia Northern District Court
Named	Defendant
Representation	
Category	Antitrust & Trade Regulation (NOS 410)
Case began	2007-10-12
Case ended	2007-11-29
Claim	
Settlement	

Aguilar et al v. Alea London Limited et al	
Court	Louisiana Eastern District Court
Named	Defendant
Representation	
Category	Class Action, Insurance Law (NOS 110)
Case began	2007-08-28
Case ended	
Claim	
Settlement	

Henley Management Company et al v. Marsh Inc et al	
Court	New Jersey District Court
Named	Defendant
Representation	
Category	Antitrust & Trade Regulation (NOS 410)
Case began	2007-05-21
Case ended	
Claim	
Settlement	

In re Katz Interactive Call Processing Patent Litigation	
Court	California Central District Court
Named	Defendant
Representation	McDermott Will & Emery Ashby & Geddes PA
Category	Patent Law (NOS 830)
Case began	2007-03-30
Case ended	
Claim	
Settlement	

Avery Dennison Corp v. Marsh & McLennan Companies Inc et al	
Court	New Jersey District Court
Named	Defendant
Representation	
Category	Antitrust & Trade Regulation (NOS 410)
Case began	2007-02-13
Case ended	
Claim	
Settlement	

Ronald A Katz Technology Licensing LP v. American International Group Inc et al	
Court	Delaware District Court
Named	Lead defendant
Representation	Ashby & Geddes PA
Category	Patent Law (NOS 830)
Case began	2006-09-01
Case ended	2007-04-11
Claim	
Settlement	

Martingano v. American International Group Inc et al	
Court	New York Eastern District Court
Named	Lead defendant
Representation	
Category	Class Action, Securities Law (NOS 850)
Case began	2006-04-07
Case ended	2007-09-25
Claim	
Settlement	

New Cingular Wireless Headquarters LLC et al v. Marsh & McLennan Companies Inc et al	
Court	Georgia Northern District Court
Named	Defendant

Representation	
Category	Antitrust & Trade Regulation (NOS 410)
Case began	2006-04-06
Case ended	2006-10-30
Claim	
Settlement	

SEC v. American International Group Inc	
Court	New York Southern District Court
Named	Lead defendant
Representation	
Category	Accounting and Auditing Enforcement Release, Securities Law (NOS 850)
Case began	2006-02-09
Case ended	2006-02-17
Claim	
Settlement	$800,000,000

SEC v. Ferguson et al	
Court	New York Southern District Court
Named	Related Non-Party
Representation	
Category	Accounting and Auditing Enforcement Release, Securities Law (NOS 850)
Case began	2006-02-02
Case ended	
Claim	
Settlement	

Acker et al v. AIG International et al	
Court	Florida Southern District Court
Named	Lead defendant
Representation	Steel Hector & Davis LLP
Category	Accounting Malpractice, Fraud or Truth-In-Lending (NOS 370)
Case began	2005-07-28
Case ended	2005-11-08
Claim	
Settlement	

Starr International Company Inc v. American International Group Inc	
Court	New York Southern District Court
Named	Lead defendant
Representation	Paul Weiss Rifkind Wharton & Garrison LLP
Category	Personal Property (NOS 380)
Case began	2005-07-08
Case ended	

Claim	
Settlement	

[Adams et al v. Insurance Company of North America (INA) et al]()	
Court	West Virginia Southern District Court
Named	Defendant
Representation	Spilman Thomas & Battle PLLC
Category	Personal Injury (NOS 360)
Case began	2005-06-29
Case ended	2006-03-30
Claim	
Settlement	

[Bensley Construction Inc v. Marsh McLennan Companies Inc et al]()	
Court	Massachusetts District Court
Named	Defendant
Representation	Ropes & Gray LLP
Category	Class Action, Insurance Law (NOS 110)
Case began	2005-06-15
Case ended	2006-03-23
Claim	
Settlement	

[SEC v. Houldsworth]()	
Court	New York Southern District Court
Named	Related Non-Party
Representation	
Category	Accounting and Auditing Enforcement Release, Securities Law (NOS 850)
Case began	2005-06-06
Case ended	
Claim	
Settlement	

[American International Group (AIG) Securities Class Action Litigation]()	
Court	New York Southern District Court
Named	Lead defendant
Representation	
Category	Class Action, Securities Law (NOS 850)
Case began	2005-05-16
Case ended	
Claim	
Settlement	

[Preuss et al v. Marsh & Mclennan Companies Inc]()	

Court	New Jersey District Court
Named	Defendant
Representation	Paul Weiss Rifkind Wharton & Garrison LLP DLA Piper Rudnick Gray Cary LLP
Category	Antitrust & Trade Regulation (NOS 410)
Case began	2005-04-05
Case ended	
Claim	
Settlement	

Palm Tree Computers Systems Inc et al v. Ace USA et al

Court	Florida Middle District Court
Named	Defendant
Representation	Carlton Fields PA Akerman Senterfitt
Category	Class Action, Securities Law (NOS 850)
Case began	2005-03-18
Case ended	2005-11-07
Claim	
Settlement	

Eagle Creek Inc et al v. ACE INA Holdings

Court	New Jersey District Court
Named	Defendant
Representation	Paul Weiss Rifkind Wharton & Garrison LLP Hangley Aronchick Segal & Pudlin
Category	Antitrust & Trade Regulation (NOS 410), Fraud or Truth-In-Lending (NOS 370)
Case began	2005-03-01
Case ended	
Claim	
Settlement	

Insurance Brokerage Antitrust Litigation et al v. Marsh & Mclennan Companies Inc

Court	New Jersey District Court
Named	Defendant
Representation	Paul Weiss Rifkind Wharton & Garrison LLP
Category	Multi District Litigation (MDL), RICO (NOS 470)
Case began	2005-03-01
Case ended	
Claim	
Settlement	

Waxman v. Marsh & McLennan Companies Inc

Court	New Jersey District Court
Named	Defendant
Representation	Paul Weiss Rifkind Wharton & Garrison LLP
Category	Class Action, Multi District Litigation (MDL), RICO (NOS 470)
Case began	2005-02-24
Case ended	2008-02-13
Claim	
Settlement	

Golden Gate Bridge Highway & Transportation District v. Marsh & McLennan Companies Inc et al

Court	New Jersey District Court
Named	Defendant
Representation	Paul Weiss Rifkind Wharton & Garrison LLP
Category	Antitrust & Trade Regulation (NOS 410)
Case began	2005-02-23
Case ended	
Claim	
Settlement	

American International Group Inc v. Archer's International Group of Companies Inc et al

Court	Texas Northern District Court
Named	Lead plaintiff
Representation	Gardere Wynne Sewell LLP Leydig Voit & Mayer Ltd
Category	Trademark Law (NOS 840)
Case began	2005-01-28
Case ended	2005-06-01
Claim	
Settlement	

Redwood Oil Company v. Marsh & McLennan Companies Inc et al

Court	Illinois Northern District Court
Named	Defendant
Representation	
Category	Antitrust & Trade Regulation (NOS 410), Class Action
Case began	2005-01-25
Case ended	2005-04-15
Claim	
Settlement	

Shell Vacations LLC v. Marsh & McLennan Companies Inc et al

Court	Illinois Northern District Court
Named	Defendant

Representation	
Category	Antitrust & Trade Regulation (NOS 410)
Case began	2005-01-14
Case ended	2005-04-15
Claim	
Settlement	

USA v. Kelley	
Court	New York Southern District Court
Named	Related Non-Party
Representation	
Category	Fraud or Truth-In-Lending (NOS 370)
Case began	2004-12-06
Case ended	
Claim	
Settlement	

Lewis v. Marsh & McLennan Co et al	
Court	Illinois Northern District Court
Named	Defendant
Representation	Paul Weiss Rifkind Wharton & Garrison LLP DLA Piper LLP
Category	Securities Law (NOS 850)
Case began	2004-12-06
Case ended	2005-04-15
Claim	
Settlement	

Preuss v. Marsh & McLennan Co et al	
Court	Illinois Northern District Court
Named	Defendant
Representation	Paul Weiss Rifkind Wharton & Garrison LLP DLA Piper LLP
Category	Class Action, Securities Law (NOS 850)
Case began	2004-12-06
Case ended	2005-03-29
Claim	
Settlement	

Lewis v. Marsh & McLennan Co et al	
Court	Illinois Northern District Court
Named	Defendant
Representation	Paul Weiss Rifkind Wharton & Garrison LLP DLA Piper LLP

Category	Class Action, Securities Law (NOS 850)
Case began	2004-12-06
Case ended	2005-04-15
Claim	
Settlement	

SEC v. American International Group Inc	
Court	District of Columbia District Court
Named	Lead defendant
Representation	
Category	Accounting and Auditing Enforcement Release, Securities Law (NOS 850)
Case began	2004-11-30
Case ended	2004-12-08
Claim	
Settlement	

In Re: AIG ERISA Litigation	
Court	New York Southern District Court
Named	Lead defendant
Representation	Paul Weiss Rifkind Wharton & Garrison LLP
Category	ERISA & Employee Benefits Litigation (NOS 791)
Case began	2004-11-30
Case ended	
Claim	
Settlement	

Mirto v. American International Group Inc et al	
Court	California Northern District Court
Named	Lead defendant
Representation	Barger & Wolen LLP
Category	Other Statutory Actions (NOS 890)
Case began	2004-11-24
Case ended	2005-04-08
Claim	
Settlement	

IN RE American International Group Inc Derivative Litigation	
Court	New York Southern District Court
Named	Nominal Defendant
Representation	Paul Weiss Rifkind Wharton & Garrison LLP
Category	Accounting Malpractice, Derivative, Stockholders Suits (NOS 160)
Case began	2004-10-25

Case ended	
Claim	
Settlement	

QLM Associates Inc v. Marsh & McLennan Companies Inc et al	
Court	New Jersey District Court
Named	Defendant
Representation	Paul Weiss Rifkind Wharton & Garrison LLP DLA Piper Rudnick Gray Cary LLP Hangley Aronchick Segal & Pudlin
Category	Antitrust & Trade Regulation (NOS 410), Class Action, Multi District Litigation (MDL)
Case began	2004-10-22
Case ended	2007-09-28
Claim	
Settlement	

In re American International Group Inc Securities Litigation	
Court	New York Southern District Court
Named	Lead defendant
Representation	Paul Weiss Rifkind Wharton & Garrison LLP
Category	Accounting Malpractice, Class Action, Financial Reporting, Securities Law (NOS 850)
Case began	2004-10-15
Case ended	
Claim	
Settlement	

QLM Associates Inc v. Marsh & Mclennan Companies Inc et al	
Court	New Jersey District Court
Named	Defendant
Representation	
Category	Antitrust & Trade Regulation (NOS 410), Class Action, Multi District Litigation (MDL)
Case began	2004-10-02
Case ended	
Claim	
Settlement	

Opticare Health Systems Inc v. Marsh & McLennan Companies Inc et al	
Court	New York Southern District Court
Named	Defendant
Representation	Paul Weiss Rifkind Wharton & Garrison LLP
Category	Class Action, RICO (NOS 470)
Case began	2004-08-26
Case ended	2005-03-16

Claim	
Settlement	

Champps Entertainment Inc v. American International Group Inc et al	
Court	Massachusetts District Court
Named	Lead defendant
Representation	Taylor Duane Barton & Gilman LLP
Category	Insurance Law (NOS 110)
Case began	2004-06-24
Case ended	2005-03-28
Claim	
Settlement	

SEC v. Brightpoint Inc et al	
Court	New York Southern District Court
Named	Defendant
Representation	
Category	Accounting and Auditing Enforcement Release, Securities Law (NOS 850)
Case began	2003-09-11
Case ended	2007-07-06
Claim	
Settlement	$10,645,000

Registrations

Securities Registration	
Re:	American International Group, Inc. Amended and Restated 2007 Stock Incentive Plan
Source	S-8 (2007-12-18)
Registrant Firm	Pro Se (Copied)
	Legal Opinion
Legal Fees	N/A
Accounting Fees	N/A

Securities Registration	
Re:	$25,139,770,000 Securities Offering
Source	S-3/A (2004-12-07)
Registrant Firm	Sullivan & Cromwell LLP (Copied)
	Legal Opinion
Legal Fees	$150,000
Accounting Fees	$75,000

Securities Registration	
Re:	American International Group, Inc. Director Stock Plan

Source	S-8 (2004-05-26)
Registrant Firm	Pro Se (Copied)
	Legal Opinion
Legal Fees	N/A
Accounting Fees	N/A

Securities Registration	
Re:	American International Group, Inc. Director Stock Plan
Source	S-8 (2004-05-26)
Registrant Firm	Pro Se (Copied)
	Legal Opinion
Legal Fees	N/A
Accounting Fees	N/A

Securities Registration	
Re:	American International Group, Inc. 2003 Japan Employee Stock Purchase Plan
Source	S-8 (2004-01-06)
Registrant Firm	Pro Se (Copied)
	Legal Opinion
Legal Fees	N/A
Accounting Fees	N/A

Securities Registration	
Re:	HSB GROUP, INC. 1995 STOCK OPTION PLAN HSB GROUP, INC. 1985 STOCK OPTION PLAN HSB GROUP, INC. EMPLOYEES' THRIFT INCENTIVE PLAN
Source	S-8 (2000-12-29)
Registrant Firm	Pro Se
	Legal Opinion
Legal Fees	N/A
Accounting Fees	N/A

Securities Registration	
Re:	HSB GROUP, INC. 1995 STOCK OPTION PLAN HSB GROUP, INC. 1985 STOCK OPTION PLAN HSB GROUP, INC. EMPLOYEES' THRIFT INCENTIVE PLAN
Source	S-8 (2000-11-17)
Registrant Firm	Pro Se
	Legal Opinion
Legal Fees	N/A
Accounting Fees	N/A

Securities Registration	
Re:	1999 STOCK OPTION PLAN
Source	S-8 (2000-06-23)
Registrant Firm	Pro Se

	Legal Opinion
Legal Fees	N/A
Accounting Fees	N/A

Securities Registration	
Re:	SunAmerica Five Year Deferred Cash Plan SunAmerica Executive Savings Plan
Source	S-8 (2000-02-29)
Registrant Firm	Sullivan & Cromwell LLP
	Legal Opinion
Legal Fees	N/A
Accounting Fees	N/A

Securities Registration	
Re:	SunAmerica Five Year Deferred Cash Plan SunAmerica Executive Savings Plan
Source	S-8 (2000-02-29)
Registrant Firm	Pro Se (Copied)
Legal Fees	N/A
Accounting Fees	N/A

Legal Disclosures from the most recent 10-K (2008-02-28)

Legal Proceedings

Significant legal proceedings may adversely affect AIG’s results of operations. AIG is party to numerous legal proceedings and regulatory or governmental investigations. It is possible that the effect of these unresolved matters could be material to AIG’s consolidated results of operations for an individual reporting period. For a discussion of these unresolved matters, see Item 3. Legal Proceedings.

Foreign Operations

Foreign operations expose AIG to risks that may affect its operations, liquidity and financial condition. AIG provides insurance, investment and other financial products and services to both businesses and individuals in more than 130 countries and jurisdictions. A substantial portion of AIG’s General Insurance business and a majority of its Life Insurance & Retirement Services business is conducted outside the United States. Operations outside of the United States, particularly those in developing nations, may be affected by regional economic downturns, changes in foreign currency exchange rates, political upheaval, nationalization and other restrictive government actions, which could also affect other AIG operations.

The degree of regulation and supervision in foreign jurisdictions varies. Generally, AIG, as well as its subsidiaries operating in such jurisdictions, must satisfy local regulatory requirements. Licenses issued by foreign authorities to AIG subsidiaries are subject to modification and revocation. Thus, AIG’s insurance subsidiaries could be prevented from conducting future business in certain of the jurisdictions where they currently operate. Adverse actions from any single country could adversely affect AIG’s results of operations, liquidity and financial condition depending on the magnitude of the event and AIG’s net financial exposure at that time in that country.

Regulation

AIG is subject to extensive regulation in the jurisdictions in which it conducts its businesses. AIG's operations around the world are subject to regulation by different types of regulatory authorities, including insurance, securities, investment advisory, banking and thrift regulators in the United States and abroad. AIG's operations have become more diverse and consumer-oriented, increasing the scope of regulatory supervision and the possibility of intervention. In particular, AIG's consumer lending business is subject to a broad array of laws and regulations governing lending practices and permissible loan terms, and AIG would expect increased regulatory oversight relating to this business.

The regulatory environment could have a significant effect on AIG and its businesses. Among other things, AIG could be fined, prohibited from engaging in some of its business activities or subject to limitations or conditions on its business activities. Significant regulatory action against AIG could have material adverse financial effects, cause significant reputational harm or harm business prospects. New laws or regulations or changes in the enforcement of existing laws or regulations applicable to clients may also adversely affect AIG and its businesses.

A Material Weakness

A material weakness in internal control over financial reporting and oversight relating to the AIGFP valuation of its super senior credit default swap portfolio could adversely affect the accuracy or timing of future regulatory filings. AIG's management has concluded that a material weakness relating to the internal control over financial reporting and oversight relating to the fair value valuation of the AIGFP super senior credit default swap portfolio existed as of December 31, 2007. Until remediated, this weakness could adversely affect the accuracy or timing of future filings with the SEC and other regulatory authorities. A discussion of this material weakness and AIG's remediation efforts can be found in Item 9A. Controls and Procedures — Management's Report on Internal Control Over Financial Reporting.

Employee Error and Misconduct

Employee error and misconduct may be difficult to detect and prevent and may result in significant losses. Losses may result from, among other things, fraud, errors, failure to document transactions properly or to obtain proper internal authorization or failure to comply with regulatory requirements.

There have been a number of highly publicized cases involving fraud or other misconduct by employees in the financial services industry in recent years, and AIG runs the risk that employee misconduct could occur. It is not always possible to deter or prevent employee misconduct and the controls that AIG has in place to prevent and detect this activity may not be effective in all cases.

Aircraft Suppliers

There are limited suppliers of aircraft and engines. The supply of jet transport aircraft, which ILFC purchases and leases, is dominated by two airframe manufacturers, Boeing and Airbus, and a limited number of engine manufacturers. As a result, ILFC is dependent on the manufacturers' success in remaining financially stable, producing aircraft and related components which meet the airlines' demands, both in type and quantity, and fulfilling their contractual obligations to ILFC. Competition between the manufacturers for market share is intense and may lead to instances of deep discounting for certain aircraft types and could negatively affect ILFC's competitive pricing.

Corporate

Company Shareholder Activism

Reporting Company	Shares Owned	Shares Percent	Disclosure
GREENBERG MAURICE R	0	0.0 %	2008-05-12 SC 13D/A
Reasons	Other - Not applicable, no change or no intent stated		
GREENBERG MAURICE R	0	0.0 %	2008-01-18 SC 13D
Reasons	Other - Not applicable, no change or no intent stated		
GREENBERG MAURICE R	0	0.0 %	2008-01-09 SC 13D/A
Reasons	Other - Not applicable, no change or no intent stated		
GREENBERG MAURICE R	0	0.0 %	2007-12-12 SC 13D/A
Reasons	Other - Not applicable, no change or no intent stated		
GREENBERG MAURICE R	0	0.0 %	2007-11-02 SC 13D/A
Reasons	Discussions - May (or reserves the right) have discussions with management		
GREENBERG MAURICE R	70,512,135	2.7 %	2007-03-20 SC 13D/A
Reasons	Other - Investment purposes		

Company Earnings Guidance

No earnings guidance data found.

Mergers and Acquisitions

Acquisition Agreement			
	Value ($)	813,000,000 (Estimate)	
	Commenced	2007-05-15	
	Closed	2007-09-27	
	Filings	8-K (2007-05-18) 8-K (2007-08-16) 8-K (2007-09-28)	
	Parties	**Acquirer**	American International Group Inc
		Survivor	American International Group Inc
		Target	**21st Century Insurance Group**

Acquisition Agreement			
	Value ($)	22,000,000,000	
	Commenced	2006-08-28	
	Closed	2007-05-30	
	Filings	8-K (2006-08-28) DEFM14A (2006-11-15) 8-K (2006-12-19) 8-K (2007-01-26) 8-K (2007-06-05) 8-K (2007-12-21)	
	Parties	**Acquirer**	**Knight Holdco LLC**
		Acquirer - Related Party	**Goldman Sachs Capital Partners**
		Acquirer - Related Party	American International Group, Inc
		Acquirer - Related Party	**Carlyle Group**

		Acquirer - Related Party	Riverstone Holdings LLC
		Survivor	Knight Holdco LLC
		Target	Kinder Morgan Inc

Governance

Company Governance Changes

Changes reported in 2008-07-22 8-K		
Resigned	Ellen V Futter Director	**Effective** 2008-07-21

Changes reported in 2008-07-17 8-K		
Appointed	Suzanne Nora Johnson (51) Director	**Effective** 2008-07-16
Resigned	Richard C Holbrooke Director	**Effective** 2008-07-16

Changes reported in 2008-06-16 8-K		
Appointed Assuming additional Position(s)	Robert B Willumstad (62) CEO	**Effective** 2008-06-15
Employment Ceased	Martin J Sullivan CEO/ Director	**Effective** 2008-06-15
Appointed Assuming additional Position(s)	Stephen F Bollenbach Lead Independent Director	**Effective** 2008-06-15

Changes reported in 2008-05-08 8-K		
Appointed Position Change within Company	Steven J Bensinger Vice Chairman, Financial Services	**Effective** 2008-05-08

Changes reported in 2008-02-21 8-K		
Declined Re-election Pursue Other Interests	Stephen L Hammerman Director	**Effective** Next Annual Meeting

Changes reported in 2008-01-17 8-K		
Appointed	Stephen F Bollenbach (65) Director (*Committees*: *Audit*)	**Effective** 2008-01-16

Changes reported in 2006-09-20 8-K		
Appointed	Virginia M Rometty Director	**Effective** 2006-09-20
Appointed	Robert B Willumstad Chairman of Board	**Effective** 2006-11-01
Employment Ceased Returning to Prior Position	Frank G Zarb Chairman of Board (Interim) (retains other positions)	**Effective** 2006-11-01

Changes reported in 2006-07-21 8-K

Resigned	Pei-yuan Chia Director	**Effective** 2006-09-30

Changes reported in 2006-02-13 8-K		
Declined Re-election	Carla A Hills Director (*Committees*: *Audit/ Nominating and Corporate Governance*)	**Effective** 2006-02-07
Declined Re-election	William S Cohen Director (*Committees*: *Public Policy/ Social Responsibility*)	**Effective** 2006-02-07

Changes reported in 2006-01-19 8-K		
Appointed	Fred H Langhammer (62) Director	**Effective** 2006-01-18
Appointed	Robert B Willumstad (60) Director (*Committees*: *Finance*)	**Effective** 2006-01-18
Resigned Other	Donald P Kanak Executive Vice Chairman/ Director/ COO	**Effective** 2006-01-18

Changes reported in 2005-10-21 8-K		
Appointed	Michael H Sutton (65) Director (*Committees*: *Audit*)	**Effective** 2005-10-20
Declined Re-election Retired	M Bernard Aidinoff Director	**Effective** Next Annual Meeting

Changes reported in 2005-06-24 8-K		
Appointed Position Change within Company	David L Herzog (45) Controller/ Senior VP	**Effective** 2005-06-21

Changes reported in 2005-06-10 8-K		
Resigned	Howard I Smith Director	**Effective** 2005-06-07
Resigned Disagreement w/ management or policies	Maurice R Greenberg Director	**Effective** 2005-06-08

Changes reported in 2005-05-24 8-K/A		
Appointed Committee Assignment	George L Miles Jr (*Committees*: *Audit/ Social Responsibility/ Indemnification*)	**Effective** 2005-05-24
Appointed Committee Assignment	Morris W Offit (*Committees*: *Audit/ Indemnification*)	**Effective** 2005-05-24
Appointed Committee Assignment	Stephen L Hammerman (*Committees*: *Regulatory, Legal and Compliance/*	**Effective** 2005-05-24

	Indemnification)	

Changes reported in 2005-04-28 8-K		
Retired	Frank J Hoenemeyer	**Effective** 2005-04-21
	Director (*Committees*: *Compensation/ Executive/ Finance/ Audit*)	

Changes reported in 2005-04-22 8-K		
Appointed	George L Miles Jr (63)	**Effective** 2005-04-21
	Director	
Appointed	Morris W Offit (68)	**Effective** 2005-04-21
	Director	

Changes reported in 2005-03-30 8-K		
Declined Re-election	Maurice R Greenberg	**Effective** Next Annual Meeting
	Chairman of the Board	

Changes reported in 2005-03-15 8-K		
Employment Ceased	Maurice R Greenberg	**Effective** 2005-03-14
	President/ CEO (retains other positions)	
Appointed Position Change within Company	Martin J Sullivan (50)	**Effective** 2005-03-14
	President/ CEO	
Appointed Position Change within Company	Donald P Kanak (52)	**Effective** 2005-03-14
	Executive Vice Chairman/ COO	
Appointed Position Change within Company	Steven J Bensinger (50)	**Effective** 2005-03-14
	Executive VP/ CFO/ Treasurer/ Comptroller	
Personal Leave	Howard I Smith (60)	**Effective** Not Specified
	CFO	

Changes reported in 2005-03-08 8-K		
Appointed	Stephen L Hammerman (66)	**Effective** 2005-03-07
	Director	

Changes reported in 2005-01-06 8-K		
Appointed Assuming additional Position(s)	Steven J Bensinger (49)	**Effective** 2005-01-06
	Comptroller/ Senior VP (retains other positions)	
Appointed Position Change within Company	Michael J Castelli	**Effective** 2005-01-06
	Chief Administrative Officer/ Senior VP	

Appendices

Legal Case Summaries

Jacksonville Police & Fire Pension Fund et al v. American International Group Inc et al					
Docket	1:08-cv-04772-RJS	Case began	2008-05-21	Categories	Class Action Securities Law (NOS 850)
		Case ended			
Court	New York Southern District Court	Exposure began	2007-05-11		
		Exposure ended	2008-05-09	Additional References	LR 20492 LR 19867 LR 19514 AAER 2508
Judge	Richard Joseph Sullivan	Claim			
		Settlement			

Party		Representation
Jacksonville Police & Fire Pension Fund	Plaintiff	Bernstein Litowitz Berger & Grossmann
American International Group Inc	Defendant (Lead)	
Joseph Cassano	Defendant	
Martin Sullivan	Defendant	
Robert Lewis	Defendant	
Steven Bensinger	Defendant	

Sears et al v. Marsh & McLennan Companies Inc et al					
Docket	1:07-cv-02535-TCB	Case began	2007-10-12	Categories	Antitrust & Trade Regulation (NOS 410)
		Case ended	2007-11-29		
Court	Georgia Northern District Court	Exposure began			
		Exposure ended		Additional References	LR 20492 LR 19867 LR 19514 AAER 2508
Judge	Timothy C Batten	Claim			
		Settlement			

On October 12, 2007, a Complaint in an action captioned Sears Roebuck & Co. v. Marsh & McLennan Companies, Inc., et al., No. 1:07-CV-2535 (the “Sears Lawsuit”), was filed in the United States District Court for the Northern District of Georgia by Sears, Roebuck & Co., Sears Holdings Corporation, Kmart Corporation and Lands’ End Inc. Among the many named defendants are X.L. America, Inc., XL Insurance America, Inc., XL Specialty Insurance Company and XL Insurance (Bermuda) Ltd. The Complaint in the Sears Lawsuit, which contains many of the basic allegations that were contained in the Second Amended Complaint filed in the Putative Class Action, alleges violations of the Sherman Act and RICO, as well as claims alleging breach of fiduciary duty against the broker defendants; inducement to breach fiduciary duty against the insurer defendants; breach of contract against the broker defendants; tortious interference with contract against the insurer defendants; unjust enrichment; common law fraud against the broker defendants; aiding and abetting common law fraud against the insurer defendants; violation of state consumer fraud statutes; and violation of state antitrust statutes. The Sears Lawsuit is a tag-along action that does not purport to be a class action.

Defendants have petitioned the Judicial Panel on Multidistrict Litigation to have the Sears Lawsuit transferred to the District of New Jersey and consolidated with the MDL.

Party		Representation
Sears Roebuck & Co	Plaintiff (Lead)	Schopf & Weiss LLP Krevolin & Horst LLC
Kmart Corp	Plaintiff	Schopf & Weiss LLP Krevolin & Horst LLC
Lands' End Inc	Plaintiff	Schopf & Weiss LLP Krevolin & Horst LLC
Sears Holdings Corp	Plaintiff	Schopf & Weiss LLP Krevolin & Horst LLC
Marsh & McLennan Co	Defendant (Lead)	
ACE American Insurance Co	Defendant	
ACE Bermuda Insurance Ltd	Defendant	
Allianz Se	Defendant	
American Alternative Insurance Corp	Defendant	
American International Companies	Defendant	
American International Group Inc	Defendant	
AON Corp	Defendant	
Arch Capital Group (US) Inc	Defendant	
Arch Capital Group Ltd	Defendant	
Arch Reinsurance Ltd	Defendant	
Chubb & Son Inc	Defendant	
Chubb Atlantic Indemnity Ltd	Defendant	
CNA Financial Corp	Defendant	
Continental Casualty Co	Defendant	
Endurance Specialty Insurance Ltd	Defendant	
Factory Mutual Insurance Co	Defendant	
Fairfax Financial Holdings Limited	Defendant	
Federal Insurance Co	Defendant	
Great American Alliance Insurance Co	Defendant	
Great American Property Casualty Insurance Group	Defendant	
Gulf Insurance Co	Defendant	
Hartord Financial Services Group Inc	Defendant	
HCC Insurance Holdings Inc	Defendant	
Illinois National Insurance Co	Defendant	
Lexington Insurance Co	Defendant	
Liberty Insurance Underwriters Inc	Defendant	
Liberty Mutual Group	Defendant	
Liberty Mutual Insurance Co	Defendant	
Marine Insurance Co Ltd	Defendant	

Marsh Global Broking Inc	Defendant	
Marsh Inc	Defendant	
Max Re Ltd	Defendant	
National Union Fire Insurance Company of Pittsburgh PA	Defendant	
Royal & Sun Alliance Insurance PLC	Defendant	
Royal & Sunalliance Insurance Agency Inc	Defendant	
St Paul Fire & Marine Insurance Co	Defendant	
Travelers Casualty & Surety Company of America	Defendant	
Travelers Companies Inc	Defendant	
Travelers Property Casualty Insurance Co	Defendant	
Twin City Fire Insurance Co	Defendant	
Westchester Surplus Lines Insurance Co	Defendant	
XL America Inc	Defendant	
XL Insurance (Bermuda) Ltd	Defendant	
XL Insurance America Inc	Defendant	
XL Specialty Insurance Co	Defendant	
XL Capital Ltd	Non-Party Parent	

Aguilar et al v. Alea London Limited et al

Docket	2:07-cv-04852-SRD-JCW	Case began	2007-08-28	Categories	Class Action Insurance Law (NOS 110)
		Case ended			
Court	Louisiana Eastern District Court	Exposure began			
		Exposure ended		Additional References	LR 20492 LR 19867 LR 19514 AAER 2508
Judge	Joseph C Wilkinson Jr	Claim			
		Settlement			

In the aftermath of Hurricane Katrina, United Fire & Casualty Company and its Louisiana property and casualty insurance subsidiary, Lafayette Insurance Company, as well as many other insurers in the Louisiana market have been named as defendants in litigation commenced by policyholders. Some of these policyholders are seeking relief in their own right; other suits have been filed seeking class certification. These suits allege various improprieties in the claims settlement process. The class action litigation is in the early stages and United Fire & Casualty Company can not at this time make a determination as to the ultimate outcome or effect of this litigation. While United Fire & Casualty believes it has handled the claims of its policyholders consistent with the policy language and the applicable law, the litigation environment for insurers involved in hurricane litigation in Louisiana courts is not favorable to insurers.

Party		Representation
Joseph Aguilar III	Plaintiff (Lead)	Jim S Hall & Associates
Alea London Limited	Defendant (Lead)	
Aetna Insurance Company	Defendant	
Allstate Fire & Casualty Insurance Company	Defendant	
Allstate Indemnity Company	Defendant	
Allstate Insurance Company	Defendant	

Allstate Property & Casualty Insurance Company	Defendant	
American Bankers Insurance Company	Defendant	
American Family Home Insurance Company	Defendant	
American General Property Insurance Company	Defendant	
American International Group Inc	Defendant	
American Modern Home Insurance Company	Defendant	
American National General Insurance Company	Defendant	
American National Property & Casualty Insurance Company	Defendant	
American Reliable Insurance Company	Defendant	
American Security Insurance Company	Defendant	
ANPAC Louisiana Insurance Company	Defendant	
Armed Forces Insurance Exchange	Defendant	
Assurant Group	Defendant	
Audubon Insurance Company	Defendant	
Auto Club Family Insurance Company	Defendant	
Axis Insurance Company	Defendant	
Axis Surplus Insurance Company	Defendant	
Balboa Insurance Company/Newport Insurance Company	Defendant	
Bankers Insurance Company	Defendant	
Centre Insurance Company	Defendant	
Colony Insurance Company	Defendant	
Countrywide Insurance Company	Defendant	
Empire Fire and Marine Insurance Company	Defendant	
Empire Indemnity Insurance Company	Defendant	
Encompass Indemnity Company	Defendant	
Encompass Property and Casualty Company	Defendant	
Farmers Insurance Exchange	Defendant	
FEMA	Defendant	
Fidelity and Deposit Company of Maryland	Defendant	
Fidelity and Deposit Company of New York	Defendant	
Fidelity and Guaranty Insurance Company	Defendant	
Fidelity National Insurance Company	Defendant	
Fidelity National Property and Casualty Insurance Company	Defendant	
Fireman's Fund Insurance Company	Defendant	
GMAC Direct Insurance Company	Defendant	
GMAC Insurance Company	Defendant	
Great American Assurance Company	Defendant	
GuideOne Specialty Mutual Ins Co	Defendant	
Hanover Insurance Company	Defendant	
Hartford Accident & Indemnity Company	Defendant	
Hartford Casualty Insurance Company	Defendant	
Hartford Fire Insurance Company	Defendant	
Hartford Insurance Company	Defendant	

Hartford Underwriters Insurance Company	Defendant	
Homesite Insurance Company	Defendant	
Horace Mann Insurance Company	Defendant	
Imperial Fire & Casualty Insurance Company	Defendant	
Lafayette Insurance Company	Defendant	
Lenders Group	Defendant	
Lexington Insurance Company	Defendant	
Liberty Mutual Fire Insurance Company	Defendant	
Liberty Mutual Insurance Company	Defendant	
LM Insurance Corporation	Defendant	
Louisiana Citizens Property Insurance Corporation	Defendant	
Louisiana Farm Bureau Insurance Company	Defendant	
Meritplan Insurance Company	Defendant	
Met Life Auto and Home Insurance Company	Defendant	
Metropolitan Property & Casualty Insurance Company	Defendant	
National Flood Insurance Program	Defendant	
National LLoyd's Insurance Company	Defendant	
National Security Fire and Casualty Company	Defendant	
National Union Fire Insurance Co of LA	Defendant	
Oxford Insurance Company	Defendant	
Proctor Insurance Company	Defendant	
Republic Fire & Casualty Insurance Company	Defendant	
Republic Fire & Casualty Insurance Company	Defendant	
Republic Lloyds Insurance Company	Defendant	
Scottsdale Insurance Company	Defendant	
Security Plan Fire Insurance Company	Defendant	
Southwest Business Corporation	Defendant	
St Paul Travelers Group	Defendant	
Standard Fire Insurance Company	Defendant	
State Farm Companies	Defendant	
State Farm Fire & Casualty Co	Defendant	
State Farm General Insurance Company	Defendant	
State National Fire Insurance Company	Defendant	
State National Insurance Company Inc	Defendant	
Travelers Indemnity Company	Defendant	
Travelers Insurance Company	Defendant	
Underwriters at Lloyd's London	Defendant	
Union National Insurance Company	Defendant	
United Fire & Casualty Company	Defendant	
United Fire & Casualty Company	Defendant	
United National Fire Insurance Company	Defendant	
United National Fire Insurance Company	Defendant	
United Services Automobile Association	Defendant	
Unitrin Kemper Insurance Company	Defendant	
USAA Casualty Insurance Company	Defendant	

ZC Sterling Corporation	Defendant	

Henley Management Company et al v. Marsh Inc et al

Docket	2:07-cv-02389-GEB-PS	Case began	2007-05-21	Categories	Antitrust & Trade Regulation (NOS 410)
		Case ended			
Court	New Jersey District Court	Exposure began			
		Exposure ended		Additional References	LR 20492 LR 19867 LR 19514 AAER 2508
Judge	Patty Shwartz	Claim			
		Settlement			

On or about May 21, 2007 a Complaint was filed in the United States District Court for the District of New Jersey on behalf of Henley Management Company, Big Bear Properties, Inc., Northbrook Properties, Inc., RCK Properties, Inc., Kitchens, Inc., Aberfeldy LP and Payroll and Insurance Group, Inc. against multiple defendants, including “XL Winterthur International” (the “Henley Lawsuit”). The Complaint in the Henley Lawsuit, which contains many of the basic allegations that are contained in the Second Amended Complaint filed in the MDL, alleges violations of Section 1 of the Sherman Act against all defendants and various other claims that are alleged against only defendant Marsh. By Order dated July 11, 2007, the Court ordered that the Henley Lawsuit be consolidated into the MDL, making the Henley Lawsuit subject to the Court’s April 11, 2007 Order staying all proceedings pending disposition of defendants’ motions to dismiss the Second Amended Complaint filed in the MDL.

Party		Representation
Henley Management Co	Plaintiff (Lead)	Howrey LLP
Marsh Inc	Defendant (Lead)	
ACE USA Inc	Defendant	
Affiliated FM	Defendant	Gibbons PC
American Bankers Insurance Group Inc	Defendant	
American Guarantee & Liability Insurance Co	Defendant	
American International Group Inc	Defendant	
Arch Insurance Co	Defendant	
Arrowpoint Capital Corp	Defendant	
AXA Art Insurance Co	Defendant	Katten Muchin Rosenman LLP
Chubb Corp	Defendant	
CNA Financial Corp	Defendant	
Commonwealth Insurance Co	Defendant	
Continental Casualty Co	Defendant	
Continental Insurance Co	Defendant	
Federal Insurance Co	Defendant	
Fidelity & Guaranty Insurance Co	Defendant	
Fireman's Fund Insurance Co	Defendant	
Great American Insurance Co	Defendant	
Hartford Financial Services Group Inc	Defendant Terminated:	

	2007-06-21	
Kemper Auto & Home Group Inc	Defendant Terminated: 2007-06-21	
Liberty Mutual Insurance Co	Defendant	
Marsh USA Inc	Defendant	
National Union Fire Insurance Co of Pittsburgh	Defendant	
Royal & SunAlliance Insurance Group PLC	Defendant	
Royal Indemnity Co	Defendant	
St Paul Fire & Marine Insurance Co	Defendant	
St Paul Guardian Insurance Co	Defendant	
St Paul Mercury Insurance Co	Defendant	
St Paul Travelers Co Inc	Defendant	
Transcontinental Insurance Co	Defendant	
Travelers Indemnity Co	Defendant	
Travelers Property & Casualty Co of America	Defendant	
Valley Forge Insurance Co	Defendant	
XL Winterthur International	Defendant	
Zurich American Insurance Co	Defendant	
XL Capital	Related Non-Party	

In re Katz Interactive Call Processing Patent Litigation

Docket	2:07-ml-01816-RGK-FFM	Case began	2007-03-30	Categories	Patent Law (NOS 830) Counterclaim
		Case ended			
Court	California Central District Court	Exposure began			
		Exposure ended		Additional References	LR 20492 LR 19867 LR 19514 AAER 2508
Judge	Frederick F Mumm	Claim			
		Settlement			

On September 1, 2006, Ronald A. Katz Technology Licensing, L.P. (“Katz”) filed a complaint in the U.S. District Court for the District of Delaware alleging that TWC and AOL, among other defendants, infringe a number of patents purportedly relating to customer call center operations, voicemail and/or video-on-demand services. The plaintiff is seeking unspecified monetary damages as well as injunctive relief. On March 20, 2007, this case, together with other lawsuits filed by Katz, was made subject to a Multidistrict Litigation Order transferring the case for pretrial proceedings to the U.S. District Court for the Central District of California. The Company intends to defend against this lawsuit vigorously.

Party		Representation
Ronald A Katz Technology Licensing LP	Plaintiff (Lead)	Cooley Godward LLP Morrison & Foerster LLP Young Pickett & Lee Dickinson Wright PLLC Morris Nichols Arsht & Tunnell Siebman Reynolds Burg & Phillips LLP

		Vedder Price Kaufman & Kammholz PC Tucker Ellis & West LLP Hennigan Bennett & Dorman LLP Riley Bennett & Egloff LLP Heller Ehrman LLP Landis Rath & Cobb LLP Weatherly Kerven LLC Bouchard Margules & Friedlander PA Skjerven Morrill MacPherson Franklin & Friel LLP Cohen Todd Kite & Stanford LLC McCorriston Miller Mukai MacKinnon LLP Ellis & Winters LLP Chandler Law Group PLC Cooley Godward Kronish LLP Capes & Sokol Neugeboren Law Firm Heptig Law Group Ltd Nowell Amoroso Klein Bierman PA
21st Century Insurance Co	Defendant	McDermott Will & Emery Ashby & Geddes PA
21st Century Insurance Group	Defendant	McDermott Will & Emery Ashby & Geddes PA
Aetna Inc	Defendant	Andrews & Kurth LLP Leydig Voit & Mayer Ltd
Aetna RX Home Delivery LLC	Defendant	Andrews & Kurth LLP Leydig Voit & Mayer Ltd
Ahold USA Inc	Defendant	Alston & Bird LLP Richards Layton & Finger PA
AIG Annuity Insurance Co	Defendant	McDermott Will & Emery Ashby & Geddes PA
AIG Federal Savings Bank	Defendant	McDermott Will & Emery Ashby & Geddes PA
AIG Life Insurance Co	Defendant	McDermott Will & Emery Ashby & Geddes PA
AIG Marketing Inc	Defendant	McDermott Will & Emery Ashby & Geddes PA
AIG Retirement Services Inc	Defendant	

		McDermott Will & Emery Ashby & Geddes PA
AIG SunAmerica Asset Management Corp	Defendant	McDermott Will & Emery Ashby & Geddes PA
Ameren Corp	Defendant	Connolly Bove Lodge & Hutz LLP Senniger Powers Leavitt & Roedel
American Airlines Inc	Defendant	Weil Gotshal & Manges LLP McKool Smith PC
American Beacon Advisors Inc	Defendant	Weil Gotshal & Manges LLP McKool Smith PC
American Electric Power Co	Defendant	Standley Law Group LLP
American Electric Power WR	Defendant	Standley Law Group LLP
American General Assurance Co	Defendant	McDermott Will & Emery Ashby & Geddes PA
American General Indemnity Co	Defendant	McDermott Will & Emery Ashby & Geddes PA
American General Life and Accident Insurance Co	Defendant	McDermott Will & Emery Ashby & Geddes PA
American General Life Insurance Co	Defendant	McDermott Will & Emery Ashby & Geddes PA
American International Group Inc	Defendant	McDermott Will & Emery Ashby & Geddes PA
American Teleconferencing Services Ltd	Defendant	Jones Day
Amtrak	Defendant	Alston & Bird LLP Steptoe & Johnson LLP
AOL LLC	Defendant	Orrick Herrington & Sutcliffe Alston & Bird LLP Richards Layton & Finger PA Duane Morris LLP
Aquila Inc	Defendant	Sonnenschein Nath & Rosenthal LLP Young Conaway Stargatt & Taylor LLP
Atlantic City Electric Co	Defendant	
Bank of The West	Defendant	

		Pillsbury Winthrop LLP Pillsbury Winthrop Shaw Pittman LLP
Bloomingdale's By Mail Ltd	Defendant	Amster Rothstein & Ebenstein LLP
Bloomingdale's Inc	Defendant	Amster Rothstein & Ebenstein LLP
Cablevision of Brookhaven Inc	Defendant	Gibson Dunn & Crutcher LLP Richards Layton & Finger PA
Cablevision of Connecticut Corporation	Defendant	Gibson Dunn & Crutcher LLP Richards Layton & Finger PA
Cablevision of Hudson County Inc	Defendant	Gibson Dunn & Crutcher LLP Richards Layton & Finger PA
Cablevision of Litchfield Inc	Defendant	Gibson Dunn & Crutcher LLP Richards Layton & Finger PA
Cablevision of Monmouth Inc	Defendant	Gibson Dunn & Crutcher LLP Richards Layton & Finger PA
Cablevision of Oakland LLC	Defendant	Gibson Dunn & Crutcher LLP Richards Layton & Finger PA
Cablevision of Rockland/Ramapo LLC	Defendant	Gibson Dunn & Crutcher LLP Richards Layton & Finger PA
Cablevision Systems Corp	Defendant	Gibson Dunn & Crutcher LLP Richards Layton & Finger PA
Cablevision Systems New York City Corp	Defendant	Gibson Dunn & Crutcher LLP Richards Layton & Finger PA
CapGemini Energy LP	Defendant	Winston & Strawn LLP
Caremark Inc	Defendant	Foley & Lardner LLP
Caremark LLC	Defendant	Foley & Lardner LLP Mayer Brown & Platt
Caremark RX Inc	Defendant	Foley & Lardner LLP
Caremark RX LLC	Defendant	Foley & Lardner LLP Mayer Brown & Platt
Carolina Power & Light Co	Defendant	Smith Anderson Blount Dorsett Mitchell & Jernigan LLP

Centerpoint Energy Houston Electric LLC	Defendant	Atchley Russell Waldrop & Hlavinka LLP Jones Day
Centerpoint Energy Inc	Defendant	Atchley Russell Waldrop & Hlavinka LLP Jones Day
Centerpoint Energy Resources Corp	Defendant	Atchley Russell Waldrop & Hlavinka LLP Jones Day
Charter Communications Entertainment I LLC	Defendant	Alston & Bird LLP Richards Layton & Finger PA
Charter Communications Holding Company LLC	Defendant	Alston & Bird LLP Richards Layton & Finger PA
Charter Communications Inc	Defendant	Alston & Bird LLP Richards Layton & Finger PA
Charter Communications Operating LLC	Defendant	Alston & Bird LLP Richards Layton & Finger PA
Charter One Bank NA	Defendant	Foley & Lardner LLP Duffy & Sweeney Ltd
Chevron Corp	Defendant Terminated: 2008-01-23	Atchley Russell Waldrop & Hlavinka LLP Jones Day
Chevron Credit Bank NA	Defendant Terminated: 2008-01-23	Atchley Russell Waldrop & Hlavinka LLP Jones Day
Chevron Products Co	Defendant Terminated: 2008-01-23	Atchley Russell Waldrop & Hlavinka LLP Jones Day
Chevron USA Inc	Defendant Terminated: 2008-01-23	Atchley Russell Waldrop & Hlavinka LLP Jones Day
Cigna Corp	Defendant	Gibson Dunn & Crutcher LLP McDermott Will & Emery Connolly Bove Lodge & Hutz LLP
Cigna Health Corp	Defendant	McDermott Will & Emery Connolly Bove Lodge & Hutz LLP

Cigna HealthCare of Delaware Inc	Defendant	McDermott Will & Emery Connolly Bove Lodge & Hutz LLP
Cincinnati Bell Inc	Defendant	Standley Law Group LLP
Cincinnati Bell Wireless LLC	Defendant	Standley Law Group LLP
Cinergy Corp	Defendant	Alston & Bird LLP Richards Layton & Finger PA
Citibank (South Dakota) NA	Defendant	
Citibank (West) FSB	Defendant	
Citibank FSB	Defendant	
Citibank USA NA	Defendant	
Citicorp Investment Services	Defendant	
Citizens Bank	Defendant	Foley & Lardner LLP Duffy & Sweeney Ltd
Citizens Bank NA	Defendant	Foley & Lardner LLP Duffy & Sweeney Ltd
Citizens Bank New Hampshire	Defendant	Foley & Lardner LLP Duffy & Sweeney Ltd
Citizens Bank of Connecticut	Defendant	Foley & Lardner LLP Duffy & Sweeney Ltd
Citizens Bank of Massachusetts	Defendant	Foley & Lardner LLP Duffy & Sweeney Ltd
Citizens Bank of Pennsylvania	Defendant	Foley & Lardner LLP Duffy & Sweeney Ltd
Citizens Bank of Rhode Island	Defendant	Foley & Lardner LLP Duffy & Sweeney Ltd
Citizens Communications	Defendant	Jones Day Potter Anderson & Corroon LLP
Citizens Financial Group Inc	Defendant	Foley & Lardner LLP Duffy & Sweeney Ltd
CMS Energy Corp	Defendant	Alston & Bird LLP Miller Canfield Paddock & Stone PLC Howrey LLP Standley Law Group LLP Duffy & Sweeney Ltd
Colonial Bank N A	Defendant	

		Alston & Bird LLP Gardere Wynne Sewell LLP
Comcast Corp	Defendant Terminated: 2008-01-18	Davis Polk & Wardwell Potter Anderson & Corroon LLP
Comcast of Arkansas/Florida/Louisiana/Minnesota/Mississippi/Tennessee Inc	Defendant Terminated: 2008-01-18	Davis Polk & Wardwell Potter Anderson & Corroon LLP
Comcast of California II LLC	Defendant Terminated: 2008-01-18	Davis Polk & Wardwell Potter Anderson & Corroon LLP
Comcast of California/Colorado LLC	Defendant Terminated: 2008-01-18	Davis Polk & Wardwell Potter Anderson & Corroon LLP
Comcast of Colorado/Pennsylvania/West Virginia LLC	Defendant Terminated: 2008-01-18	Davis Polk & Wardwell Potter Anderson & Corroon LLP
Comcast of Delmarva Inc	Defendant Terminated: 2008-01-18	Davis Polk & Wardwell Potter Anderson & Corroon LLP
Comcast of Eastern Shore LLC	Defendant Terminated: 2008-01-18	Davis Polk & Wardwell Potter Anderson & Corroon LLP
Comcast of Florida/Illinois/Michigan Inc	Defendant Terminated: 2008-01-18	Davis Polk & Wardwell Potter Anderson & Corroon LLP
Comcast of Garden State LP	Defendant Terminated: 2008-01-18	Davis Polk & Wardwell Potter Anderson & Corroon LLP
Comcast of Houston LLC	Defendant Terminated: 2008-01-18	Davis Polk & Wardwell Potter Anderson & Corroon LLP
Comcast of New Castle County LLC	Defendant Terminated: 2008-01-18	Davis Polk & Wardwell Potter Anderson & Corroon LLP
Comdata Corp	Defendant	Potter Anderson & Corroon LLP Howrey LLP

Comerica Bank & Trust	Defendant	Skadden Arps Slate Meagher & Flom LLP
Comerica Inc	Defendant	Skadden Arps Slate Meagher & Flom LLP Morris Nichols Arsht & Tunnell
Comerica Securities Inc	Defendant	Skadden Arps Slate Meagher & Flom LLP
Commonwealth Edison Co	Defendant	Kirkland & Ellis LLP
Compass Bank	Defendant Terminated: 2007-10-11	Lerner David Littenberg Krumholz & Mentlik LLP
Compass Bank	Defendant Terminated: 2007-10-11	
Compuserve Interactive Services Inc	Defendant	Alston & Bird LLP Richards Layton & Finger PA
Consolidated Edison Company of New York Inc	Defendant	Howrey LLP
Consumers Energy Co	Defendant	Miller Canfield Paddock & Stone PLC Standley Law Group LLP
Continental Airlines Inc	Defendant	Howrey LLP
Costco Wholesale Corp	Defendant	Howrey LLP
Cox Communications Inc	Defendant	Alston & Bird LLP Kilpatrick Stockton LLP The Heartfield Law Firm
CoxCom Inc	Defendant	Alston & Bird LLP Kilpatrick Stockton LLP The Heartfield Law Firm
Cricket Communications Inc	Defendant Terminated: 2008-02-13	Morrison & Foerster LLP Ashby & Geddes PA
CSC Holdings Inc	Defendant	Gibson Dunn & Crutcher LLP Richards Layton & Finger PA
CVS Caremark Corp	Defendant	Mintz Levin Cohn Ferris Glovsky & Popeo PC

Delmarva Power & Light Co	Defendant	Balick & Balick Standley Law Group LLP
DHL Express (USA) Inc	Defendant	Orrick Herrington & Sutcliffe Potter Anderson & Corroon LLP Conner & Winters Connolly Bove Lodge & Hutz LLP Manatt Phelps & Phillips LLP
DHL Holdings (USA) Inc	Defendant	Orrick Herrington & Sutcliffe Potter Anderson & Corroon LLP
Dillard Investment Co Inc	Defendant	Alston & Bird LLP Richards Layton & Finger PA
Dillard's Inc	Defendant	Alston & Bird LLP Richards Layton & Finger PA
Direct Group North America Inc	Defendant	Manatt Phelps & Phillips LLP Levy Small & Lallas
DIRECTV Customer Services Inc	Defendant	Alston & Bird LLP Quinn Emanuel Urquhart Oliver & Hedges LLP
Directv Enterprises LLC	Defendant	Alston & Bird LLP Quinn Emanuel Urquhart Oliver & Hedges LLP Potter Minton PC Kelly Hart & Hallman PC
DIRECTV Group Inc	Defendant	Alston & Bird LLP Quinn Emanuel Urquhart Oliver & Hedges LLP Potter Minton PC Kelly Hart & Hallman PC
Directv Holdings LLC	Defendant	Alston & Bird LLP Quinn Emanuel Urquhart Oliver & Hedges LLP Potter Minton PC Kelly Hart & Hallman PC
DirecTV Inc	Defendant	Alston & Bird LLP Quinn Emanuel Urquhart Oliver & Hedges LLP Potter Minton PC Kelly Hart & Hallman PC

Dominion Resources Inc	Defendant	McGuireWoods LLP
Duke Energy Corp	Defendant	Alston & Bird LLP Balick & Balick
Earthlink Inc	Defendant	Morrison & Foerster LLP Weil Gotshal & Manges LLP Kilpatrick Stockton LLP McKool Smith PC The Heartfield Law Firm
East Ohio Gas Co	Defendant	McGuireWoods LLP
Echostar Communications Corp	Defendant	Morrison & Foerster LLP
Echostar Satellite LLC	Defendant	Morrison & Foerster LLP
Energy Future Competitive Holdings Co	Defendant	Hunton & Williams LLP
Energy Future Holdings Corp	Defendant	Hunton & Williams LLP
Exelon Corp	Defendant	Kirkland & Ellis LLP
Exxon Mobil Corp	Defendant	Weil Gotshal & Manges LLP Pro Se McKool Smith PC
Exxon Mobile Corp	Defendant	
FACS Group Inc	Defendant	Amster Rothstein & Ebenstein LLP
FDS Bank	Defendant	Amster Rothstein & Ebenstein LLP
Federal Express Corp	Defendant	Sheppard Mullin Richter & Hampton LLP Brown McCarroll LLP Finnegan Henderson Farabow Garrett & Dunner LLP
FedEx Corp	Defendant	Sheppard Mullin Richter & Hampton LLP Brown McCarroll LLP Finnegan Henderson Farabow Garrett & Dunner LLP
Fedex Corporate Services Inc	Defendant	Sheppard Mullin Richter & Hampton LLP Brown McCarroll LLP Finnegan Henderson Farabow Garrett & Dunner LLP

Fedex Customer Information Services Inc	Defendant	Sheppard Mullin Richter & Hampton LLP Brown McCarroll LLP Finnegan Henderson Farabow Garrett & Dunner LLP
Fifth Third Bancorp	Defendant	Vorys Sater Seymour & Pease LLP Wood Herron & Evans LLP
Fifth Third Bank	Defendant	Vorys Sater Seymour & Pease LLP Wood Herron & Evans LLP
Fifth Third Bank (Central Ohio)	Defendant	Vorys Sater Seymour & Pease LLP Wood Herron & Evans LLP
First Hawaiian Bank	Defendant	Pillsbury Winthrop Shaw Pittman LLP Cades Schutte LLP
FirstMerit Bank N A	Defendant	Renner Kenner Greive Bobak Taylor & Weber
FirstMerit Corp	Defendant	Renner Kenner Greive Bobak Taylor & Weber
FirstMerit Mortgage Corp	Defendant	Renner Kenner Greive Bobak Taylor & Weber
Florida Power Corp	Defendant	
Frontier Communications of America Inc	Defendant	Jones Day Potter Anderson & Corroon LLP
Frontier Subsidiary Telco LLC	Defendant	Jones Day Potter Anderson & Corroon LLP
Geico Casualty Co	Defendant	Fox Rothschild LLP Ward & Olivo
GEICO Corp	Defendant	Fox Rothschild LLP Ward & Olivo
Geico General Insurance Co	Defendant	Fox Rothschild LLP Ward & Olivo
General Electric Capital Corp	Defendant	Jones Day Howrey LLP
General Electric Capital Services Inc	Defendant	Jones Day Howrey LLP

General Electric Co	Defendant	Howrey LLP
General Electric Consumer Finance Inc	Defendant	Howrey LLP
General Motors Corp	Defendant	Howrey LLP
Genesys Conferencing Inc	Defendant	Morgan & Finnegan LLP The Roth Law Firm PC
Georgia Power Co	Defendant	Troutman Sanders LLP Jones Day
Giant Food Inc	Defendant	Alston & Bird LLP
Giant Food LLC	Defendant	Alston & Bird LLP
Giant Food Stores LLC	Defendant	Alston & Bird LLP
Giant of Maryland LLC	Defendant	Alston & Bird LLP
Global Crossing Telecommunications Inc	Defendant	Morgan & Finnegan LLP Dickstein Shapiro LLP
Government Employees Insurance Co	Defendant	Fox Rothschild LLP Ward & Olivo
Hartford Accident & Indemnity Company	Defendant	Jones Day
Hartford Casualty Insurance Co	Defendant	Jones Day
Hartford Fire Insurance Co	Defendant	Jones Day
Hartford Insurance Company of Illinois	Defendant	Jones Day
Hartford Life and Accident Insurance Co	Defendant	Jones Day
Hartford Life Inc	Defendant	Jones Day
Hartford Life Insurance Co	Defendant	Jones Day
Hartford Mutual Funds Inc	Defendant	Jones Day
Hartford Underwriters Insurance Co	Defendant	Jones Day
Healthy Options Inc	Defendant	King & Spalding LLP
Hope Gas Inc	Defendant	McGuireWoods LLP

Humana Inc	Defendant	Alston & Bird LLP Law Offices of Claude E Welch Standley Law Group LLP Parker Milliken Clark OHara & Samuelian PC
Humana Military Healthcare Services Inc	Defendant	Standley Law Group LLP Parker Milliken Clark OHara & Samuelian PC
Huntington Bancshares Inc	Defendant	Ulmer & Berne LLP Dinsmore & Shohl LLP Ward & Olivo
Huntington Insurance Agency Services Inc	Defendant	Ulmer & Berne LLP Dinsmore & Shohl LLP Ward & Olivo
Huntington Investment Co	Defendant	Ulmer & Berne LLP Dinsmore & Shohl LLP Ward & Olivo
Huntington National Bank	Defendant	Ulmer & Berne LLP Dinsmore & Shohl LLP Ward & Olivo
Kaiser Foundation Health Plan Inc	Defendant Terminated: 2008-03-28	Morrison & Foerster LLP Patton Roberts McWilliams & Capshaw LLP
Kaiser Foundation Hospitals	Defendant Terminated: 2008-03-28	Morrison & Foerster LLP
Kohl's Corp	Defendant	Morrison & Foerster LLP Patton Roberts McWilliams & Capshaw LLP
Kroger Co	Defendant	King & Spalding LLP
Kroger Texas LP	Defendant	King & Spalding LLP
Leap Wireless International Inc	Defendant Terminated: 2008-02-13	Morrison & Foerster LLP Ashby & Geddes PA
Macy's Inc	Defendant	Amster Rothstein & Ebenstein LLP
Marriott International Inc	Defendant	Howrey Simon Arnold & White LLP Patton Tidwell & Schroder LLP

		Howrey LLP
Marriott Worldwide Reservation Services LLC	Defendant	Howrey Simon Arnold & White LLP Patton Tidwell & Schroder LLP Howrey LLP
Mileage Plus Holdings Inc	Defendant	Kirkland & Ellis LLP Gillam & Smith LLP
Mileage Plus Holdings Inc	Defendant	Kirkland & Ellis LLP Gillam & Smith LLP
Mileage Plus Inc	Defendant	Kirkland & Ellis LLP Gillam & Smith LLP
National City Bank	Defendant Terminated: 2008-01-18	Jones Day
National City Bank of Indiana	Defendant Terminated: 2008-01-18	Jones Day
National City Corp	Defendant Terminated: 2008-01-18	Jones Day
National Railroad Passenger Corp	Defendant	Alston & Bird LLP Steptoe & Johnson LLP Hartline Dacus Barger Dreyer & Kern LLP
Netscape Communications Corp	Defendant	Alston & Bird LLP Richards Layton & Finger PA
New York Life and Annuity Corp	Defendant Terminated: 2008-01-25	Jones Day
New York Life Insurance and Annuity Corp	Defendant Terminated: 2008-01-25	Jones Day
New York Life Insurance Co	Defendant Terminated: 2008-01-25	Jones Day
Nylife Insurance Company of Arizona	Defendant Terminated: 2008-01-25	Jones Day

NYLIFE Securities LLC	Defendant	Jones Day
OGE Energy Corp	Defendant	Jones Day Conner & Winters
Oklahoma Gas & Electric Co	Defendant	Jones Day Conner & Winters
Old National Bancorp	Defendant Terminated: 2008-02-04	Pro Se Kahn Dees Donovan & Kahn LLP
Old National Bank	Defendant Terminated: 2008-02-04	Pro Se Kahn Dees Donovan & Kahn LLP
Oncor Electric Delivery Company LLC	Defendant	Hunton & Williams LLP
Pacificorp	Defendant	Howrey LLP
Peco Energy Co	Defendant	Kirkland & Ellis LLP
Peoples Natural Gas Co	Defendant	McGuireWoods LLP
Pepco Holdings Inc	Defendant	Balick & Balick Standley Law Group LLP
Permanente Co LL	Defendant	Morrison & Foerster LLP
Permanente Federation LLC	Defendant	Morrison & Foerster LLP
Permanente Medical Group Inc	Defendant Terminated: 2008-03-28	Morrison & Foerster LLP
PHI Service Co	Defendant	Balick & Balick Howrey LLP Standley Law Group LLP
Potomac Electric Power Co	Defendant	
PPL Electric Utilities Corp	Defendant	Proskauer Rose LLP
PPL Gas Utilities Corp	Defendant	Proskauer Rose LLP
PPL Solutions LLC	Defendant	Proskauer Rose LLP
Premiere Global Services Inc	Defendant	Jones Day Morgan & Finnegan LLP

		Bassett Law Firm LLP
PSEG Services Corp	Defendant	Gibbons PC
Public Service Electric & Gas Co	Defendant	Gibbons PC
Public Service Enterprises Group Inc	Defendant	Gibbons PC
Qwest Broadband Services Inc	Defendant Terminated: 2007-12-27	Richards Layton & Finger PA
Qwest Communications Corp	Defendant Terminated: 2007-12-27	Richards Layton & Finger PA
Qwest Communications International Inc	Defendant Terminated: 2007-12-27	Richards Layton & Finger PA
Qwest Interprise America Inc	Defendant Terminated: 2007-12-27	Richards Layton & Finger PA
Qwest LD Corp	Defendant Terminated: 2007-12-27	Richards Layton & Finger PA
Qwest Wireless LLC	Defendant Terminated: 2007-12-27	Richards Layton & Finger PA
RBC Centura Bank	Defendant	Kirkland & Ellis LLP Poyner & Spruill
RBC Centura Banks Inc	Defendant	Kirkland & Ellis LLP Poyner & Spruill
Regions Bank NA	Defendant Terminated: 2008-01-16	Atchley Russell Waldrop & Hlavinka LLP Jones Day
Regions Financial Corp	Defendant Terminated: 2008-01-16	Atchley Russell Waldrop & Hlavinka LLP Jones Day
Reliant Energy Inc	Defendant	Baker Botts LLP Balick & Balick

Reliant Energy Retail Services LLC	Defendant	Baker Botts LLP Balick & Balick
Rite Aid Corp	Defendant	Morgan Lewis & Bockius LLP
Rite Aid Hdqts Corp	Defendant	Morgan Lewis & Bockius LLP
Rite Aid of Delaware Inc	Defendant	Morgan Lewis & Bockius LLP Cross & Simon LLC
Safeco Corp	Defendant	Alston & Bird LLP Ramey & Flock Marshall Gerstein & Borun LLP
Safeco Insurance Company of America	Defendant	Alston & Bird LLP Ramey & Flock
Sam's East Inc	Defendant Terminated: 2007-12-13	Foley & Lardner LLP Atchley Russell Waldrop & Hlavinka LLP
Sam's West Inc	Defendant Terminated: 2007-12-13	Foley & Lardner LLP Atchley Russell Waldrop & Hlavinka LLP
Shopko Stores Operating Co LLC	Defendant	Marshall Gerstein & Borun LLP
Sky Bank	Defendant	Ulmer & Berne LLP Dinsmore & Shohl LLP Ward & Olivo
Sky Courier Inc	Defendant	Orrick Herrington & Sutcliffe Potter Anderson & Corroon LLP
Sky Financial Services Inc	Defendant	Ulmer & Berne LLP Dinsmore & Shohl LLP Ward & Olivo
Southern Co	Defendant	Troutman Sanders LLP Jones Day
Southern Communication Services	Defendant	Troutman Sanders LLP Jones Day
Southern Company Services Inc	Defendant	Troutman Sanders LLP Jones Day
Southwestern Electric Power Co	Defendant	Troutman Sanders LLP Standley Law Group LLP

Stop & Shop Supermarket Co LLC	Defendant	Alston & Bird LLP Richards Layton & Finger PA
T-Mobile USA Inc	Defendant	Alston & Bird LLP Ramey & Flock Howrey LLP Dickstein Shapiro LLP
Target National Bank	Defendant	Morrison & Foerster LLP Atchley Russell Waldrop & Hlavinka LLP Patton Roberts McWilliams & Capshaw LLP
TD Banknorth Inc	Defendant	Dechert LLP Richards Layton & Finger PA
TDS Metrocom LLC	Defendant	Richards Layton & Finger PA Leydig Voit & Mayer Ltd
TDS Telecommunications Corp	Defendant	Richards Layton & Finger PA Leydig Voit & Mayer Ltd
Tel-Drug Inc	Defendant	McDermott Will & Emery Connolly Bove Lodge & Hutz LLP
Tel-Drug of Pennsylvania LLC	Defendant	McDermott Will & Emery Connolly Bove Lodge & Hutz LLP
Teligence (US) Inc	Defendant	Orrick Herrington & Sutcliffe Haltom & Doan LLP
Teligence Holdings (US) Inc	Defendant	Orrick Herrington & Sutcliffe Haltom & Doan LLP
Texas Competitive Electric Holdings Company LLC	Defendant	Hunton & Williams LLP
Time Warner Cable Inc	Defendant	Alston & Bird LLP Richards Layton & Finger PA Standley Law Group LLP
Time Warner NY Cable LLC	Defendant	Alston & Bird LLP Richards Layton & Finger PA
Tracfone Wireless Inc	Defendant Terminated: 2008-01-04	Mayer Brown LLP Skadden Arps Slate Meagher & Flom LLP Potter Minton PC

TXU Corp	Defendant	Hunton & Williams LLP
TXU Energy Company LLC	Defendant	Hunton & Williams LLP
TXU Energy Holdings Co	Defendant	Hunton & Williams LLP
TXU Energy Retail Company LP	Defendant	Hunton & Williams LLP
TXU Energy Retail Management Company LLC	Defendant	Hunton & Williams LLP
UAL Corp	Defendant	Kirkland & Ellis LLP Gillam & Smith LLP
UAL Loyalty Services LLC	Defendant	Kirkland & Ellis LLP Gillam & Smith LLP
Union Electric Co	Defendant	Connolly Bove Lodge & Hutz LLP Senniger Powers Leavitt & Roedel
United Airlines Inc	Defendant	Kirkland & Ellis LLP Gillam & Smith LLP
United Parcel Service Inc	Defendant	King & Spalding LLP Duane Morris LLP
United States Cellular Corp	Defendant	Richards Layton & Finger PA Leydig Voit & Mayer Ltd
United States Life Insurance Company in City of New York	Defendant	McDermott Will & Emery Ashby & Geddes PA
US Bancorp	Defendant	Foley & Lardner LLP Duane Morris LLP Mayer Brown & Platt Orgain Bell & Tucker LLP
US Bank National Association	Defendant	Foley & Lardner LLP Duane Morris LLP Mayer Brown & Platt Orgain Bell & Tucker LLP
UTEL Networks Inc	Defendant	Orrick Herrington & Sutcliffe
VALIC Financial Advisors Inc	Defendant	McDermott Will & Emery
VALIC Retirement Services Co	Defendant	McDermott Will & Emery
Variable Annuity Life Insurance Co	Defendant	McDermott Will & Emery

Virginia Electric & Power Co	Defendant	McGuireWoods LLP
Wal-Mart Stores East LP	Defendant Terminated: 2007-12-13	Foley & Lardner LLP Atchley Russell Waldrop & Hlavinka LLP
Wal-Mart Stores Inc	Defendant Terminated: 2007-12-13	Foley & Lardner LLP Atchley Russell Waldrop & Hlavinka LLP
Wal-Mart Stores Texas LP	Defendant Terminated: 2007-12-13	Foley & Lardner LLP Atchley Russell Waldrop & Hlavinka LLP
Wal-Mart.com Inc	Defendant Terminated: 2007-12-13	Foley & Lardner LLP Atchley Russell Waldrop & Hlavinka LLP
Webster Bank N A	Defendant	Kirkland & Ellis LLP Jones Day Howrey LLP
Whirlpool Corp	Defendant	Patton Tidwell & Schroder LLP Howrey LLP Haltom & Doan LLP
Wilmington Brokerage Services Co	Defendant	Cozen O'Connor
Wilmington Trust Co	Defendant	Cozen O'Connor
XM Equipment Leasing LLC	Defendant	Fish & Richardson PC
XM Radio Inc	Defendant	Fish & Richardson PC
XM Satellite Radio Holdings Inc	Defendant	Fish & Richardson PC
XM Satellite Radio Inc	Defendant	Fish & Richardson PC
Comcast Cable Communications LLC	Debtor Terminated: 2008-01-18	Davis Polk & Wardwell Potter Anderson & Corroon LLP
Time Warner Inc	Non-Party Parent	

Avery Dennison Corp v. Marsh & McLennan Companies Inc et al

Docket	2:07-cv-00757-GEB-PS	Case began	2007-02-13	Categories	Antitrust & Trade Regulation (NOS 410)
		Case ended			
Court	New Jersey District Court				

		Exposure began			
		Exposure ended		Additional References	LR 20492 LR 19867 LR 19514 AAER 2508
Judge	Patty Shwartz	Claim			
		Settlement			

ACE Ltd., ACE INA Holdings, Inc., ACE USA, Inc., and ACE American Ins. Co., along with a number of other insurers and brokers, have recently been named in Avery Dennison Corp. v. Marsh & McLennan Companies, Inc. et al (Case No. 07-00757) (filed February 13, 2007). Defendants have filed a motion to have this case assigned to the same judge who is presiding over the consolidated federal actions in order to coordinate proceedings.

Party		Representation
Avery Dennison Corp	Plaintiff (Lead)	Howrey LLP
Marsh & McLennan Companies Inc	Defendant (Lead)	
Markel Corp	Defendant (Consolidated)	
Ace American Insurance Co	Defendant	
Ace INA Holdings Inc	Defendant	
Ace Ltd	Defendant	
Ace USA Inc	Defendant	
AIU Insurance Co	Defendant	
American Guarantee & Liability Insurance Co	Defendant	
American International Group Inc	Defendant	
Hilb Rogal & Hobbs Co	Defendant	Gibbons PC
Liberty Insurance Underwriters Inc	Defendant	
Liberty Mutal Insurance Co	Defendant	
Liberty Mutual Holding Co	Defendant	
Marsh Inc	Defendant	
Marsh USA Inc	Defendant	
National Union Fire Insurance Co of Pittsburgh PA	Defendant	
St Paul Fire & Marine Insurance Co	Defendant	
St Paul Travelers Companies Inc	Defendant	
Zurich American Insurance Co	Defendant	
Zurich Financial Services Group	Defendant	

Ronald A Katz Technology Licensing LP v. American International Group Inc et al

Docket	1:06-cv-00547-GMS	Case began	2006-09-01	Categories	Patent Law (NOS 830)
		Case ended	2007-04-11		
Court	Delaware District Court	Exposure began			
		Exposure ended		Additional References	LR 20492 LR 19867 LR 19514 AAER 2508
Judge	Gregory M Sleet	Claim			

	Settlement				

Ronald A. Katz Technology Licensing, L.P. v. American International Group, Inc. et al was filed on September 1, 2006, in the United States District Court for the District of Delaware. The defendants include American International Group, Inc., its subsidiaries and affiliates, including 21st Century Insurance Group, 21st Century Insurance Company, and 21st Century Casualty Company. The complaint alleges infringement of various patents relating to automated call processing applications. The matter is in the initial pleading stage.

Party		Representation
Ronald A Katz Technology Licensing LP	Plaintiff (Lead)	Bouchard Margules & Friedlander PA
American International Group Inc	Defendant (Lead)	Ashby & Geddes PA
21st Century Insurance Group	Defendant	Ashby & Geddes PA
AIG Annuity Insurance Company	Defendant	Ashby & Geddes PA
21st Century Casualty Company	Defendant	Ashby & Geddes PA
AIG Federal Savings Bank	Defendant	Ashby & Geddes PA
AIG Life Insurance Company	Defendant	Ashby & Geddes PA
AIG Marketing Inc	Defendant	Ashby & Geddes PA
AIG Retirement Services Inc	Defendant	Ashby & Geddes PA
AIG SunAmerica Asset Management Corp	Defendant	Ashby & Geddes PA
American General Assurance Company	Defendant	Ashby & Geddes PA
American General Indemnity Company	Defendant	Ashby & Geddes PA
American General Life and Accident Insurance Company	Defendant	Ashby & Geddes PA
American General Life Insurance Company	Defendant	Ashby & Geddes PA
Aquila Inc	Defendant	Young Conaway Stargatt & Taylor LLP
CIGNA Corporation	Defendant	Connolly Bove Lodge & Hutz LLP
CIGNA Health Corporation	Defendant	Connolly Bove Lodge & Hutz LLP
CIGNA HealthCare of Delaware Inc	Defendant	Connolly Bove Lodge & Hutz LLP
DHL Express (USA) Inc	Defendant	Potter Anderson & Corroon LLP
DHL Holdings (USA) Inc	Defendant	Potter Anderson & Corroon LLP
National City Bank	Defendant	Potter Anderson & Corroon LLP

National City Bank of Indiana	Defendant	Potter Anderson & Corroon LLP
National City Corporation	Defendant	Potter Anderson & Corroon LLP
Sky Courier Inc	Defendant	Potter Anderson & Corroon LLP
Tel-Drug Inc	Defendant	Connolly Bove Lodge & Hutz LLP
Tel-Drug of Pennsylvania LLC	Defendant	Connolly Bove Lodge & Hutz LLP
United States Life Insurance Company in the City of New York	Defendant	Ashby & Geddes PA
VALIC Financial Advisors Inc	Defendant	Ashby & Geddes PA
VALIC Retirement Services Company	Defendant	Ashby & Geddes PA
Variable Annuity Life Insurance Company	Defendant	Ashby & Geddes PA
Wilmington Brokerage Services Company	Defendant	Cozen O'Connor
Wilmington Trust Company	Defendant	Cozen O'Connor

Martingano v. American International Group Inc et al

Docket	1:06-cv-01625-JG-JMA	Case began	2006-04-07	Categories	Class Action Securities Law (NOS 850)
		Case ended	2007-09-25		
Court	New York Eastern District Court	Exposure began	2000-06-30		
		Exposure ended	2005-06-08	Additional References	LR 20492 LR 19867 LR 19514 AAER 2508
Judge	Joan M Azrack	Claim			
		Settlement			

Joseph Martingano sued American International Group Inc and other defendants for alleged violations of federal securities laws on April 7, 2006 in the U.S. District Court for the Eastern District of New York. According to the complaint, defendants pushed sales personnel to direct clients to purchase so-called Shelf-Space Funds despite the lack of gain such investments would gain from the transactions. The defendants also allegedly provided monetary incentives for such sales. The failure to disclose such monetary incentives and the scheme itself constituted violations of federal securities laws. The plaintiff seeks compensatory damages, costs and attorneys' fees.

Party		Representation
Joseph Martingano	Plaintiff (Lead)	Stull Stull & Brody
American International Group Inc	Defendant (Lead)	
Advantage Capital Corp	Defendant	
AIG Financial Advisors Inc	Defendant	

FSC Securities Corp	Defendant	
Royal Alliance Associates Inc	Defendant	

New Cingular Wireless Headquarters LLC et al v. Marsh & McLennan Companies Inc et al

Docket	1:06-cv-00796-BBM	Case began	2006-04-06	Categories	Antitrust & Trade Regulation (NOS 410)
		Case ended	2006-10-30		
Court	Georgia Northern District Court	Exposure began			
		Exposure ended		Additional References	LR 20492 LR 19867 LR 19514 AAER 2508
Judge	Beverly B Martin	Claim			
		Settlement			

On April 4, 2006, a complaint was filed in the U.S. District Court for the Northern District of Georgia on behalf of New Cingular Wireless Headquarters LLC and several other corporations against approximately 100 defendants, including Greenwich Insurance Company, XL Specialty Insurance Company, XL Insurance America, Inc., XL Insurance Company Limited, Lloyd’s syndicates 861, 588 and 1209 and XL Capital Ltd. (the “New Cingular Lawsuit”). The New Cingular Lawsuit is a tag-along action that does not purport to be a class action. The New Cingular Complaint, which makes the same basic allegations as those alleged in the MDL Amended Complaint, asserts statutory claims under the Sherman Act, the Racketeer Influenced and Corrupt Organizations Act, as well as common law claims alleging breach of fiduciary duty, inducement to breach fiduciary duty, unjust enrichment and fraud. The New Cingular Lawsuit has been consolidated with the MDL for pretrial purposes. In or about December 2006, the three Lloyds Syndicates managed by a subsidiary of the Company including a Company-owned syndicate, were dismissed from the New Cingular Lawsuit in connection with a settlement reached between the plaintiffs and several of the Lloyds syndicates that were named as defendants therein. On January 5, 2007, the plaintiffs in the New Cingular Lawsuit filed an Amended Complaint, a RICO Statement and a memorandum of law. No schedule has yet been set by the Court for the briefing of motions by defendants to dismiss the Amended Complaint.
By Order dated December 13, 2006, the Judge in the MDL advised the parties that she had discovered a potential conflict of interest through her ownership of shares of one of the defendants and by Order dated February 16, 2007, the matter was reassigned to Chief Judge Garrett Brown.

Party		Representation
New Cingular Wireless Headquarters LLC	Plaintiff (Lead)	Schopf & Weiss LLP Krevolin & Horst LLC
AT&T Wireless Services Inc	Plaintiff	Schopf & Weiss LLP Krevolin & Horst LLC
Commonwealth Edison Co	Plaintiff Terminated: 2006-05-31	Schopf & Weiss LLP Krevolin & Horst LLC
Exelon Corp	Plaintiff Terminated: 2006-05-31	Schopf & Weiss LLP Krevolin & Horst LLC
Exelon Generation Co LLC	Plaintiff Terminated: 2006-05-31	Schopf & Weiss LLP Krevolin & Horst LLC

Foodbrands America Inc	Plaintiff	Schopf & Weiss LLP Krevolin & Horst LLC
Peco Energy Co	Plaintiff Terminated: 2006-05-31	Schopf & Weiss LLP Krevolin & Horst LLC
Public Service Enterprise Group	Plaintiff	Schopf & Weiss LLP Krevolin & Horst LLC
Tyson Foods Inc	Plaintiff	Schopf & Weiss LLP Krevolin & Horst LLC
Unicom Corp	Plaintiff Terminated: 2006-05-31	Schopf & Weiss LLP Krevolin & Horst LLC
Marsh & McLennan Companies Inc	Defendant (Lead)	
Ace American Insurance Co	Defendant	
Ace Bermuda Insurance Co Ltd	Defendant	
Ace Ltd	Defendant	
ACE USA	Defendant	
Aetna Inc	Defendant	
Allied World Assurance Co	Defendant	
American Alternative Insurance Corp	Defendant	
American Guaranty and Liability Insurance Co	Defendant	
American Home Assurance Co	Defendant	
American International Group Inc	Defendant	
American International Specialty Lines IC	Defendant	
American Protection Insurance Co	Defendant	
AON Corp	Defendant	
Arch Capital Group	Defendant	
Arch Insurance Bermuda Ltd	Defendant	
Arch Insurance Company/GAB Robins	Defendant	
Arch Reinsurance Limited	Defendant	
Arch Specialty Insurance Co	Defendant	
AWA Holdings	Defendant	
Certain Underwriters at Lloyds London	Defendant	Holland & Knight LLP Fields Howell Athans & McLaughlin LLP
Chubb Insurance Corp	Defendant	
Cigna Health Care	Defendant	
CNA Financial Corp	Defendant	
Commonwealth Insurance Co	Defendant	Mound Cotton Wollan & Greengrass Love Willingham Peters Gilleland & Monyak

Continental Casualty Co	Defendant	
Continental Insurance Co	Defendant	
Empire Fire & Marine Insurance Co	Defendant	
Employers Insurance of Wausau	Defendant	
Employers Reinsurance Corp	Defendant	
Endurance Specialty Insurance Limited	Defendant	
Essex Insurance Co	Defendant	
Factory Mutual Insurance Co	Defendant	Robins Kaplan Miller & Ciresi LLP
Federal Insurance Co	Defendant	
Fidelity & Deposit Company of Maryland	Defendant	
Fireman's Fund Insurance Co	Defendant	
Great American Assurance Co Ltd	Defendant	
Greenwich Insurance Co	Defendant	
Gulf Insurance Co	Defendant	
Hartford Financial Services Group	Defendant	
Hartford Steam Boiler I&I Co	Defendant	
HCC Insurance Holdings	Defendant	
Houston Casualty Company	Defendant	
Illinois National Insurance Co	Defendant	
Illinois Union Insurance Co	Defendant	
Insurance Company of the State of PA	Defendant	
Lexington Insurance Co	Defendant	
Liberty Insurance Underwriters Inc	Defendant	
Liberty Mutual Holding Co Inc	Defendant	
Liberty Mutual Insurance Co	Defendant	
Lumbermens Mutual Casualty Co	Defendant	
Marine Insurance Co Ltd	Defendant	
Marsh Inc	Defendant	
MAX RE Limited	Defendant	
National Surety Corp	Defendant	
National Union Fire Insurance Company of Pennsylvania	Defendant	
Navigators Group Inc	Defendant	
Nutmeg Insurance Co	Defendant	
Pacific Employers Insurance Co	Defendant	
Public Service Electric & Gas Co Inc	Defendant	Schopf & Weiss LLP Krevolin & Horst LLC
Royal & Sun Alliance	Defendant	Freeman Mathis & Gary LLP
St Paul Fire & Marine Insurance Co	Defendant	
St Paul Mercury Insurance Co	Defendant	
St Paul Travelers Company Inc	Defendant	
Starr Excess Liability Insurance International	Defendant	

Limited		
Travelers Casualty and Surety Company of America	Defendant	
Travelers Excess & Surplus Insurance	Defendant	
Travelers Indemnity Co	Defendant	
Travelers Indemnity Company America	Defendant	
Travelers Property Casualty Insurance Co	Defendant	
Twin City Fire Insurance Co	Defendant	
Wuerttembergische Versicherrungs AG	Defendant	
XL Capital Ltd	Defendant	
XL Insurance America Inc	Defendant	
XL Insurance Co	Defendant	
XL Specialty Insurance Co	Defendant	
Zurich American Insurance Co	Defendant	
Zurich American of Illinois	Defendant	
Zurich Specialties London Limited	Defendant	
Max Capital Group Ltd	Non-Party Parent	
Travelers Companies Inc	Non-Party Parent	

SEC v. American International Group Inc

Docket	1:06-cv-01000-LAP	Case began	2006-02-09	Categories	Accounting and Auditing Enforcement Release Securities Law (NOS 850)
		Case ended	2006-02-17		
Court	New York Southern District Court	Exposure began			
		Exposure ended		Additional References	LR 20492 LR 19867 LR 19514 AAER 2508
Judge	Loretta A Preska	Claim			
		Settlement	$800,000,000		

The Securities and Exchange Commission announced today the filing and settlement of charges that American International Group, Inc. (AIG) committed securities fraud. The settlement is part of a global resolution of federal and state actions under which AIG will pay in excess of $1.6 billion to resolve claims related to improper accounting, bid rigging and practices involving workers' compensation funds.

The Commission announced the settlement in coordination with the Office of the New York State Attorney General, the Superintendent of Insurance of the State of New York and the United States Department of Justice, which have also reached settlements with AIG.

The settlement with the Commission provides that AIG will pay $800 million, consisting of disgorgement of $700 million and a penalty of $100 million, and undertake corporate reforms designed to prevent similar misconduct from occurring. The penalty amount takes into account AIG's substantial cooperation during the Commission's investigation.

The Commission's complaint, filed today in federal court in Manhattan, alleges that AIG's reinsurance transactions with General Re Corporation (Gen Re) were designed to inflate falsely AIG's loss reserves by $500 million in order to quell analyst criticism that AIG's reserves had been declining. The complaint also identifies a number of other transactions in which AIG materially misstated its financial results through sham transactions and entities created for the purpose of misleading the investing public.

Specifically, the Commission's complaint alleges that in December 2000 and March 2001, AIG entered into two sham reinsurance transactions with Gen Re that had no economic substance but were designed to allow AIG to improperly add a total of $500 million in phony loss reserves to its balance sheet in the fourth quarter of 2000 and the first quarter of 2001. The transactions were initiated by AIG to quell analysts' criticism of AIG for a prior reduction of the reserves. In addition, the complaint alleges that in 2000, AIG engaged in a transaction with Capco Reinsurance Company, Ltd. (Capco) to conceal approximately $200 million in underwriting losses in its general insurance business by improperly converting them to capital (or investment) losses to make those losses less embarrassing to AIG. The complaint further alleges that in 1991, AIG established Union Excess Reinsurance Company Ltd. (Union Excess), an offshore reinsurer, to which it ultimately ceded approximately 50 reinsurance contracts for its own benefit. Although AIG controlled Union Excess, it improperly failed to consolidate Union Excess's financial results with its own, and in fact took steps to conceal its control over Union Excess from its auditors and regulators. As a result of these actions and other accounting improprieties, AIG fraudulently improved its financial results.

Shortly after federal and state regulators contacted AIG about the Gen Re transaction, AIG commenced an internal investigation that eventually led to a restatement of its prior accounting for approximately 66 transactions or items. In its restatement, AIG admitted not only that its accounting for certain transactions had been improper, but also that the purpose behind some of those transactions was to improve financial results that AIG believed to be important to the market. AIG also conceded in its restatement that certain transactions may have "involved documentation that did not accurately reflect the true nature of the arrangements … [and] misrepresentations to members of management, regulators and AIG's independent auditors." Furthermore, the restatement summarized several transactions that AIG accounted for improperly, including, among others, two sham reinsurance transactions with Gen Re and certain transactions involving Capco and Union Excess. As a result of the restatement, AIG reduced its shareholders' equity at December 31, 2004 by approximately $2.26 billion (or 2.7%).

In the Commission's settlement, AIG has agreed, without admitting or denying the allegations of the complaint, to the entry of a Court order enjoining it from violating the antifraud, books and records, internal controls, and periodic reporting provisions of the federal securities laws. The order also requires that AIG pay a civil penalty of $100 million and disgorge ill-gotten gains of $700 million, all of which the Commission will seek to distribute to injured investors. AIG has also agreed to certain undertakings designed to assure the Commission that future transactions will be properly accounted for and that senior AIG officers and executives receive adequate training concerning their obligations under the federal securities laws. AIG's remedial measures include, among other things, (i) appointing a new Chief Executive Officer and Chief Financial Officer; (ii) putting forth a statement of tone and philosophy committed to achieving transparency and clear communication with all stakeholders through effective corporate governance, a strong control environment, high ethical standards and financial reporting integrity; (iii) establishing a Regulatory, Compliance and Legal Committee to provide oversight of AIG's compliance with applicable laws and regulations; and (iv) enhancing its "Code of Conduct" for employees and mandating that all employees complete special formal ethics training. This proposed settlement is subject to court approval.

The settlement takes into consideration AIG's cooperation during the investigation and its remediation efforts in response to material weaknesses identified by its internal review. From the outset of the investigation, AIG gave complete cooperation to the investigation by the Commission's staff. Among other things, AIG (i) promptly provided information regarding any relevant facts and documents uncovered in its internal review; (ii) provided the staff with regular updates on the status of the internal review; and (iii) sent a clear message to its employees that they should cooperate in the staff's investigation by terminating those employees, including members of AIG's former senior management, who chose not to cooperate in the staff's investigation.

The Commission acknowledges the assistance and cooperation of the Office of the New York State Attorney General, the Superintendent of Insurance of the State of New York, the U.S. Department of Justice, Fraud Section, Criminal Division, and the U.S. Postal Inspection Service.

Party		Representation
Securities & Exchange Commission	Plaintiff (Lead)	
American International Group Inc	Defendant (Lead)	

SEC v. Ferguson et al

Docket	1:06-cv-00778-UA	Case began	2006-02-02	Categories	Accounting and Auditing Enforcement Release Securities Law (NOS 850)
		Case ended			
Court	New York Southern District Court	Exposure began			
		Exposure ended		Additional References	LR 20492 LR 19867 LR 19514 AAER 2508
Judge	Loretta A Preska	Claim			
		Settlement			

The Securities and Exchange Commission today announced that it filed an enforcement action against five former senior executives of General Re Corporation (Gen Re) and American International Group, Inc. (AIG) for helping AIG mislead investors through the use of fraudulent reinsurance transactions. Four of the former executives, Ronald Ferguson, Elizabeth Monrad, Robert Graham and Christopher Garand, were with Gen Re, while the fifth, Christian Milton, was with AIG. The complaint, filed today in federal court in Manhattan, alleges that the defendants and others aided and abetted AIG's violations of the antifraud and other provisions of the federal securities laws by helping AIG structure two sham reinsurance transactions that falsely increased AIG's loss reserves in the fourth quarter of 2000 and first quarter of 2001 by a total of $500 million. The transactions were initiated by AIG to quell criticism by analysts concerning a reduction in the company's loss reserves in the third quarter of 2000.

In its complaint the Commission alleges that Ferguson, Monrad, Graham, Garand, and others at Gen Re worked with Milton and others at AIG to fashion two sham reinsurance contracts between Cologne Re Dublin, a Gen Re subsidiary in Dublin, Ireland, and an AIG subsidiary.

The complaint details recorded conversations among the defendants and other evidence reflecting the planning and implementation of the sham transaction. On the basis of this evidence, the complaint charges that the defendants understood from the beginning that they were structuring a sham transaction involving the creation of phony documents for the purpose of providing apparent support for false accounting entries AIG made on its books.

As the defendants and others at Gen Re and AIG knew, AIG accounted for the sham transactions as if they were real reinsurance contracts that transferred risk from Gen Re to AIG, when all parties involved knew that was not true. As a result of AIG's accounting treatment for these transactions, the company's financial results showed false increases in reserves that AIG touted in the company's quarterly earnings releases for the fourth quarter of 2000 and the first quarter of 2001. Without the phony loss reserves, AIG's financial results in both quarters would have shown further declines in its loss reserves. In a press release dated March 30, 2005, AIG admitted that the accounting for these transactions was improper and would be corrected. In its 2004 Form 10-K filed with the Commission on May 31, 2005, AIG restated its financial statements to recharacterize the transactions as deposits rather than as reinsurance.

The Commission's complaint charges Ferguson, Monrad, Milton, Graham, and Garand with aiding and abetting AIG's violations of Sections 10(b), 13(a), 13(b)(2) and 13(b)(5) and Rules 10b-5, 12b-20, 13a-1, 13a-13 and 13b2-1 of the Securities Exchange Act of 1934. The complaint seeks permanent injunctive relief, disgorgement of ill-gotten gains, if any, plus prejudgment interest, civil money penalties, and orders barring each defendant from acting as an officer or director of any public company.

In connection with the same conduct alleged in the Commission's complaint, the U.S. Department of Justice, Fraud Section, Criminal Division (DOJ) has filed federal criminal charges against Ferguson, Monrad, Graham, and Milton in the U.S. District Court for the Eastern District of Virginia.

The Commission's investigation is continuing. The Commission acknowledges the assistance and cooperation by the DOJ, the U.S. Attorney's Office for the Eastern District of Virginia, and the U.S. Postal Inspection Service in this matter.

Party		Representation
Securities & Exchange Commission	Plaintiff (Lead)	
Ronald Ferguson	Defendant (Lead)	Cadwalader Wickersham & Taft LLP
Christian Milton	Defendant	Schwartz & Ballen LLP
Christopher Garand	Defendant	Proskauer Rose LLP
Elizabeth Monrad	Defendant	
Robert Graham	Defendant	
American International Group Inc	Related Non-Party	

Acker et al v. AIG International et al

Docket	05-CV-22072	Case began	2005-07-28	Categories	Accounting Malpractice Fraud or Truth-In-Lending (NOS 370)
		Case ended	2005-11-08		
Court	Florida Southern District Court	Exposure began			
		Exposure ended		Additional References	LR 20492 LR 19867 LR 19514 AAER 2508
Judge	Kevin Michael Moore	Claim			
		Settlement			

Harold Acker filed a suit against AIG International and other defendents (including named defendent BDO Seidman LLP) for alleged fraud on July 28, 2005 in federal court in Miami, Florida. On November 8, 2005, the case was remanded back to state court.

Party		Representation
Harold Acker	Plaintiff	
AIG International Inc	Defendant (Lead)	Steel Hector & Davis LLP
Alan Frank	Defendant	Greenberg Traurig LLP
BDO Seidman LLP	Defendant	Greenberg Traurig LLP
Randy Frischer	Defendant	Greenberg Traurig LLP

Robert Greisman	Defendant	Greenberg Traurig LLP

Starr International Company Inc v. American International Group Inc

Docket	1:05-cv-06283-BSJ-MHD	Case began	2005-07-08	Categories	Personal Property (NOS 380) Counterclaim
		Case ended			
Court	New York Southern District Court	Exposure began			
		Exposure ended		Additional References	LR 20492 LR 19867 LR 19514 AAER 2508
Judge	Michael H Dolinger	Claim			
		Settlement			

(d) On July 8, 2005, SICO filed a complaint against AIG in the Southern District of New York. The complaint alleges that AIG is in the possession of items, including artwork, which SICO claims it owns, and seeks an order causing AIG to release those items as well as actual, consequential, punitive and exemplary damages. On September 27, 2005, AIG filed its answer to SICO's complaint denying SICO's allegations and asserting counter-claims for breach of contract, unjust enrichment, conversion and breach of fiduciary duty relating to SICO's breach of its commitment to use its AIG shares for the benefit of AIG and its employees. On October 17, 2005, SICO replied to AIG's counter-claims and additionally sought a judgment declaring that SICO is neither a control person nor an affiliate of AIG for purposes of Schedule 13D under the Exchange Act, or Rule 144 under the Securities Act of 1933, as amended (the Securities Act), respectively. AIG responded to the SICO claims on November 7, 2005.

Party		Representation
Starr International Co Inc	Plaintiff (Lead)	Boies Schiller & Flexner LLP Skadden Arps Slate Meagher & Flom LLP
American International Group Inc	Defendant (Lead)	Paul Weiss Rifkind Wharton & Garrison LLP
PricewaterhouseCoopers LLP	Related Non-Party	

Adams et al v. Insurance Company of North America (INA) et al

Docket	2:05-cv-00527	Case began	2005-06-29	Categories	Personal Injury (NOS 360)
		Case ended	2006-03-30		
Court	West Virginia Southern District Court	Exposure began			
		Exposure ended		Additional References	LR 20492 LR 19867 LR 19514 AAER 2508
Judge	John Thomas Copenhaver Jr	Claim			
		Settlement			

CCC was named in Adams v. Aetna, Inc., et al. (Circuit Court of Kanawha County, West Virginia, filed June 28, 2002), a purported class action against CCC and other insurers, alleging that the defendants violated West Virginia's Unfair Trade Practices Act ("UTPA") in handling and resolving asbestos claims against five specifically named asbestos defendants. The Adams litigation had been stayed pending a planned motion by plaintiffs to file an amended complaint that reflected two June 2004 decisions of the West Virginia Supreme

Court of Appeals. In June 2005, the court presiding over Adams and three similar putative class actions against other insurers, on its own motion, directed plaintiffs to file any amended complaints by June 13, 2005 and directed the parties to agree upon a case management order that would result in trial being commenced by July 2006. Plaintiffs' Amended Complaint greatly expands the scope of the action against the insurers, including CCC. Under the Amended Complaint, the defendant insurers, including CCC, have now been sued for alleged violations of the UTPA in connection with handling and resolving asbestos personal injury and wrongful death claims in West Virginia courts against all their insureds if those claims were resolved before June 30, 2001. CCC, along with other insurer defendants removed the Adams case to Federal court, Adams v. Ins. Co. of North America ("INA") et al. (S.D. W. Va. No. 2:05-CV-0527). A motion by plaintiffs to remand the case to state courts is pending. Numerous factual and legal issues remain to be resolved that are critical to the final result in Adams, the outcome of which cannot be predicted with any reliability. These issues include: (a) the legal sufficiency and factual validity of the novel statutory claims pled by the claimants; (b) the applicability of claimants' legal theories to insurers who issued excess policies and/or neither defended nor controlled the defense of certain policyholders; (c) the possibility that certain of the claims are barred by various Statutes of Limitation; (d) the fact that the imposition of duties would interfere with the attorney-client privilege and the contractual rights and responsibilities of the parties to CNA's insurance policies; (e) whether plaintiffs' claims are barred in whole or in part by injunctions that have been issued by bankruptcy courts that are overseeing, or that have overseen, the bankruptcies of various insureds; (f) whether some or all of the named plaintiffs or members of the plaintiff class have released CCC from the claims alleged in the Amended Complaint when they resolved their underlying asbestos claims; (g) the appropriateness of the case for class action treatment; and (h) the potential and relative magnitude of liabilities of co-defendants. Accordingly, the extent of losses beyond any amounts that may be accrued are not readily determinable at this time.

Party		Representation
Gene B Adams	Plaintiff (Lead)	Hartley & O'Brien PLLC Ness Motley Loadholt Richardson & Poole Galiher DeRobertis Nakamura Ono Takitani Goldberg Persky & White PC James F Humphreys & Associates LC The Calwell Practice PLLC Thornton & Naumes LLP Harvit & Schwartz LC
Insurance Company of North America	Defendant (Lead)	Crowell & Moring LLP Martin & Seibert LC
American Home Assurance Company	Defendant	Spilman Thomas & Battle PLLC
American International Group Inc	Defendant	Spilman Thomas & Battle PLLC
American International Underwriters	Defendant	Spilman Thomas & Battle PLLC
Birmingham Fire Insurance Company of Pennsylvania	Defendant	Spilman Thomas & Battle PLLC
Century Indemnity Co	Defendant	Crowell & Moring LLP
CIGNA Corp	Defendant	O'Melveny & Myers LLP Offutt Fisher & Nord

Continental Casualty Co	Defendant	Goodwin Procter LLP Allen Guthrie McHugh & Thomas PLLC
Employers Insurance of Wausau	Defendant	Dinsmore & Shohl LLP The Tinney Law Firm PLLC
Granite State Insurance Company	Defendant	Spilman Thomas & Battle PLLC
Insurance Company of the State of Pennsylvania	Defendant	Spilman Thomas & Battle PLLC
Lexington Insurance Co	Defendant	Spilman Thomas & Battle PLLC
Liberty Mutual Insurance Co	Defendant	Dinsmore & Shohl LLP The Tinney Law Firm PLLC
National Union Fire Insurance Company of Pittsburgh	Defendant	Spilman Thomas & Battle PLLC
CNA Financial Corp	Non-Party Parent	
Loews Corp	Non-Party Parent	

Bensley Construction Inc v. Marsh McLennan Companies Inc et al

Docket	1:05-cv-11249-GAO	Case began	2005-06-15	Categories	Class Action Insurance Law (NOS 110)
		Case ended	2006-03-23		
Court	Massachusetts District Court	Exposure began			
		Exposure ended		Additional References	LR 20492 LR 19867 LR 19514 AAER 2508
Judge	George A O'Toole	Claim			
		Settlement			

In May 2005, Bensley Construction, Inc. filed a putative class action in the Superior Court of the Commonwealth of Massachusetts (Case No. ESCV2005-00277) against the company and certain large commercial insurers and brokers. In the amended complaint, the plaintiff alleges, among other things, that the broker defendants entered into contingent commission agreements with the insurer defendants without disclosing the existence and/or terms of the agreements to clients to whom the defendants owed a fiduciary duty and that certain of the defendants engaged in a bid-rigging and customer allocation scheme to maximize their revenues under the contingent commission agreements. The plaintiff alleges breach of fiduciary duty, unjust enrichment, aiding and abetting breaches of fiduciary duty, breach of contract and breach of implied covenant of good faith and fair dealing. The plaintiff seeks monetary damages for each member of the class in an amount not to exceed $74,999 per class member, costs and other relief. The defendants removed the case to federal court and it has now been transferred to the U.S. District Court for the District of New Jersey to be consolidated with the other cases that comprise MDL 1663. The company believes it has substantial defenses to these claims and intends to defend itself vigorously. However, at this time, the company cannot predict the outcome of these claims or their effects on the company's financial position or results of operations.

Party		Representation
Bensley Construction Inc	Plaintiff (Lead)	Gilman & Pastor LLP Martland & Brooks LLP

Marsh & McLennan Companies Inc	Defendant (Lead)	Bingham McCutchen LLP Goodwin Procter LLP
Ace Ina	Defendant	Susman Godfrey LLP
Ace USA	Defendant	Susman Godfrey LLP Howd & Ludorf LLC
American International Group	Defendant	Ropes & Gray LLP
American Reinsurance Co	Defendant	Dewey Ballantine LLP
Arthur J Gallagher & Co	Defendant	Wolf Block Schorr & Solis-Cohen LLP
Employers Insurance Company of Wausau	Defendant	Holland & Knight LLP
Liberty Mutual Fire Insurance Company	Defendant	Holland & Knight LLP
Liberty Mutual Group Inc	Defendant	Holland & Knight LLP
Liberty Mutual Insurance Company	Defendant	Holland & Knight LLP
Marsh Inc	Defendant	Bingham McCutchen LLP Goodwin Procter & Hoar
Metlife Inc	Defendant	Duane Morris LLP
Prudential Financial Inc	Defendant	Ruberto Israel & Weiner PC
St James Insurance Company Ltd	Defendant	Holland & Knight LLP
The Chubb Corporation	Defendant	Hogan & Hartson LLP DLA Piper Rudnick Gray Cary LLP
The St Paul Travelers Companies Incorporated	Defendant	Choate Hall & Stewart
Universal Life Resources	Defendant	
Universal Life Resources Inc	Defendant	
UNUMProvident Corporation	Defendant	Mirick O'Connell Demallie & Lougee LLP Paul Hastings Janofsky & Walker (Europe) LLP
USI Holdings Corp	Defendant	Akin Gump Strauss Hauer & Feld LLP Todd & Weld LLP
Willis Group Holdings Ltd	Defendant	
Willis Group Ltd	Defendant	

Willis North America Inc	Defendant	
Zurich American Insurance Company	Defendant	Eckert Seamans Cherin & Mellott LLC

SEC v. Houldsworth

Docket	1:05-cv-05325-LAP	Case began	2005-06-06	Categories	Accounting and Auditing Enforcement Release Securities Law (NOS 850)
		Case ended			
Court	New York Southern District Court	Exposure began			
		Exposure ended		Additional References	LR 20492 LR 19867 LR 19514 AAER 2508
Judge	Loretta A Preska	Claim			
		Settlement			

The Securities and Exchange Commission announced that it has charged a second senior executive of General Re Corporation (Gen Re), Richard Napier (Napier), for his role in aiding and abetting a securities fraud committed by American International Group, Inc. (AIG). In an amended complaint filed in federal court in Manhattan, the Commission added Napier as a defendant in the action it instituted on June 6, 2005 against John Houldsworth (Houldsworth), a former Gen Re executive and former CEO of a Gen Re subsidiary, Cologne Re Dublin. Napier was a Gen Re Senior Vice President and the executive responsible for Gen Re's relationship with AIG. The amended complaint alleges that Napier, together with Houldsworth and others, helped AIG structure two sham reinsurance transactions that had as their only purpose to allow AIG to add a total of $500 million in phony loss reserves to its balance sheet in the fourth quarter of 2000 and the first quarter of 2001. The transactions were initiated by AIG to quell criticism by analysts concerning a reduction in the company's loss reserves in the third quarter of 2000.

Party		Representation
Securities & Exchange Commission	Plaintiff (Lead)	Pro Se
John Houldsworth	Defendant (Lead)	
Richard Napier	Defendant	
American International Group Inc	Related Non-Party	
General Re Corp	Related Non-Party	

American International Group (AIG) Securities Class Action Litigation

Docket	1:05-cv-04720-DC	Case began	2005-05-16	Categories	Class Action Securities Law (NOS 850)
		Case ended			
Court	New York Southern District Court	Exposure began	1999-10-01		
		Exposure ended	2005-03-30	Additional References	LR 20492 LR 19867 LR 19514 AAER 2508
Judge	Denny Chin	Claim			
		Settlement			

San Francisco Employees' Retirement System sued American International Group on May 16, 2005 in federal court in New York City. According to the complaint, defendents released materially false and misleading financial statements to hide AIG's unstable financial position and questionable accounting practices. This case was consolidated into 1:04-cv-08141-JES, a case under legal case key 1480.

Party		Representation
San Francisco Employees' Retirement System	Plaintiff (Lead)	Cotchett Pitre Simon & McCarthy Meyers Nave Riback Silver & Wilson PLC
American International Group	Defendant (Lead)	
Christian Milton	Defendant	
CV Starr & Co Inc	Defendant	
General Reinsurance Corp	Defendant	
Howard Smith	Defendant	
L Michael Murphy	Defendant	
Maurice Greenberg	Defendant	
Starr International Inc	Defendant	

Preuss et al v. Marsh & Mclennan Companies Inc

Docket	2:05-cv-01795-GEB	Case began	2005-04-05	Categories	Antitrust & Trade Regulation (NOS 410)
		Case ended			
Court	New Jersey District Court	Exposure began			
		Exposure ended		Additional References	LR 20492 LR 19867 LR 19514 AAER 2508
Judge	Garrett E Brown Jr	Claim			
		Settlement			

On August 1, 2005, the plaintiffs in MDL 1663 filed a First Consolidated Amended Commercial Class Action Complaint (the Commercial Complaint) in the U.S. District Court for the District of New Jersey (Civil No. 04-5184) against the company and certain other insurance brokers and insurers. In the Commercial Complaint, the named plaintiffs purport to represent a class consisting of all persons who, between August 26, 1994 and the date on which class certification may occur, engaged the services of any one of the broker defendants or any of their subsidiaries or affiliates to obtain advice with respect to the procurement or renewal of insurance and who entered into or renewed a contract of insurance with one of the insurer defendants. The plaintiffs allege in the Commercial Complaint, among other things, that the broker defendants engaged in improper steering of clients to the insurer defendants for the purpose of obtaining undisclosed additional compensation in the form of contingent commissions from insurers; that the defendants were engaged in a bid-rigging scheme involving the submission of false and/or inflated bids from insurers to clients; that the broker defendants improperly placed their clients' insurance business with insurers through related wholesale entities where an intermediary was unnecessary for the purpose of generating additional commissions from insurers; that the broker defendants entered into unlawful tying arrangements to obtain reinsurance business from the defendant insurers; and that the defendants created centralized internal departments for the purpose of monitoring, facilitating and advancing the collection of contingent commissions, payments and other improper fees. The plaintiffs allege violations of federal and state antitrust laws, violations of the Racketeer Influenced and Corrupt Organizations Act, 18 U.S.C. § 1962(c) and (d), fraudulent misrepresentation, breach of fiduciary duty, aiding and abetting breach of fiduciary duty and unjust enrichment. The plaintiff seeks monetary relief, including treble damages, injunctive and declaratory relief, restitution, interest, attorneys' fees and expenses, costs and other relief. The company has not yet filed a responsive pleading in this case but believes it has substantial defenses to these claims and intends to defend itself vigorously. However, at this time, the company cannot predict the outcome of this case or its effect on the company's financial position or results of operations.

Party		Representation
Diane Preuss	Plaintiff (Lead)	Wolf Haldenstein Adler Freeman & Herz LLP Mager & Goldstein
Marsh & McLennan Companies Inc	Defendant (Lead)	Willkie Farr & Gallagher LLP
Ace INA Holdings Inc	Defendant	
Ace Limited	Defendant	
Ace USA	Defendant	
Acordia Inc	Defendant	
American International Group Inc	Defendant	Paul Weiss Rifkind Wharton & Garrison LLP DLA Piper Rudnick Gray Cary LLP
American Re Corp	Defendant	
American Re Corporation	Defendant	Grais & Ellsworth LLP
American Re Insurance Co	Defendant	
American Re Insurance Company	Defendant	Grais & Ellsworth LLP
Aon Brokers Services Inc	Defendant	
Aon Corporation	Defendant	Robinson & Livelli
Aon Group INT	Defendant	
Aon Risk Services Companies Inc	Defendant	
Aon Risk Services Inc US	Defendant	
Aon Services Group Inc	Defendant	
Arthur J Gallagher & Co	Defendant	Winston & Strawn LLP
BB&T CORP	Defendant	Squire Sanders & Dempsey LLP
BB&T Insurance Services Inc	Defendant	Squire Sanders & Dempsey LLP
Branch Banking & Trust Co	Defendant	Squire Sanders & Dempsey LLP
Brown & Brown Inc	Defendant	
HILB Rogal & Hamilton CO	Defendant	
HUB International LTD	Defendant	
Marsh Inc	Defendant	
Munich Re Group	Defendant	
Munich-American Risk Partners Inc	Defendant	Grais & Ellsworth LLP
USI Holdings Corp	Defendant	
Wells Fargo & Co	Defendant	
Willis Group Holdings Limited	Defendant	

Willis Group Limited	Defendant	
Willis North America Inc	Defendant	

Palm Tree Computers Systems Inc et al v. Ace USA et al

Docket	6:05-cv-00422-ACC-JGG	Case began	2005-03-18	Categories	Class Action Securities Law (NOS 850)
		Case ended	2005-11-07		
Court	Florida Middle District Court	Exposure began			
		Exposure ended		Additional References	LR 20492 LR 19867 LR 19514 AAER 2508
Judge	James G Glazebrook	Claim			
		Settlement			

Unum is a defendant in an action styled, Palm Tree Computers Systems, Inc. v. ACE USA, et al., which was filed in the Florida state Circuit Court on February 16, 2005. The complaint is a putative class action and alleges violations of the Deceptive and Unfair Trade Practices Act of Florida and other states, breach of fiduciary duty, and unjust enrichment. The allegations are brought against numerous broker organizations and insurers and assert the Company and its subsidiaries engaged in illegal and unethical contingent commission arrangements. The case was removed to federal court and, on October 20, 2005, the case was transferred to the District of New Jersey multidistrict litigation. A motion to remand the case to the state court in Florida remains pending, but no further action has been taken in the case subsequent to the transfer.

Party		Representation
Palm Tree Computers Systems Inc	Plaintiff (Lead)	Gilman & Pastor LLP Goldstein Buckley Cechman Rice & Purtz PA
ACE USA	Defendant (Lead)	Dechert LLP Susman Godfrey LLP Stanley Dehlinger & Rascher
Ace Ina	Defendant	Dechert LLP Susman Godfrey LLP Stanley Dehlinger & Rascher
American International Group	Defendant	Carlton Fields PA Akerman Senterfitt
American Re-insurance Co	Defendant	Dewey Ballantine LLP Stephens Lynn Klein & McNicholas PA
AON Brokers Services Inc	Defendant	Kirkland & Ellis LLP Greenberg Traurig LLP
AON Corp	Defendant	Kirkland & Ellis LLP Greenberg Traurig LLP
AON Group Inc	Defendant	Kirkland & Ellis LLP Greenberg Traurig LLP

AON Risk Services Companies Inc	Defendant	Kirkland & Ellis LLP Greenberg Traurig LLP
AON Risk Services Inc US	Defendant	Kirkland & Ellis LLP Greenberg Traurig LLP
AON Services Group Inc	Defendant	Kirkland & Ellis LLP Greenberg Traurig LLP
Arthur J Gallagher & Co	Defendant	Winston & Strawn LLP Levine Law Group
Chubb Corp	Defendant	Trenam Kemker Scharf Barkin Frye O'Neill & Mullis PA McIntire Law Corp
First Market International Inc	Defendant	King Blackwell Downs & Zehnder PA
Hartford Financial Services Group Inc	Defendant	Wilmer Cutler Pickering Hale & Dorr LLP Akerman Senterfitt
Hartford Fire Insurance Co	Defendant	Wilmer Cutler Pickering Hale & Dorr LLP Akerman Senterfitt
Hartford Insurance Co of the Southeast	Defendant	Wilmer Cutler Pickering Hale & Dorr LLP Akerman Senterfitt
Hartford Underwriters Ins Co	Defendant	Wilmer Cutler Pickering Hale & Dorr LLP Akerman Senterfitt
Metlife Inc	Defendant	Unger Law Group PL
Prudential Financial Inc	Defendant	Lowenstein Sandler PC Unger Law Group PL
Universal Life Resources	Defendant	
Universal Life Resources Inc	Defendant	Hancock Rothert & Bunshoft LLP
Unumprovident Corp	Defendant	Paul Hastings Janofsky & Walker LLP Ogden & Sullivan PA
USI Holdings Inc	Defendant	Akin Gump Strauss Hauer & Feld LLP Baker & Hostetler LLP
Willis Group Holdings Ltd	Defendant	

		Sullivan & Cromwell LLP DLA Piper LLP
Willis Group Ltd	Defendant	Sullivan & Cromwell LLP DLA Piper LLP
Willis North American Inc	Defendant	Sullivan & Cromwell LLP DLA Piper LLP

Eagle Creek Inc et al v. ACE INA Holdings

Docket	2:05-cv-01167-FSH	Case began	2005-03-01	Categories	Antitrust & Trade Regulation (NOS 410) Fraud or Truth-In-Lending (NOS 370)
		Case ended			
Court	New Jersey District Court	Exposure began			
		Exposure ended		Additional References	LR 20492 LR 19867 LR 19514 AAER 2508
Judge	Faith S Hochberg	Claim			
		Settlement			

Eagle Creek Inc sued ACE INA Holdings for alleged antitrust violations on March 1, 2005 in federal court in New Jersey. On August 9, 2005, the case was consolidated for pretrial purposes with several other actions.

Party		Representation
Eagle Creek Inc	Plaintiff (Lead)	Levin Fishbein Sedran & Berman
Diane Pruess	Plaintiff	Wolf Haldenstein Adler Freeman & Herz LLP
Stephen Lewis	Plaintiff	Wolf Haldenstein Adler Freeman & Herz LLP
ACE INA Holdings Inc	Defendant (Lead)	Pepper Hamilton LLP
Ace Ltd	Defendant	Pepper Hamilton LLP
ACE USA	Defendant	Pepper Hamilton LLP
American International Group Inc	Defendant	Paul Weiss Rifkind Wharton & Garrison LLP Hangley Aronchick Segal & Pudlin
Aon Corp	Defendant	Kirkland & Ellis LLP Robinson & Livelli
Aon Services Group	Defendant	Kirkland & Ellis LLP Robinson & Livelli
Hartford Financial Services Group Inc	Defendant	

		Wilmer Cutler Pickering Hale & Dorr LLP
Marsh & McLennan Co Inc	Defendant	Willkie Farr & Gallagher LLP
Marsh Inc	Defendant	Willkie Farr & Gallagher LLP

Insurance Brokerage Antitrust Litigation et al v. Marsh & Mclennan Companies Inc

Docket	2:05-cv-01168-FSH	Case began	2005-03-01	Categories	Multi District Litigation (MDL) RICO (NOS 470)
		Case ended			
Court	New Jersey District Court	Exposure began			
		Exposure ended		Additional References	LR 20492 LR 19867 LR 19514 AAER 2508
Judge	Faith S Hochberg	Claim			
		Settlement			

In August 2004, OptiCare Health Systems Inc. filed a putative class action in the U.S. District Court for the Southern District of New York (Case No. 04-CV-06954) against a number of the country’s largest insurance brokers and several large commercial insurers. In December 2004, two other purported class actions were filed in the U.S. District Court for the Northern District of Illinois, Eastern Division, by Stephen Lewis (Case No. 04-C-7847) and Diane Preuss (Case No. 04-C-7853), respectively, against certain insurance brokers, and several large commercial insurers. On February 17, 2005, the Judicial Panel on Multidistrict Litigation (the Panel) ordered that the OptiCare suit, along with three other purported antitrust class actions filed in New York, New Jersey and Pennsylvania against industry participants, be centralized and transferred to the U.S. District Court for the District of New Jersey (District Court of New Jersey). In addition, by Conditional Transfer Order dated March 10, 2005, the Panel conditionally transferred the Lewis and Preuss cases to the District Court of New Jersey. The transfer subsequently became effective and as a result of the Panel’s transfer orders, the OptiCare, Lewis and Preuss cases are proceeding on a consolidated basis with other purported class action suits styled as In re: Insurance Brokerage Antitrust Litigation (MDL 1663).

On August 1, 2005, the plaintiffs in MDL 1663 filed a First Consolidated Amended Commercial Class Action Complaint (the Commercial Complaint) in the District Court of New Jersey (Civil No. 04-5184). In the Commercial Complaint, the named plaintiffs purport to represent a class consisting of all persons who, between August 26, 1994 and the date on which class certification may occur, engaged the services of any one of the broker defendants or any of their subsidiaries or affiliates to obtain advice with respect to the procurement or renewal of insurance and who entered into or renewed a contract of insurance with one of the insurer defendants. The plaintiffs allege in the Commercial Complaint, among other things, that the broker defendants engaged in improper steering of clients to the insurer defendants for the purpose of obtaining undisclosed additional compensation in the form of contingent commissions from insurers; that the defendants were engaged in a bid-rigging scheme involving the submission of false and/or inflated bids from insurers to clients; that the broker defendants improperly placed their clients’ insurance business with insurers through related wholesale entities where an intermediary was unnecessary for the purpose of generating additional commissions from insurers; that the broker defendants entered into unlawful tying arrangements to obtain reinsurance business from the defendant insurers; and that the defendants created centralized internal departments for the purpose of monitoring, facilitating and advancing the collection of contingent commissions, payments and other improper fees. The plaintiffs allege violations of federal and state antitrust laws, violations of the Racketeer Influenced and Corrupt Organizations Act, 18 U.S.C. § 1962(c) and (d), fraudulent misrepresentation, breach of fiduciary duty, aiding and abetting breach of fiduciary duty and unjust enrichment.

The plaintiffs seek monetary relief, including treble damages, injunctive and declaratory relief, restitution, interest, attorneys' fees and expenses, costs and other relief; however, no actual dollar amounts have been stated as being sought.

In addition, the plaintiffs in MDL 1663 also filed on August 1, 2005 a First Consolidated Amended Employee Benefits Class Action Complaint (the Employee Benefits Complaint) in the District Court of New Jersey against Hilb Rogal & Hobbs; Frank F. Haack & Associates, Inc.; O'Neill, Finnegan & Jordan Insurance Agency Inc.; and certain other insurance brokers and insurers. In the Employee Benefits Complaint (Civil Nos. 04-5184, et al.), the named plaintiffs purport to represent two separate classes consisting of ERISA and non-ERISA plan employees and employers, respectively, that have acquired insurance products from the defendants in connection with an employee benefit plan between August 26, 1994 and the date on which class certification may occur. The plaintiffs allege in the Employee Benefits Complaint, among other things, that the broker defendants secretly conspired with the insurer defendants to steer plaintiffs and members of the classes to the insurer defendants in exchange for undisclosed fees, including communication fees, enrollment fees, service fees, finders fees and/or administrative fees, contingent commissions and other payments, including broker bonuses, trips and entertainment, from the insurer defendants; that the defendants were engaged in a bid-rigging scheme involving the submission of false and/or inflated bids from insurers to clients; that the broker defendants improperly placed their clients' insurance business with insurers through related wholesale entities where an intermediary was unnecessary for the purpose of generating additional commissions from insurers; and that the defendants entered into unlawful tying arrangements under which the broker defendants would place primary insurance contracts with insurers on the condition that the insurers use the broker defendants for placing their reinsurance coverage with reinsurance carriers. The plaintiffs allege violations of federal and state antitrust laws, violations of the Racketeer Influenced and Corrupt Organizations Act, 18 U.S.C. § 1962(c) and (d), fraudulent misrepresentation, breach of fiduciary duty, aiding and abetting breach of fiduciary duty and unjust enrichment. The plaintiffs seek monetary relief, including treble and punitive damages, injunctive and declaratory relief, restitution, interest, attorneys' fees and expenses, costs and other relief; however, no actual dollar amounts have been stated as being sought.
The defendants filed a motion to dismiss both the Commercial Complaint and the Employee Benefits Complaint. Also, on February 13, 2006, the plaintiffs filed their motions for class certification in each case. On May 5, 2006, the defendants filed their oppositions to the motions for class certification. On May 31, 2006, the plaintiffs filed a reply brief in support of their motions for class certification. The motion for class certification is fully briefed and awaiting a decision from the District Court of New Jersey.
On October 3, 2006, the District Court of New Jersey denied in part the motion to dismiss the Commercial Complaint and the Employee Benefits Complaint and ordered that plaintiffs provide supplemental information regarding each of their consolidated complaints by October 25, 2006. The District Court of New Jersey further ordered that upon receipt of this supplemental information, the District Court of New Jersey will issue a "final ruling" on the motion to dismiss plaintiffs' claims under the Racketeer Influenced and Corrupt Organizations Act, 18 U.S.C. § 1962(c) and (d) and that on November 6, 2006, the defendants will be required to inform the District Court of New Jersey whether they intend to move to dismiss the remaining counts or alternatively to move for judgment on the pleadings or summary judgment on the remaining counts, pursuant to the Federal Rules of Civil Procedure. The Company, along with other defendants, filed renewed motions to dismiss, which are fully briefed and awaiting a decision from the District Court of New Jersey. On February 12, 2007, MDL 1663 was transferred to Judge Garrett E. Brown, Jr., Chief Judge of the District Court of New Jersey.

Party		Representation
Opticare Health Services Inc	Plaintiff (Lead)	Whatley Drake LLC
Marsh & Mclennan Companies Inc	Defendant (Lead)	Willkie Farr & Gallagher LLP
ACE INA Holdings Inc	Defendant	Susman Godfrey LLP
ACE Ltd	Defendant	

		Susman Godfrey LLP
ACE USA	Defendant	Susman Godfrey LLP
Acordia Inc	Defendant	DLA Piper Rudnick Gray Cary LLP
American International Group Inc	Defendant	Paul Weiss Rifkind Wharton & Garrison LLP
American International Specialty Lines Insurance Co	Defendant	Paul Weiss Rifkind Wharton & Garrison LLP
American RE Corp	Defendant	Dewey Ballantine LLP
American Re-Insurance Co	Defendant	Dewey Ballantine LLP
Aon Brokers Services Inc	Defendant	Kirkland & Ellis LLP Kirkpatrick & Lockhart LLP Robinson Wettre & Miller LLC
Aon Corp	Defendant	Kirkland & Ellis LLP Kirkpatrick & Lockhart Nicholson Graham LLP Robinson Wettre & Miller LLC
Aon Group Inc	Defendant	Kirkpatrick & Lockhart Nicholson Graham LLP Robinson Wettre & Miller LLC
Aon Risk Services Companies Inc	Defendant	Kirkland & Ellis LLP Kirkpatrick & Lockhart LLP Robinson Wettre & Miller LLC
Aon Risk Services Inc US	Defendant	Kirkland & Ellis LLP Kirkpatrick & Lockhart LLP Robinson Wettre & Miller LLC
Aon Services Group Inc	Defendant	Kirkland & Ellis LLP Kirkpatrick & Lockhart Nicholson Graham LLP Robinson Wettre & Miller LLC
Arthur J Gallagher & Co	Defendant	Winston & Strawn LLP
BB&T Corp	Defendant	Squire Sanders & Dempsey LLP
BB&T Insurance Services Inc	Defendant	Squire Sanders & Dempsey LLP
Branch Banking & Trust Co	Defendant	

		Squire Sanders & Dempsey LLP
Hilb Rogal & Hobbs	Defendant	Hunton & Williams LLP Gibbons PC
Lexington Insurance Co	Defendant	Paul Weiss Rifkind Wharton & Garrison LLP
Marsh Inc	Defendant	Willkie Farr & Gallagher LLP
Marsh USA Inc	Defendant	Willkie Farr & Gallagher LLP
Munich-American Risk Partners Inc	Defendant	
USI Holdings Corp	Defendant	Akin Gump Strauss Hauer & Feld LLP
Wells Fargo & Co	Defendant	DLA Piper Rudnick Gray Cary LLP
Willis Group Holdings Ltd	Defendant	Sullivan & Cromwell LLP
Willis Group Ltd	Defendant	Sullivan & Cromwell LLP
Willis North America Inc	Defendant	Sullivan & Cromwell LLP

Waxman v. Marsh & McLennan Companies Inc

Docket	2:05-cv-01079-GEB-PS	Case began	2005-02-24	Categories	Class Action Multi District Litigation (MDL) RICO (NOS 470)
		Case ended	2008-02-13		
Court	New Jersey District Court	Exposure began	1994-08-26		
		Exposure ended	2005-02-24	Additional References	LR 20492 LR 19867 LR 19514 AAER 2508
Judge	Patty Shwartz	Claim			
		Settlement			

In August 2004, OptiCare Health Systems Inc. filed a putative class action in the U.S. District Court for the Southern District of New York (Case No. 04-CV-06954) against a number of the country's largest insurance brokers and several large commercial insurers. In December 2004, two other purported class actions were filed in the U.S. District Court for the Northern District of Illinois, Eastern Division, by Stephen Lewis (Case No. 04-C-7847) and Diane Preuss (Case No. 04-C-7853), respectively, against certain insurance brokers, and several large commercial insurers. On February 17, 2005, the Judicial Panel on Multidistrict Litigation (the Panel) ordered that the OptiCare suit, along with three other purported antitrust class actions filed in New York, New Jersey and Pennsylvania against industry participants, be centralized and transferred to the U.S. District Court for the District of New Jersey (District Court of New Jersey). In addition, by Conditional Transfer Order dated March 10, 2005, the Panel conditionally transferred the Lewis and Preuss cases to the District Court of New Jersey. The transfer subsequently became effective and as a result of the Panel's transfer orders, the OptiCare, Lewis and Preuss cases are proceeding on a consolidated basis with other purported class action suits styled as In re: Insurance Brokerage Antitrust Litigation (MDL 1663).

On August 1, 2005, the plaintiffs in MDL 1663 filed a First Consolidated Amended Commercial Class Action

Complaint (the Commercial Complaint) in the District Court of New Jersey (Civil No. 04-5184). In the Commercial Complaint, the named plaintiffs purport to represent a class consisting of all persons who, between August 26, 1994 and the date on which class certification may occur, engaged the services of any one of the broker defendants or any of their subsidiaries or affiliates to obtain advice with respect to the procurement or renewal of insurance and who entered into or renewed a contract of insurance with one of the insurer defendants. The plaintiffs allege in the Commercial Complaint, among other things, that the broker defendants engaged in improper steering of clients to the insurer defendants for the purpose of obtaining undisclosed additional compensation in the form of contingent commissions from insurers; that the defendants were engaged in a bid-rigging scheme involving the submission of false and/or inflated bids from insurers to clients; that the broker defendants improperly placed their clients' insurance business with insurers through related wholesale entities where an intermediary was unnecessary for the purpose of generating additional commissions from insurers; that the broker defendants entered into unlawful tying arrangements to obtain reinsurance business from the defendant insurers; and that the defendants created centralized internal departments for the purpose of monitoring, facilitating and advancing the collection of contingent commissions, payments and other improper fees. The plaintiffs allege violations of federal and state antitrust laws, violations of the Racketeer Influenced and Corrupt Organizations Act, 18 U.S.C. § 1962(c) and (d), fraudulent misrepresentation, breach of fiduciary duty, aiding and abetting breach of fiduciary duty and unjust enrichment. The plaintiffs seek monetary relief, including treble damages, injunctive and declaratory relief, restitution, interest, attorneys' fees and expenses, costs and other relief; however, no actual dollar amounts have been stated as being sought.

In addition, the plaintiffs in MDL 1663 also filed on August 1, 2005 a First Consolidated Amended Employee Benefits Class Action Complaint (the Employee Benefits Complaint) in the District Court of New Jersey against Hilb Rogal & Hobbs; Frank F. Haack & Associates, Inc.; O'Neill, Finnegan & Jordan Insurance Agency Inc.; and certain other insurance brokers and insurers. In the Employee Benefits Complaint (Civil Nos. 04-5184, et al.), the named plaintiffs purport to represent two separate classes consisting of ERISA and non-ERISA plan employees and employers, respectively, that have acquired insurance products from the defendants in connection with an employee benefit plan between August 26, 1994 and the date on which class certification may occur. The plaintiffs allege in the Employee Benefits Complaint, among other things, that the broker defendants secretly conspired with the insurer defendants to steer plaintiffs and members of the classes to the insurer defendants in exchange for undisclosed fees, including communication fees, enrollment fees, service fees, finders fees and/or administrative fees, contingent commissions and other payments, including broker bonuses, trips and entertainment, from the insurer defendants; that the defendants were engaged in a bid-rigging scheme involving the submission of false and/or inflated bids from insurers to clients; that the broker defendants improperly placed their clients' insurance business with insurers through related wholesale entities where an intermediary was unnecessary for the purpose of generating additional commissions from insurers; and that the defendants entered into unlawful tying arrangements under which the broker defendants would place primary insurance contracts with insurers on the condition that the insurers use the broker defendants for placing their reinsurance coverage with reinsurance carriers. The plaintiffs allege violations of federal and state antitrust laws, violations of the Racketeer Influenced and Corrupt Organizations Act, 18 U.S.C. § 1962(c) and (d), fraudulent misrepresentation, breach of fiduciary duty, aiding and abetting breach of fiduciary duty and unjust enrichment. The plaintiffs seek monetary relief, including treble and punitive damages, injunctive and declaratory relief, restitution, interest, attorneys' fees and expenses, costs and other relief; however, no actual dollar amounts have been stated as being sought.
The defendants filed a motion to dismiss both the Commercial Complaint and the Employee Benefits Complaint. Also, on February 13, 2006, the plaintiffs filed their motions for class certification in each case. On May 5, 2006, the defendants filed their oppositions to the motions for class certification. On May 31, 2006, the plaintiffs filed a reply brief in support of their motions for class certification. The motion for class certification is fully briefed and awaiting a decision from the District Court of New Jersey.
On October 3, 2006, the District Court of New Jersey denied in part the motion to dismiss the Commercial Complaint and the Employee Benefits Complaint and ordered that plaintiffs provide supplemental information

regarding each of their consolidated complaints by October 25, 2006. The District Court of New Jersey further ordered that upon receipt of this supplemental information, the District Court of New Jersey will issue a “final ruling” on the motion to dismiss plaintiffs’ claims under the Racketeer Influenced and Corrupt Organizations Act, 18 U.S.C. § 1962(c) and (d) and that on November 6, 2006, the defendants will be required to inform the District Court of New Jersey whether they intend to move to dismiss the remaining counts or alternatively to move for judgment on the pleadings or summary judgment on the remaining counts, pursuant to the Federal Rules of Civil Procedure. The Company, along with other defendants, filed renewed motions to dismiss, which are fully briefed and awaiting a decision from the District Court of New Jersey. On February 12, 2007, MDL 1663 was transferred to Judge Garrett E. Brown, Jr., Chief Judge of the District Court of New Jersey.

Party		Representation
Maryann Waxman	Plaintiff (Lead)	Cohn Lifland Pearlman Herrmann & Knopf Whatley Drake LLC Doffermyre Shields Canfield Knowles & Devine LLC Cafferty Faucher LLP
Marsh & McLennan Companies Inc	Defendant (Lead)	McCarter & English LLP Willkie Farr & Gallagher LLP
ACE Ina Holdings	Defendant	Connell Foley LLP
Ace Ltd	Defendant Terminated: 2006-06-14	Connell Foley LLP
ACE USA	Defendant Terminated: 2006-06-14	Connell Foley LLP
Acordia Inc	Defendant	DLA Piper Rudnick Gray Cary LLP
AIG Insurance Co	Defendant	Paul Weiss Rifkind Wharton & Garrison LLP
AIG Life Insurance Co	Defendant	Paul Weiss Rifkind Wharton & Garrison LLP
American Casualty of Reading Pennsylvania	Defendant	Wildman Harrold Allen & Dixon
American Home Assurance Co	Defendant	Paul Weiss Rifkind Wharton & Garrison LLP
American International Group Inc	Defendant	Paul Weiss Rifkind Wharton & Garrison LLP
Aon Brokers Services Inc	Defendant	Willkie Farr & Gallagher LLP Robinson & Livelli
Aon Consulting Inc	Defendant	

		Willkie Farr & Gallagher LLP Robinson & Livelli
Aon Corp	Defendant	Willkie Farr & Gallagher LLP Robinson & Livelli
Aon Group Inc	Defendant	Willkie Farr & Gallagher LLP Robinson & Livelli
Aon Risk Services Companies Inc	Defendant	Willkie Farr & Gallagher LLP Robinson & Livelli
Aon Risk Services Inc	Defendant	Robinson & Livelli
Aon Services Inc	Defendant	Willkie Farr & Gallagher LLP Robinson & Livelli
BB&T Corp	Defendant	Willkie Farr & Gallagher LLP Squire Sanders & Dempsey LLP
BB&T Insurance Services Inc	Defendant	Willkie Farr & Gallagher LLP Squire Sanders & Dempsey LLP
Benefits Commerce	Defendant	Willkie Farr & Gallagher LLP
Brown & Brown Inc	Defendant	Paul Hastings Janofsky & Walker LLP Willkie Farr & Gallagher LLP
Brown & Brown Insurance Benefits	Defendant	Paul Hastings Janofsky & Walker LLP Willkie Farr & Gallagher LLP
CNA Financial Corp	Defendant	Wildman Harrold Allen & Dixon
Connecticut General Life Insurance Co	Defendant	Riker Danzig Scherer Hyland & Perretti LLP
Continental Casualty Co	Defendant	Wildman Harrold Allen & Dixon
Continental Insurance Corp	Defendant	Wildman Harrold Allen & Dixon
Doug P Cox	Defendant	Willkie Farr & Gallagher LLP
Frank F Haack & Associates	Defendant	Willkie Farr & Gallagher LLP
Gallagher Benefit Services	Defendant	Winston & Strawn LLP Willkie Farr & Gallagher LLP
Guy Carpenter & Co Inc	Defendant	Willkie Farr & Gallagher LLP

Hartford Life & Accident Insurance Company	Defendant	Wilmer Cutler Pickering Hale & Dorr LLP Buchanan Ingersoll PC
Hartford Life Group Insurance Co	Defendant	Wilmer Cutler Pickering Hale & Dorr LLP Buchanan Ingersoll PC
Hartford Life Insurance Co	Defendant	Wilmer Cutler Pickering Hale & Dorr LLP Buchanan Ingersoll PC
Hilb Rogal & Hobbs Co	Defendant	Willkie Farr & Gallagher LLP
Hub International Ltd	Defendant	Willkie Farr & Gallagher LLP
Insurance Company of North America	Defendant	
Life Insurance Company of North America	Defendant	Riker Danzig Scherer Hyland & Perretti LLP
Marsh Advantage America Inc	Defendant	Willkie Farr & Gallagher LLP
Marsh Global Broking Inc	Defendant	Willkie Farr & Gallagher LLP
Marsh Global Placement	Defendant	Willkie Farr & Gallagher LLP
Marsh Inc	Defendant	McCarter & English LLP Willkie Farr & Gallagher LLP
Mercer Human Resources Consulting Inc	Defendant	Willkie Farr & Gallagher LLP
Mercer Inc	Defendant	Willkie Farr & Gallagher LLP
Metlife Inc	Defendant	Duane Morris LLP
Metropolitan Life Inc	Defendant	
Metropolitan Life Insurance Co	Defendant	Duane Morris LLP
Michael Maddigan	Defendant	
O'Neill Finnegan & Jordan Insurance Agency	Defendant	Willkie Farr & Gallagher LLP
Paragon Life Insurance Co	Defendant	Duane Morris LLP
Provident Life & Accident Insurance Co	Defendant	McElroy Deutsch Mulvaney & Carpenter LLP
Prudential Financial Inc	Defendant	Lowenstein Sandler PC
Prudential Life & Accident Insurance Co	Defendant	

		Lowenstein Sandler PC
Prudential Life Insurance Co of America	Defendant	Lowenstein Sandler PC
Seabury & Smith Inc	Defendant	Willkie Farr & Gallagher LLP
Summit Global Partners of Florida Inc	Defendant	Akin Gump Strauss Hauer & Feld LLP Willkie Farr & Gallagher LLP
Talbot Financial Corp	Defendant	Willkie Farr & Gallagher LLP
ULR Insurance Services Inc	Defendant	Willkie Farr & Gallagher LLP
Umun Life Insurance Co of America	Defendant	McElroy Deutsch Mulvaney & Carpenter LLP
United States of America	Defendant	
Universal Life Resources	Defendant	Willkie Farr & Gallagher LLP
Unumprovident Corp	Defendant	McElroy Deutsch Mulvaney & Carpenter LLP
USI Consulting Group	Defendant	Akin Gump Strauss Hauer & Feld LLP Willkie Farr & Gallagher LLP
USI Holdings Corp	Defendant	Akin Gump Strauss Hauer & Feld LLP Willkie Farr & Gallagher LLP
USI Insurance Services Corp	Defendant	Akin Gump Strauss Hauer & Feld LLP
USI Insurance Services of Florida Inc	Defendant	Akin Gump Strauss Hauer & Feld LLP Willkie Farr & Gallagher LLP
USI Services Corp	Defendant	Akin Gump Strauss Hauer & Feld LLP Willkie Farr & Gallagher LLP
Wells Fargo & Co	Defendant	DLA Piper Rudnick Gray Cary LLP
Willis Group Holdings Ltd	Defendant	Winston & Strawn LLP Willkie Farr & Gallagher LLP
Willis North America Inc	Defendant	Winston & Strawn LLP Willkie Farr & Gallagher LLP

Golden Gate Bridge Highway & Transportation District v. Marsh & McLennan Companies Inc et al

Docket	2:05-cv-01214-GEB-PS	Case began	2005-02-23	Categories	Antitrust & Trade Regulation (NOS 410)
		Case ended			
Court	New Jersey District Court				

		Exposure began			
		Exposure ended		Additional References	LR 20492 LR 19867 LR 19514 AAER 2508
Judge	Patty Shwartz	Claim			
		Settlement			

Six putative class action lawsuits and three individual actions were brought against a number of insurance brokers and insurers, including the Company and/or certain of its affiliates, by plaintiffs who allegedly purchased insurance products through one or more of the defendant brokers. Plaintiffs allege that various insurance brokers conspired with each other and with various insurers, including the Company and/or certain of its affiliates, to artificially inflate premiums, allocate brokerage customers and rig bids for insurance products offered to those customers. Five of the class actions were filed in federal district court, and the complaints are captioned: Shell Vacations LLC v. Marsh & McLennan Companies, Inc., et al. (N.D. Ill. Jan. 14, 2005), Redwood Oil Company v. Marsh & McLennan Companies, Inc., et al. (N.D. Ill. Jan. 21, 2005), Boros v. Marsh & McLennan Companies, Inc., et al. (N.D. Cal. Feb. 4, 2005), Mulcahy v. Arthur J. Gallagher & Co., et al. (D.N.J. Feb. 23, 2005) and Golden Gate Bridge, Highway, and Transportation District v. Marsh & McLennan Companies, Inc., et al. (D.N.J. Feb. 23, 2005). The plaintiff in one of the five actions, Shell Vacations LLC, later voluntarily dismissed its complaint. To the extent they were not originally filed there, the federal class actions were transferred by the Judicial Panel on Multidistrict Litigation to the United States District Court for the District of New Jersey and have been consolidated with other class actions under the caption In re Insurance Brokerage Antitrust Litigation, a multidistrict litigation proceeding in that District. On August 1, 2005, various plaintiffs, including the four named plaintiffs in the above-referenced class actions, filed an amended consolidated class action complaint naming various brokers and insurers, including the Company and certain of its affiliates, on behalf of a putative nationwide class of policyholders. The complaint includes causes of action under the Sherman Act, the Racketeer Influenced and Corrupt Organizations Act (“RICO”), state common law and the laws of the various states prohibiting antitrust violations. Plaintiffs seek monetary damages, including punitive damages and trebled damages, permanent injunctive relief, restitution, including disgorgement of profits, interest and costs, including attorneys’ fees. On November 29, 2005, all defendants moved to dismiss the complaint for failure to state a claim. Oral arguments on the defendants’ motion to dismiss were heard on July 26, 2006. On October 3, 2006, the court ruled that the complaint failed to plead actionable claims under the Sherman Act or RICO, provided plaintiffs an opportunity to replead those claims and reserved decision with respect to remaining state law claims. On February 13, 2006, the named plaintiffs moved to certify a nationwide class consisting of all persons who between August 26, 1994 and the date of class certification engaged the services of a broker defendant (or related entity) in connection with the procurement or renewal of insurance and who entered into or renewed a contract of insurance with one or more of the insurer defendants, including the Company.

Party		Representation
Golden Gate Bridge Highway & Transportation District	Plaintiff (Lead)	Meredith Cohen Greenfogel & Skirnick PC The Furth Firm LLP
Marsh & McLennan Companies Inc	Defendant (Lead)	
ACE INA	Defendant	
ACE INA Holdings Inc	Defendant	
Ace Ltd	Defendant	
ACE USA	Defendant	
America Reinsurance Co	Defendant	
American International Group Inc	Defendant	

		Paul Weiss Rifkind Wharton & Garrison LLP
Aon Brokers Services Inc	Defendant	Robinson & Livelli
Aon Corp	Defendant	Robinson & Livelli
Aon Group Inc	Defendant	Robinson & Livelli
Aon Risk Services Inc US	Defendant	Robinson & Livelli
Aon Services Group Inc	Defendant	Robinson & Livelli
Arthur J Gallagher & Co	Defendant	
Benefits Commerce	Defendant	
Douglas P Cox	Defendant	
Hartford Financial Services Group Inc	Defendant	Buchanan Ingersoll PC
Hartford Fire Insurance Co	Defendant	Buchanan Ingersoll PC
Marsh Inc	Defendant	
Metlife Inc	Defendant	Duane Morris LLP
Munich American Risk Partners Inc	Defendant	
Munich Reinsurance Co	Defendant	
National Financial Partners Corp	Defendant	
Property & Casualty Insurance Co of Hartford	Defendant	Buchanan Ingersoll PC
St Pauls Travelers Cos Inc	Defendant	
Twin City Fire Insurance Co	Defendant	Buchanan Ingersoll PC
Universal Life Holdings	Defendant	
Universal Life Resources Inc	Defendant	
Unumprovident Corp	Defendant	McElroy Deutsch Mulvaney & Carpenter LLP
Willis Group Holdings Ltd	Defendant	
Willis Group Ltd	Defendant	
Willis North America Inc	Defendant	
Zurich American Insurance Co	Defendant	LeBoeuf Lamb Greene & MacRae LLP
Travelers Companies Inc	Non-Party Parent	

American International Group Inc v. Archer's International Group of Companies Inc et al

Docket	3:05-cv-00209	Case began	2005-01-28	Categories	Trademark Law (NOS 840) Counterclaim
		Case ended	2005-06-01		

Court	Texas Northern District Court	Exposure began			
		Exposure ended		Additional References	LR 20492 LR 19867 LR 19514 AAER 2508
Judge	Jerry Buchmeyer	Claim			
		Settlement			

American International Group Inc sued Archer's International Group of Companies Inc for alleged trademark infringement on January 28, 2005 in the U.S. District Court for the Northern District of Texas. According to the complaint, Archer's allegedly had been using several trademarked abbrevations (including AIG and AIGC) to offer competing financial services insurance. On June 1, 2005, the case was voluntarily dismissed after parties submitted a stipulation of dismissal. It also looks like a settlement agreement was reached between the parties.

Party		Representation
American International Group Inc	Plaintiff (Lead)	Gardere Wynne Sewell LLP Leydig Voit & Mayer Ltd
Archer's International Group of Companies Inc	Defendant (Lead)	Walker & Rowan
Khalid Khan	Defendant	Pro Se

Redwood Oil Company v. Marsh & McLennan Companies Inc et al

Docket	1:05-cv-00390	Case began	2005-01-25	Categories	Antitrust & Trade Regulation (NOS 410) Class Action
		Case ended	2005-04-15		
Court	Illinois Northern District Court	Exposure began			
		Exposure ended		Additional References	LR 20492 LR 19867 LR 19514 AAER 2508
Judge	Joan H Lefkow	Claim			
		Settlement			

Over twenty unrelated insurance brokers and insurers, are defendants in four putative class actions filed by alleged policyholders. Two of these actions were filed in the United States District Court for the Northern District of Illinois, one was filed in the United States District Court for the Northern District of California and one was filed in the United States District Court for the District of New Jersey. These actions assert, on behalf of a class of persons who purchased insurance through the broker defendants, claims arising from the conduct alleged in the New York Attorney General’s civil complaint against Marsh Inc. and Marsh & McLennan Companies, Inc.

Party		Representation
Redwood Oil Company	Plaintiff (Lead)	Lawrence Walner & Associates Ltd Schad Diamond & Shedden PC
Ace Ina	Defendant	
Ace Ina Holdings Inc	Defendant	
Ace Limited	Defendant	
Ace USA	Defendant	
American International Group Inc	Defendant	
Aon Brokers Service Inc	Defendant	

		Kirkland & Ellis LLP
AON Corporation	Defendant	Kirkland & Ellis LLP
Aon Group Inc	Defendant	Kirkland & Ellis LLP
Aon Risk Services Companies Inc	Defendant	Kirkland & Ellis LLP
Aon Risk Services Inc US	Defendant	Kirkland & Ellis LLP
Aon Services Group Inc	Defendant	Kirkland & Ellis LLP
Arthur J Gallagher & Co	Defendant	Winston & Strawn LLP
Benefits Commerce	Defendant	Novack & Macey LLP
Douglas P Cox	Defendant	Novack & Macey LLP
Hartford Financial Services Group Inc	Defendant	
Marsh & McLennan Companies Inc	Defendant	
Marsh Inc	Defendant	
Metlife Inc	Defendant	
Munich American Risk Partners Inc	Defendant	
Munich Reinsurance Co	Defendant	
National Financial Partners Corporation	Defendant	Skadden Arps Slate Meagher & Flom LLP
St Paul Travelers Cos Inc	Defendant	
Universal Life Resources	Defendant	Novack & Macey LLP
Universal Life Resources Inc	Defendant	Novack & Macey LLP
Unumprovident Corporation	Defendant	Perkins Coie
Willis Group Holdings Ltd	Defendant	
Willis Group Ltd	Defendant	
Willis North America Inc	Defendant	
Willis North America Inc	Defendant	
Zurich American Insurance Co	Defendant	Katten Muchin Rosenman LLP

Shell Vacations LLC v. Marsh & McLennan Companies Inc et al

Docket	1:05-cv-00270	Case began	2005-01-14	Categories	Antitrust & Trade Regulation (NOS 410)
		Case ended	2005-04-15		
Court	Illinois Northern District Court	Exposure began			
		Exposure ended		Additional References	LR 20492 LR 19867

Judge	George M Marovich	Claim			LR 19514 AAER 2508
		Settlement			

On January 14, 2005, Shell Vacations LLC on behalf of itself and all others similarly situated v. Marsh & McLennan Companies, Inc. et al., was filed in the United States District Court for the Northern District of Illinois. The complaint is a putative class action and alleges violations of the Sherman Act, RICO, federal and state common law, state antitrust laws, and unfair and or deceptive trade practices laws. The allegations are brought against numerous broker organizations and insurers and assert claims based on bid rigging, price fixing, and undisclosed and improper compensation practices. The complaint seeks restitution, disgorgement of profits, establishment of a constructive trust, damages including punitive damages, and trebling of damages and injunctive relief. The Company denies the allegations of the complaint and will vigorously defend the case.

Party		Representation
Shell Vacations LLC	Plaintiff (Lead)	Much Shelist Freed Denenberg Ament & Rubenstein PC Freed Kanner London & Millen LLC
Marsh & McLennan Companies Inc	Defendant (Lead)	
Ace Ina	Defendant	
Ace Ina Holdings Inc	Defendant	
Ace Limited	Defendant	
Ace USA	Defendant	
America Re-Insurance Co	Defendant	
American International Group Inc	Defendant	
AON Brokers Services Inc	Defendant	Kirkland & Ellis LLP
AON Corp	Defendant	Kirkland & Ellis LLP
Aon Group Inc	Defendant	Kirkland & Ellis LLP
AON Risk Services Companies Inc	Defendant	Kirkland & Ellis LLP
AON Risk Services Inc US	Defendant	Kirkland & Ellis LLP
AON Services Group Inc	Defendant	Kirkland & Ellis LLP
Benefits Commerce	Defendant	Novack & Macey LLP
Douglas P Cox	Defendant	
Hartford Financial Services Group Inc	Defendant	
Marsh Inc	Defendant	
Metlife Inc	Defendant	
Munich Reinsurance Co	Defendant	
Munich-American Risk Partners Inc	Defendant	Dewey Ballantine LLP Lord Bissell & Brook LLP
National Financial Partners Corp	Defendant	

		Skadden Arps Slate Meagher & Flom LLP
St Paul Travelers Cos Inc	Defendant	
Universal Life Resources	Defendant	Novack & Macey LLP
UnumProvident Corp	Defendant	Perkins Coie
Willis Group Holdings Limited	Defendant	
Willis Group Limited	Defendant	
Willis North America Inc	Defendant	
Zurich American Insurance Co	Defendant	Katten Muchin Zavis & Rosenman

USA v. Kelley

Docket	1:04-mj-02341-1	Case began	2004-12-06	Categories	Fraud or Truth-In-Lending (NOS 370)
		Case ended			
Court	New York Southern District Court	Exposure began			
		Exposure ended		Additional References	LR 20492 LR 19867 LR 19514 AAER 2508
Judge	George M Marovich	Claim			
		Settlement			

Party		Representation
United States of America	Plaintiff (Lead)	
Kevin O Kelley	Defendant (Lead) Terminated: 2005-03-08	Robinson & Cole LLP Jacobs Grudberg Belt & Dow PC
American International Group Inc	Related Non-Party	

Lewis v. Marsh & McLennan Co et al

Docket	1:04-cv-07847	Case began	2004-12-06	Categories	Securities Law (NOS 850)
		Case ended	2005-04-15		
Court	Illinois Northern District Court	Exposure began			
		Exposure ended		Additional References	LR 20492 LR 19867 LR 19514 AAER 2508
Judge	Matthew F Kennelly	Claim			
		Settlement			

On or about December 6, 2004, two additional putative class actions were filed against Brown & Brown and other brokers and insurers in the U.S. District Court for the Northern District of Illinois (Eastern Division), styled Stephen Lewis v. Marsh & McLennan Companies, Inc., et al., Civil Action No. 04 C 7847, and Diane Preussv. Marsh & McLennan Companies, Inc., et al., Civil Action No. 04 C 7853 (together with the OptiCare Action, the

"Policyholder Actions"). The allegations of both of the complaints in these actions largely mirror the allegations in the OptiCare Action, but include Robinson-Patman Act price discrimination claims. Both plaintiffs, Stephen Lewis and Diane Preuss, allege that they "purchased an insurance policy from one of the defendants or defendants' co-conspirators."

On or about February 17, 2005, the Judicial Panel on Multi-District Litigation ("MDL Panel") transferred the OptiCare Action, and other similar actions in which the Company is not named as a defendant, to the District of New Jersey to be coordinated in a single jurisdiction for pre-trial purposes before U.S. District CourtJudge Faith S. Hochberg. On or about March 10, 2005, the MDL Panel issued a "Conditional Transfer Order" (the "Order") which will transfer the Lewis and Preuss actions along with other "tag-along" actions in which the Company is not named as a defendant to the District of New Jersey to be coordinated with the previously transferred actions unless a party files an objection within fifteen days from the date of the Order.

Brown & Brown intends to vigorously defend itself against the Policyholder Actions.

Party		Representation
Stephen - Lewis	Plaintiff (Lead)	Wolf Haldenstein Adler Freeman & Herz LLP Mager & Goldstein
Marsh & McLennan Companies Inc	Defendant (Lead)	
Ace Ina Holdings Inc	Defendant	Perkins Coie Dewey & LeBoeuf LLP
Ace Limited	Defendant	Perkins Coie Dewey & LeBoeuf LLP
Ace USA	Defendant	Perkins Coie Dewey & LeBoeuf LLP
Acordia Inc	Defendant	
Amer Re-insurance Co	Defendant	Dewey Ballantine LLP Lord Bissell & Brook LLP
American International Group Inc	Defendant	Paul Weiss Rifkind Wharton & Garrison LLP DLA Piper LLP
American Re Corp	Defendant	Dewey Ballantine LLP Lord Bissell & Brook LLP
American Rick Partners Inc	Defendant	Dewey Ballantine LLP Lord Bissell & Brook LLP
AON Brokers Services Inc	Defendant	
AON Corporation	Defendant	
AON Group Int	Defendant	
AON Risk Services Companies Inc	Defendant	
AON Risk Services Inc US	Defendant	

AON Services Group Inc	Defendant	
Arthur J Gallagher & Co	Defendant	Winston & Strawn LLP
BB&T Corp	Defendant	Squire Sanders & Dempsey LLP
BB&T Insurance Services Inc	Defendant	Squire Sanders & Dempsey LLP
Branch Banking & Trust Co	Defendant	Squire Sanders & Dempsey LLP
Brown & Brown Inc	Defendant	
Hilb Rogal & Hamilton Co	Defendant	
Hub International Ltd	Defendant	
Marsh Inc	Defendant	
Munich Re Group	Defendant	
USI Holdings Corp	Defendant	
Wells Fargo & Co	Defendant	
Willis Group Holdings Limited	Defendant	
Willis Group Limited	Defendant	
Willis North America Inc	Defendant	

Preuss v. Marsh & McLennan Co et al

Docket	1:04-cv-07853	Case began	2004-12-06	Categories	Class Action Securities Law (NOS 850)
		Case ended	2005-03-29		
Court	Illinois Northern District Court	Exposure began			
		Exposure ended		Additional References	LR 20492 LR 19867 LR 19514 AAER 2508
Judge	Ronald A Guzman	Claim			
		Settlement			

In December 2004, two purported class actions were filed in the U.S. District Court for the Northern District of Illinois, Eastern Division, by Stephen Lewis (Case No. 04-C-7847) and Diane Preuss (Case No. 04-C-7853), respectively, against certain insurance brokers, including Hilb Royal & Hobbs Company, and several large commercial insurers.

Party		Representation
Diane Preuss	Plaintiff (Lead)	Wolf Haldenstein Adler Freeman & Herz LLP Mager & Goldstein
Marsh & McLennan Companies Inc	Defendant (Lead)	
Ace Ina Holdings Inc	Defendant	
Ace Limited	Defendant	
Ace USA	Defendant	
Acordia Inc	Defendant	
American International Group Inc	Defendant	Paul Weiss Rifkind Wharton & Garrison LLP DLA Piper LLP

American Re Corp	Defendant	Dewey Ballantine LLP Locke Lord Bissell & Liddell LLP
American Re Insurance Co	Defendant	Dewey Ballantine LLP Locke Lord Bissell & Liddell LLP
Aon Brokers Services Inc	Defendant	
Aon Corporation	Defendant	
Aon Group Int	Defendant	
Aon Risk Services Companies Inc	Defendant	
Aon Risk Services Inc US	Defendant	
Aon Services Group Inc	Defendant	
Arthur J Gallagher & Co	Defendant	Winston & Strawn LLP
BB&T Corp	Defendant	Squire Sanders & Dempsey LLP
BB&T Insurance Services Inc	Defendant	Squire Sanders & Dempsey LLP
Branch Banking & Trust Co	Defendant	Squire Sanders & Dempsey LLP
Brown & Brown Inc	Defendant	
Hilb Rogal & Hamilton Co	Defendant	
HUB International Ltd	Defendant	
Marsh Inc	Defendant	
Munich-American Risk Partners Inc	Defendant	Dewey Ballantine LLP Locke Lord Bissell & Liddell LLP
The Munich Re Group	Defendant	
USI Holdings Corp	Defendant	
Wells Fargo & Co	Defendant	
Willis Group Holdings Limited	Defendant	
Willis Group Limited	Defendant	
Willis North America Inc	Defendant	

Lewis v. Marsh & McLennan Co et al

Docket	1:04-cv-07847	Case began	2004-12-06	Categories	Class Action Securities Law (NOS 850)
		Case ended	2005-04-15		
Court	Illinois Northern District Court	Exposure began			
		Exposure ended		Additional References	LR 20492 LR 19867 LR 19514 AAER 2508
Judge	Matthew F Kennelly	Claim			
		Settlement			

In December 2004, two other purported class actions were filed in the U.S. District Court for the Northern District of Illinois, Eastern Division, by Stephen Lewis (Case No. 04-C-7847) and Diane Preuss (Case No. 04-C-7853), respectively, against certain insurance brokers, including the Company, and several large commercial insurers. On February 17, 2005, the Judicial Panel on Multidistrict Litigation (the Panel) ordered that the OptiCare suit, along with three other purported antitrust class actions filed in New York, New Jersey and Pennsylvania against industry participants, be centralized and transferred to the U.S. District Court for the District of New Jersey (District Court of New Jersey). In addition, by Conditional Transfer Order dated March 10, 2005, the Panel conditionally transferred the Lewis and Preuss cases to the District Court of New Jersey. The transfer subsequently became effective and as a result of the Panel's transfer orders, the OptiCare, Lewis and Preuss cases are proceeding on a consolidated basis with other purported class action suits styled as In re: Insurance Brokerage Antitrust Litigation (MDL 1663).

Party		Representation
Stephen Lewis	Plaintiff (Lead)	Wolf Haldenstein Adler Freeman & Herz LLP Mager & Goldstein
Marsh & McLennan Companies Inc	Defendant (Lead)	
Ace Ina Holdings Inc	Defendant	Mayer Brown LLP Dewey & LeBoeuf LLP
Ace Limited	Defendant	Mayer Brown LLP Dewey & LeBoeuf LLP
Ace USA	Defendant	Mayer Brown LLP Dewey & LeBoeuf LLP
Acordia Inc	Defendant	
Amer Re insurance Co	Defendant	Dewey Ballantine LLP Butler Rubin Saltarelli & Boyd LLP Locke Lord Bissell & Liddell LLP
American International Group Inc	Defendant	Paul Weiss Rifkind Wharton & Garrison LLP DLA Piper LLP
American Re Corp	Defendant	Dewey Ballantine LLP Butler Rubin Saltarelli & Boyd LLP Locke Lord Bissell & Liddell LLP
AON Brokers Services Inc	Defendant	
AON Corporation	Defendant	
AON Group Int	Defendant	
AON Risk Services Companies Inc	Defendant	
AON Risk Services Inc US	Defendant	
AON Services Group Inc	Defendant	
Arthur J Gallagher & Co	Defendant	Winston & Strawn LLP
BB&T Corp	Defendant	Squire Sanders & Dempsey LLP
BB&T Insurance Services Inc	Defendant	Squire Sanders & Dempsey LLP

Branch Banking & Trust Co	Defendant	Squire Sanders & Dempsey LLP
Brown & Brown Inc	Defendant	
Hilb Rogal & Hamilton Co	Defendant	
Hub International Ltd	Defendant	
Marsh Inc	Defendant	
Munich Re Group	Defendant	
USI Holdings Corp	Defendant	
Wells Fargo & Co	Defendant	
Willis Group Holdings Limited	Defendant	
Willis Group Limited	Defendant	
Willis North America Inc	Defendant	

SEC v. American International Group Inc

Docket	1:04-cv-02070-GK	Case began	2004-11-30	Categories	Accounting and Auditing Enforcement Release Securities Law (NOS 850)
		Case ended	2004-12-08		
Court	District of Columbia District Court	Exposure began			
		Exposure ended		Additional References	LR 20492 LR 19867 LR 19514 AAER 2508
Judge	Gladys Kessler	Claim			
		Settlement			

As part of the settlement, the SEC filed a civil complaint against AIG, alleging violations of certain antifraud provisions of the federal securities laws and for aiding and abetting violations of reporting and record keeping provisions of those laws. The SEC's complaint was based on the conduct of AIG, primarily through AIGFP (i) in developing, marketing and entering into three transactions during 2001 that were intended to en-

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American International Group, Inc. and Subsidiaries

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able PNC, a public company, to remove certain assets from its balance sheet and (ii) in marketing similar transaction structures to other potential counterparties. The complaint alleged, inter alia, that AIGFP recklessly misrepresented, and was reckless in not knowing, that the transactions entered into with PNC and marketed to other potential counterparties did not satisfy the requirements of GAAP for non-consolidation of special purpose entities. AIG, without admitting or denying the allegations in the SEC complaint, consented to the issuance of a final judgment: (a) permanently enjoining it and its employees and related persons from violating section 10(b) of the Securities Exchange Act of 1934 (Exchange Act), Exchange Act Rule 10b-5, and section 17(a) of the Securities Act of 1933 (Securities Act) and from aiding and abetting violations of sections 13(a) and 13(b)(2)(A) of the Exchange Act and Exchange Act Rules 12b-20, 13a-1, and 13a-13; (b) ordering it to disgorge the $39,821,000 in fees that it received from the PNC transactions, plus prejudgment interest of $6,545,000; and (c) providing for AIG to establish a transaction review committee to review the appropriateness of certain future transactions and to retain an independent consultant to examine certain transactions entered into between 2000 and 2004 and review the policies and procedures of the transaction review committee. The independent consultant has a broad mandate to review transactions entered into by AIG during this period. The review of the independent consultant is now ongoing and AIG cannot at this time predict the outcome of this review.

Party		Representation
Securities & Exchange Commission	Plaintiff	
American International Group Inc	Defendant (Lead)	

In Re: AIG ERISA Litigation

Docket	1:04-cv-09387-JES	Case began	2004-11-30	Categories	ERISA & Employee Benefits Litigation (NOS 791)
		Case ended			
Court	New York Southern District Court	Exposure began			
		Exposure ended		Additional References	LR 20492 LR 19867 LR 19514 AAER 2508
Judge	John E Sprizzo	Claim			
		Settlement			

Also on August 15, 2005, AIG and two subsidiaries were named as defendants in a Corrected First Consolidated Amended Employee Benefits Class Action Complaint filed in the District of New Jersey, which asserts similar claims with respect to employee benefits insurance and a claim under ERISA on behalf of putative classes of employers and employees. On November 29, 2005, the AIG defendants, along with other insurer defendants and the broker defendants filed motions to dismiss both the Commercial and Employee Benefits Complaints. On October 3, 2006, the Court reserved in part and denied in part the motions to dismiss. The Court denied the motions to dismiss the ERISA claims, but ordered an expedited discovery schedule, and the Court reserved on the state law claims. Plaintiffs have filed a motion for class certification in the consolidated action, in response to which defendants have filed an opposition. In addition, complaints were filed against AIG and several of its subsidiaries in Massachusetts and Florida state courts, which have both been stayed. In the Florida action, the plaintiff filed a petition for a writ of certiorari with the District Court of Appeals of the State of Florida, Fourth District with respect to the stay order which was granted on August 16, 2006. The Fourth District Court remanded to the trial court to reconsider whether a stay should be granted. On February 9, 2006, a complaint against AIG and several of its subsidiaries was filed in Texas state court, making claims similar to those in the federal cases above. On October 17, 2006, the court stayed the case until January 31, 2007. In April and May 2005, amended complaints were filed in the consolidated derivative and securities cases, as well as in one of the ERISA lawsuits, pending in the Southern District of New York adding allegations concerning AIG's accounting treatment for non-traditional insurance products. In September 2005, a second amended complaint was filed in the consolidated securities cases adding allegations concerning AIG's first restatement of its financial statements described in the 2005 Annual Report on Form 10-K (the "First Restatement"), and a new securities action complaint was filed in the Southern District of New York, asserting claims premised on the same allegations made in the consolidated cases. In April 2006, motions to dismiss were denied in the securities actions. AIG filed answers in both securities actions in June 2006, as did other defendants. Also in September 2005, a class action complaint was filed to consolidate the ERISA cases pending in the Southern District of New York.

Party		Representation
Margaret B Amidei	Plaintiff (Lead)	Wolf Popper LLP

American International Group Inc	Defendant (Lead)	Paul Weiss Rifkind Wharton & Garrison LLP
American General Corporation Administrative Board	Defendant (Consolidated)	
American General Corporation Personnel Policy Committee	Defendant (Consolidated)	
Barber B Corable Jr	Defendant (Consolidated)	
Edmund SW Tse	Defendant (Consolidated)	
Ellen V Futter	Defendant (Consolidated)	
Frank J Hoenemeyer	Defendant (Consolidated)	
Joseph Felcher	Defendant (Consolidated)	
Marshall A Cohen	Defendant (Consolidated)	
Richard C Holbrook	Defendant (Consolidated)	
Anthony Galiato	Defendant	Paul Weiss Rifkind Wharton & Garrison LLP
Axel I Freudmann	Defendant	Paul Weiss Rifkind Wharton & Garrison LLP
Charles Schader	Defendant	Paul Weiss Rifkind Wharton & Garrison LLP
David Pinkerton	Defendant	Paul Weiss Rifkind Wharton & Garrison LLP
Donald P Kanak	Defendant	Mayer Brown LLP Morrison & Foerster LLP
Gary Reddick	Defendant	Paul Weiss Rifkind Wharton & Garrison LLP
Georgia Feigel	Defendant	Paul Weiss Rifkind Wharton & Garrison LLP
Gustavo Covacevich	Defendant	Paul Weiss Rifkind Wharton & Garrison LLP
Howard I Smith	Defendant	Winston & Strawn LLP
John Keogh	Defendant	Paul Weiss Rifkind Wharton & Garrison LLP

Kathleen Shannon	Defendant	Paul Weiss Rifkind Wharton & Garrison LLP
Marion Fajen	Defendant	Paul Weiss Rifkind Wharton & Garrison LLP
Martin J Sullivan	Defendant	Wachtell Lipton Rosen & Katz
Maurice R Greenberg	Defendant	Boies Schiller & Flexner LLP
Nicholas Tyler	Defendant	Paul Weiss Rifkind Wharton & Garrison LLP
Patricia Cameron	Defendant	Paul Weiss Rifkind Wharton & Garrison LLP
Patricia R McCann	Defendant	Paul Weiss Rifkind Wharton & Garrison LLP
Richard A Grosiak	Defendant	Paul Weiss Rifkind Wharton & Garrison LLP
Robert Cole	Defendant	Paul Weiss Rifkind Wharton & Garrison LLP
Ronald Latz	Defendant	Paul Weiss Rifkind Wharton & Garrison LLP
Thomas M Haynes	Defendant	Paul Weiss Rifkind Wharton & Garrison LLP
Thomas R Tizzio	Defendant Terminated: 2005-12-15	Kobre & Kim LLP

Mirto v. American International Group Inc et al

Docket	3:04-cv-04998-VRW	Case began	2004-11-24	Categories	Other Statutory Actions (NOS 890)
		Case ended	2005-04-08		
Court	California Northern District Court	Exposure began			
		Exposure ended		Additional References	LR 20492 LR 19867 LR 19514 AAER 2508
Judge	Vaughn R Walker	Claim			
		Settlement			

Elyse Mirto v. Infinity Insurance Company, et al. (United States District Court for the Northern District of California) was initially filed in October 2004, in the Superior Court of Alameda County, California. The plaintiff seeks disgorgement and injunctive relief under provisions of the California Business & Professions Code, based on the difference in premiums charged to policyholders not given the persistency discount and the amount charged to those entitled to the discount. Infinity believes that its actions are in compliance with California law. Accordingly, the Company intends to vigorously defend this case. However, at this time, the Company is unable to determine whether a loss is probable or can be estimated, nor can the Company estimate a range of loss.

Party		Representation
Elyse Mirto	Plaintiff (Lead)	Ghalchi & Associates Ahdoot & Wolfson APC
American International Group Inc	Defendant (Lead) Terminated: 2005-02-16	Barger & Wolen LLP
AIG Insurance Services Inc	Defendant Terminated: 2005-02-16	Barger & Wolen LLP
AIG Specialty Auto	Defendant Terminated: 2005-02-16	Barger & Wolen LLP
Granite State Insurance Co	Defendant	Barger & Wolen LLP
Infinity Insurance Company	Defendant	Hancock Rothert & Bunshoft LLP
Viking Insurance Company of Wisconsin	Defendant	Barger & Wolen LLP
Infinity Property & Casualty Company	Non-Party Parent	

IN RE American International Group Inc Derivative Litigation

Docket	1:04-cv-08406-JES	Case began	2004-10-25	Categories	Accounting Malpractice Derivative Stockholders Suits (NOS 160) Counterclaim
		Case ended			
Court	New York Southern District Court	Exposure began			
		Exposure ended		Additional References	LR 20492 LR 19867 LR 19514 AAER 2508
Judge	John E Sprizzo	Claim			
		Settlement			

In April 2005, new derivative actions were filed in Delaware Chancery Court, and in July and August 2005, two new derivative actions were filed in the Southern District of New York asserting claims duplicative of the claims made in the consolidated derivative action. In July 2005, a second amended complaint was filed in the consolidated derivative case in the Southern District of New York, expanding upon accounting-related allegations, based upon the First Restatement. In June 2005, the derivative cases in Delaware were consolidated and, in August 2005, an amended consolidated complaint was filed. AIG's Board of Directors has appointed a special committee of independent directors to review the matters asserted in the derivative complaints. The courts have approved agreements staying the derivative cases pending in the Southern

District of New York and in Delaware Chancery Court while the special committee of independent directors performs its work.

Party		Representation
Marilyn Clark	Plaintiff (Lead) Terminated: 2005-07-18	Faruqi & Faruqi LLP Robbins Umeda & Fink LLP
Maurice R Greenberg	Defendant (Lead)	Boies Schiller & Flexner LLP Skadden Arps Slate Meagher & Flom LLP
ACE Ltd	Defendant	Susman Godfrey LLP
Axel I Freudmann	Defendant Terminated: 2005-07-18	
B B Conable	Defendant	
C Greenberg	Defendant Terminated: 2005-07-18	
Carla A Hills	Defendant	
Christian Milton	Defendant	Schwartz & Ballen LLP
CV Starr & Co	Defendant	Boies Schiller & Flexner LLP Skadden Arps Slate Meagher & Flom LLP
Dean R Phypers	Defendant Terminated: 2005-07-18	
Donald P Kanak	Defendant	
Edmund SW Tse	Defendant	
Edward E Matthews	Defendant	
Ellen V Futter	Defendant	
Ernest E Stempel	Defendant	
Evan Greenberg	Defendant	Schindler Cohen & Hochman LLP
Frank G Wisner	Defendant	
Frank G Zarb	Defendant	
Frank J Hoenemeyer	Defendant	
Frank Petralito	Defendant	Mayer Brown LLP
Gen Re Corporation and Subsidiaries	Defendant	
Howard I Smith	Defendant	
Jay S Wintrob	Defendant	

Jeffrey W Greenberg	Defendant	
John Graf	Defendant	Mayer Brown LLP
John Houldsworth	Defendant	
John J Roberts	Defendant	Mayer Brown LLP
Kristian T Moor	Defendant	Mayer Brown LLP
Leslie L Gonda	Defendant	
M Bernard Aidinoff	Defendant	
Marsh & McLennan Companies Inc	Defendant	
Marshall A Cohen	Defendant	
Martin J Sullivan	Defendant	Wachtell Lipton Rosen & Katz
Martin S Feldstein	Defendant	
Michael J Castelli	Defendant	
Milton	Defendant Terminated: 2005-07-18	
Murphy	Defendant	
Patricia R McCann	Defendant Terminated: 2005-07-18	
Pei-Yuan Chia	Defendant	
PricewaterhouseCoopers LLP	Defendant	
Richard A Grosiak	Defendant Terminated: 2005-07-18	
Richard C Holbrooke	Defendant	
Richard Napier	Defendant	Levett Rockwood PC
Robert Crandall	Defendant	
Ronald Ferguson	Defendant	Cadwalader Wickersham & Taft LLP
Starr International Co Inc	Defendant	Boies Schiller & Flexner LLP Skadden Arps Slate Meagher & Flom LLP
Thomas R Tizzio	Defendant	Kobre & Kim LLP
William S Cohen	Defendant	
American International Group Inc	Nominal Defendant	Paul Weiss Rifkind Wharton & Garrison LLP

QLM Associates Inc v. Marsh & McLennan Companies Inc et al

Docket	2:04-cv-05184-GEB-PS	Case began	2004-10-22	Categories	Antitrust & Trade Regulation (NOS 410) Class Action Multi District Litigation (MDL)
		Case ended	2007-09-28		
Court	New Jersey District Court	Exposure began			
		Exposure ended		Additional References	LR 20492 LR 19867 LR 19514 AAER 2508
Judge	Patty Shwartz	Claim			
		Settlement			

On August 1, 2005, plaintiffs in a proposed class action multi-district lawsuit, captioned In re Insurance Brokerage Antitrust Litigation, MDL No. 1663, Civil Action No. 04-5184 (FSH) (the “MDL”), filed a consolidated amended complaint (the “Amended Complaint”), which named as new defendants in the pending action approximately 30 entities, including Greenwich Insurance Company, Indian Harbor Insurance Company and XL Capital Ltd. In the MDL, named plaintiffs have asserted various claims, purportedly on behalf of a class of commercial insureds, against approximately 113 insurance companies and insurance brokers through which the named plaintiffs allegedly purchased insurance. The Amended Complaint alleges that the defendant insurance companies and insurance brokers conspired to manipulate bidding practices for insurance policies in certain insurance lines and failed to disclose certain commission arrangements. The named plaintiffs have asserted statutory claims under the Sherman Act, various state antitrust laws and the Racketeer Influenced and Corrupt Organizations Act, as well as common law claims alleging breach of fiduciary duty, aiding and abetting a breach of fiduciary duty and unjust enrichment. Discovery in the MDL continues. Defendants filed motions to dismiss the Amended Complaint in late November 2005. On February 1, 2006, plaintiffs filed a motion seeking leave to further amend their Amended Complaint to, among other things, add additional defendants, including X.L. America, Inc. and XL Insurance America, Inc. That motion was denied without prejudice. On or about February 13, 2006, plaintiffs filed a motion seeking class certification.

Party		Representation
QLM Associates Inc	Plaintiff (Lead) Terminated: 2006-03-07	Lite DePalma Greenberg & Rivas LLC Finkelstein Thompson & Loughran Doffermyre Shields Canfield Knowles & Devine LLC Trujillo Rodriguez & Richards LLC Zwerdling Paul Leibig Kahn & Wolly PC
Marsh & McLennan Companies Inc	Defendant (Lead)	McCarter & English LLP Willkie Farr & Gallagher LLP Hughes & Luce LLP Freeborn & Peters LLP Jackson Walker LLP Greensfelder & Hemker Butler Snow O'Mara Stevens & Cannada PLLC Anania Bandklayder Blackwell Torricella & Stein Chaffe McCall Phillips Toler & Sarpy LLP
Ace American Insurance Co	Defendant	Connell Foley LLP

ACE Ina Holdings Ltd	Defendant	Susman Godfrey LLP Pepper Hamilton LLP Connell Foley LLP
Ace Ltd	Defendant	Mayer Brown LLP Susman Godfrey LLP Connell Foley LLP
ACE USA	Defendant	Susman Godfrey LLP Stanley Dehlinger & Rascher
Acordia Inc	Defendant	DLA Piper Rudnick Gray Cary LLP
Affinity Insurance Services Inc	Defendant	Susman Godfrey LLP Robinson & Livelli Kirkpatrick & Lockhart Nicholson Graham LLP
AIU Insurance Co	Defendant	Paul Weiss Rifkind Wharton & Garrison LLP
American Alternative Insurance Co Corp	Defendant	Grais & Ellsworth LLP
American Alternative Insurance Corp	Defendant	Grais & Ellsworth LLP
American Casaulty Co of Reading	Defendant	Wildman Harrold Allen & Dixon Carella Byrne Bain Gilfallan Cecchi Stewart & Olstein PC Cecchi Stewart & Olstein PC
American Guarantee & Liability Insurance Co	Defendant	LeBoeuf Lamb Greene & MacRae LLP
American Home Assurance Co	Defendant	Paul Weiss Rifkind Wharton & Garrison LLP
American International Group Inc	Defendant	Paul Weiss Rifkind Wharton & Garrison LLP DLA Piper Rudnick Gray Cary LLP Hangley Aronchick Segal & Pudlin
American International Insurance Co	Defendant	Paul Weiss Rifkind Wharton & Garrison LLP
American Re Corp	Defendant	Grais & Ellsworth LLP
American Re-insurance Corp	Defendant	Dewey Ballantine LLP Stephens Lynn Klein & McNicholas PA Grais & Ellsworth LLP

American Risk Partners Inc	Defendant	
Aon Corp	Defendant	Kirkland & Ellis LLP Greenberg Traurig LLP Baker Donelson Bearman Caldwell & Berkowitz PC Robinson & Livelli Kirkpatrick & Lockhart Nicholson Graham LLP Nexsen Pruet Adams Kleemeier LLC
Aon Direct Group Inc	Defendant	Susman Godfrey LLP Robinson & Livelli Kirkpatrick & Lockhart Nicholson Graham LLP
Aon Risk Services Companies Inc	Defendant	Robinson & Livelli Kirkpatrick & Lockhart Nicholson Graham LLP
AON Risk Services Inc of Louisiana	Defendant	Robinson & Livelli
AON Risk Services Inc of Maryland	Defendant	Robinson & Livelli
AON Risk Services Inc of Michigan	Defendant	Robinson & Livelli
AON Risk Services of Texas Inc	Defendant	Robinson & Livelli
Aon Risk Services of the Carolinas Inc	Defendant	Nexsen Pruet Adams Kleemeier LLC
Aon Services Group	Defendant	Kirkland & Ellis LLP Robinson & Livelli
Arthur J Gallagher & Co	Defendant	Winston & Strawn LLP Broad & Cassel
Arthur J Gallagher Risk Service Management Service	Defendant	Winston & Strawn LLP
Assurance Co of America	Defendant	LeBoeuf Lamb Greene & MacRae LLP
Athena Assurance Co	Defendant	
Axis Reinsurance Co	Defendant	Skadden Arps Slate Meagher & Flom LLP
Axis Specialty Insurance Co	Defendant	Skadden Arps Slate Meagher & Flom LLP
Axis Surplus Insurance Co	Defendant	Skadden Arps Slate Meagher & Flom LLP

BB&T Corp	Defendant	Squire Sanders & Dempsey LLP
BB&T Insurance Services Inc	Defendant	Squire Sanders & Dempsey LLP
Benefits Commerce	Defendant	Patterson Belknap Webb & Tyler LLP Duckor Spradling Metzger & Wynne Novack & Macey LLP Hancock Rothert & Bunshoft LLP
Berkshire Hathaway Inc	Defendant	Munger Tolles & Olson LLP Budd Larner
Berkshire Hathaway Insurance Group	Defendant	
Birmingham Fire Insurance Co of PA	Defendant	Paul Weiss Rifkind Wharton & Garrison LLP
Branch Banking & Trust Co	Defendant	Squire Sanders & Dempsey LLP
Brown & Brown Inc	Defendant	Paul Hastings Janofsky & Walker LLP
Chicago Insurance Co	Defendant	McDermott Will & Emery
Chubb Corp	Defendant	Hogan & Hartson LLP
CNA Financial Corp	Defendant	Wildman Harrold Allen & Dixon Carella Byrne Bain Gilfallan Cecchi Stewart & Olstein PC
Commerce & Industry Insurance Co	Defendant	Paul Weiss Rifkind Wharton & Garrison LLP
Continental Casualty Co	Defendant	Wildman Harrold Allen & Dixon Carella Byrne Bain Gilfallan Cecchi Stewart & Olstein PC
Continental Insurance Group	Defendant	Wildman Harrold Allen & Dixon
Crum & Forster Holdings Corp	Defendant	Landman Corsi Ballaine & Ford PC
CV Starr & Co	Defendant	Boies Schiller & Flexner LLP Starnes & Atchison LLP
Discover Re Managers Inc	Defendant	Bingham McCutchen LLP
Discover Reinsurance Company	Defendant	Bingham McCutchen LLP Copeland Cook Taylor & Bush PA
Discovery Managers Ltd	Defendant	Bingham McCutchen LLP Copeland Cook Taylor & Bush PA

Douglas P Cox	Defendant	Patterson Belknap Webb & Tyler LLP Duckor Spradling Metzger & Wynne Novack & Macey LLP Hancock Rothert & Bunshoft LLP
Empire Fire & Marine Insurance Co	Defendant	LeBoeuf Lamb Greene & MacRae LLP
Empire Indemnity Insurance Co	Defendant	LeBoeuf Lamb Greene & MacRae LLP
Executive Risk Indemnity Inc	Defendant	Hogan & Hartson LLP
Federal Insurance Co	Defendant	Hogan & Hartson LLP
Fidelity & Deposit Co of Maryland	Defendant	LeBoeuf Lamb Greene & MacRae LLP
Fireman's Fund Insurance Co	Defendant	McDermott Will & Emery
First Market International Inc	Defendant	King Blackwell & Downs PA
General Re Corp	Defendant	Budd Larner
General Reinsurance Corp	Defendant	Budd Larner
Greenwich Insurance Co	Defendant	Cahill Gordon & Reindel LLP Farrell & Thurman PC
Gulf Insurance Co	Defendant	Simpson Thacher & Bartlett LLP
Hartford Fidelity & Bonding	Defendant	Buchanan Ingersoll PC
Hartford Financial Services Group	Defendant	Wilmer Cutler Pickering Hale & Dorr LLP Akerman Senterfitt Buchanan Ingersoll PC Schiff Hardin LLP
Hartford Fire Insurance Co	Defendant	Wilmer Cutler Pickering Hale & Dorr LLP Akerman Senterfitt Schiff Hardin LLP
Hartford Insurance Co of the Southeast	Defendant	Wilmer Cutler Pickering Hale & Dorr LLP Akerman Senterfitt
Hartford Steam Boiler Inspection & Insurance Co	Defendant	Paul Weiss Rifkind Wharton & Garrison LLP Willkie Farr & Gallagher LLP

Hartford Underwriter Insurance Co	Defendant	Wilmer Cutler Pickering Hale & Dorr LLP Akerman Senterfitt
Healthcare Providers Service Organization	Defendant	Susman Godfrey LLP Kirkpatrick & Lockhart Nicholson Graham LLP
Hilb Rogal & Hobbs Inc	Defendant	Hunton & Williams LLP Gibbons PC
Hub International Ltd	Defendant	Shearman & Sterling LLP
Illinois Union Insurance Co	Defendant	
Indemnity Insurance Co North America	Defendant	
Indian Harbor Insurance Co	Defendant	Cahill Gordon & Reindel LLP Farrell & Thurman PC
Insurance Co of the State of Pennsylvania	Defendant	Paul Weiss Rifkind Wharton & Garrison LLP Starnes & Atchison LLP
Insurance Company of the State of Pennsylvania	Defendant	
Joseph E Lampen	Defendant	Willkie Farr & Gallagher LLP
Lexington Insurance Co	Defendant	Paul Weiss Rifkind Wharton & Garrison LLP
Liberty Mutual Fire Insurance Co	Defendant	Vinson & Elkins LLP Kornstein Veisz Wexler & Pollard LLP
Liberty Mutual Holding Co	Defendant	Vinson & Elkins LLP Kornstein Veisz Wexler & Pollard LLP
Liberty Mutual Insurance Co	Defendant	Vinson & Elkins LLP Kornstein Veisz Wexler & Pollard LLP
Mark A Smith	Defendant	Willkie Farr & Gallagher LLP
Marsh & McLennan Inc	Defendant	Butler Snow O'Mara Stevens & Cannada PLLC
Marsh Inc	Defendant	McCarter & English LLP Willkie Farr & Gallagher LLP Freeborn & Peters LLP Jackson Walker LLP Butler Snow O'Mara Stevens & Cannada PLLC

		Anania Bandklayder Blackwell Torricella & Stein
Marsh USA Inc	Defendant	McCarter & English LLP Willkie Farr & Gallagher LLP Freeborn & Peters LLP Jackson Walker LLP Butler Snow O'Mara Stevens & Cannada PLLC Anania Bandklayder Blackwell Torricella & Stein
Mercer Human Resources Consulting Inc	Defendant	Wolff & Samson PC Jackson Walker LLP
Mercer Human Resources Consulting of Texas Inc	Defendant	Wolff & Samson PC Jackson Walker LLP
Metlife Inc	Defendant	Sedgwick Detert Moran & Arnold LLP Wolff & Samson PC Duane Morris LLP Unger Law Group PL
Mt Hawley Insurance Co	Defendant	King & Spalding LLP
Munich Re Group	Defendant	Shearman & Sterling LLP
Munich Reinsurance Co	Defendant	
Munich-American Risk Partners Inc	Defendant	Dewey Ballantine LLP Grais & Ellsworth LLP
National Financial Partners Corp	Defendant	Skadden Arps Slate Meagher & Flom LLP
National Financial Partners Inc	Defendant	Skadden Arps Slate Meagher & Flom LLP
National Surety Corp	Defendant	McDermott Will & Emery
National Union Fire Insurance Co of Louisiana	Defendant	Paul Weiss Rifkind Wharton & Garrison LLP
National Union Fire Insurance Co of Pittsburgh PA	Defendant	Paul Weiss Rifkind Wharton & Garrison LLP Willkie Farr & Gallagher LLP
New Hampshire Insurance Co	Defendant	Paul Weiss Rifkind Wharton & Garrison LLP

Nutmeg Life Insurance Co	Defendant	Buchanan Ingersoll PC
Pacific Insurance Co Ltd	Defendant	Buchanan Ingersoll PC
Property & Casualty Insurance Company of Hartford	Defendant	Wilmer Cutler Pickering Hale & Dorr LLP Buchanan Ingersoll PC Schiff Hardin LLP
Prudential Financial Inc	Defendant	Lowenstein Sandler PC Unger Law Group PL
Prudential Insurance Company of America Inc	Defendant	Lowenstein Sandler PC
RLI Corp	Defendant	King & Spalding LLP
RLI Insurance Corp	Defendant	King & Spalding LLP
Seabury & Smith Inc	Defendant	Willkie Farr & Gallagher LLP
St Paul Fire & Marine Insurance Co	Defendant	Willkie Farr & Gallagher LLP
St Paul Mercury Insurance Co	Defendant	Willkie Farr & Gallagher LLP
St Paul Travelers Companies Inc	Defendant	Simpson Thacher & Bartlett LLP
Steadfast Insurance Co	Defendant	LeBoeuf Lamb Greene & MacRae LLP
Stewart Smith Group	Defendant	
Summit Global Partners of Florida Inc	Defendant	
Travelers Casualty & Surety Co of America	Defendant	Paul Weiss Rifkind Wharton & Garrison LLP Willkie Farr & Gallagher LLP
Travelers Indemnity Co	Defendant	Paul Weiss Rifkind Wharton & Garrison LLP Willkie Farr & Gallagher LLP
Twin City Fire Insurance Co	Defendant	Buchanan Ingersoll PC
United States Fidelity & Guarnaty Speciality Insurance Company	Defendant	Bingham McCutchen LLP
United States Fideltity & Guaranty Co	Defendant	Bingham McCutchen LLP Copeland Cook Taylor & Bush PA
United States Fire Insurance Co	Defendant	Landman Corsi Ballaine & Ford PC
Universal Life Resources	Defendant	Patterson Belknap Webb & Tyler LLP Duckor Spradling Metzger & Wynne

		Novack & Macey LLP Hancock Rothert & Bunshoft LLP
Unumprovident Corp	Defendant	Paul Hastings Janofsky & Walker LLP Perkins Coie Ogden & Sullivan PA McElroy Deutsch Mulvaney & Carpenter LLP
USI Holdings Corp	Defendant	Akin Gump Strauss Hauer & Feld LLP
USI Insurance Services of Florida	Defendant	Akin Gump Strauss Hauer & Feld LLP
Vigilant Insurance Co	Defendant	Hogan & Hartson LLP
Wausau Underwriters Insurance Co	Defendant	Vinson & Elkins LLP Kornstein Veisz Wexler & Pollard LLP
Wells Fargo	Defendant	DLA Piper Rudnick Gray Cary LLP
Westchester Surplus Lines Insurance Co	Defendant	
Willis Group Holdings Ltd	Defendant	Sullivan & Cromwell LLP
Willis Group Ltd	Defendant	Sullivan & Cromwell LLP
Willis North America Inc	Defendant	Sullivan & Cromwell LLP
Willis of New York Inc	Defendant	
Willis Re Inc	Defendant	
XL Capital Ltd	Defendant	Cahill Gordon & Reindel LLP Farrell & Thurman PC
Zurich American Insurance Co	Defendant Terminated: 2007-02-16	Katten Muchin Zavis & Rosenman LeBoeuf Lamb Greene & MacRae LLP
Zurich Financial Services Group	Defendant Terminated: 2007-02-16	LeBoeuf Lamb Greene & MacRae LLP

In re American International Group Inc Securities Litigation

Docket	1:04-cv-08141-LTS	Case began	2004-10-15	Categories	Accounting Malpractice Class Action Financial Reporting Securities Law (NOS 850)
		Case ended			
Court	New York Southern District Court	Exposure began	1999-10-28		
		Exposure ended	2004-10-13	Additional References	LR 20492 LR 19867

Judge	Laura Taylor Swain	Claim			LR 19514 AAER 2508
		Settlement			

Beginning in October 2004, a number of putative securities fraud class action suits were filed against AIG and consolidated as In re American International Group, Inc. Securities Litigation. Subsequently, a separate, though similar, securities fraud action was also brought against AIG by certain Florida pension funds. The lead plaintiff in the class action is a group of public retirement systems and pension funds benefiting Ohio state employees, suing on behalf of themselves and all purchasers of AIG's publicly traded securities between October 28, 1999 and April 1, 2005. The named defendants are AIG and a number of present and former AIG officers and directors, as well as Starr, SICO, General Reinsurance Corporation, and PricewaterhouseCoopers LLP (PwC), among others. The lead plaintiff alleges, among other things, that AIG: (1) concealed that it engaged in anti-competitive conduct through alleged payment of contingent commissions to brokers and participation in illegal bid-rigging; (2) concealed that it used “income smoothing” products and other techniques to inflate its earnings; (3) concealed that it marketed and sold “income smoothing” insurance products to other companies; and (4) misled investors about the scope of government investigations. In addition, the lead plaintiff alleges that AIG's former Chief Executive Officer manipulated AIG's stock price. The lead plaintiff asserts claims for violations of Sections 11 and 15 of the Securities Act, Section 10(b) of the Exchange Act, and Rule 10b-5 promulgated thereunder, Section 20(a) of the Exchange Act, and Section 20A of the Exchange Act. In April 2006, the court denied the defendants' motions to dismiss the second amended class action complaint and the Florida complaint. In December 2006, a third amended class action complaint was filed, which does not differ substantially from the prior complaint. Fact and class discovery is currently ongoing.

Party		Representation
Ohio Public Employees Retirement System	Plaintiff (Lead)	Labaton Sucharow & Rudoff LLP
Ohio State Funds	Plaintiff (Lead)	Labaton Sucharow & Rudoff LLP
Public Employees Retirement Association of New Mexico	Plaintiff (Lead)	
Michael Feder	Plaintiff	Meredith Cohen Greenfogel & Skirnick PC Lerach Coughlin Stoia Geller Rudman & Robbins
American International Group Inc	Defendant (Lead)	Paul Weiss Rifkind Wharton & Garrison LLP
AXA Financial Inc	Defendant	
Axel I Freudmann	Defendant	
Christian Milton	Defendant	
Citigroup Global Market f/k/a Salomon Smith Barney	Defendant	
Corinne P Greenberg	Defendant	
CV Starr & Co Inc	Defendant	Boies Schiller & Flexner LLP
Donald P Kanak	Defendant	
Eli Broad	Defendant	Mayer Brown LLP Morrison & Foerster LLP
Evan Greenberg		

	Defendant Terminated: 2006-06-20	Schindler Cohen & Hochman LLP
Frank J Hoenemeyer	Defendant	Simpson Thacher & Bartlett LLP
General Reinsurance Corp	Defendant	Arnold & Porter LLP Munger Tolles & Olson LLP
Goldman Sachs & Co	Defendant	
Howard Smith	Defendant	Winston & Strawn LLP
John A Graf	Defendant	Mayer Brown LLP
JP Morgan Chase & Co	Defendant	
Martin J Sullivan	Defendant	Paul Weiss Rifkind Wharton & Garrison LLP Wachtell Lipton Rosen & Katz
Maurice Greenberg	Defendant	Boies Schiller & Flexner LLP Skadden Arps Slate Meagher & Flom LLP
Maurice R Hank Greenberg	Defendant	
Merrill Lynch & Co	Defendant	Sidley Austin LLP
Michael J Castelli	Defendant	Dechert LLP
Michael L Murphy	Defendant	Williams & Connolly LLP
Morgan Stanley	Defendant	
Patricia R McCann	Defendant	
PricewaterhouseCoopers LLP	Defendant	Cravath Swaine & Moore LLP
Richard A Grosiak	Defendant	
Richard Napier	Defendant	Levett Rockwood PC
Richmond Insurance Co	Defendant	Paul Weiss Rifkind Wharton & Garrison LLP
Ronald Ferguson	Defendant	Cadwalader Wickersham & Taft LLP
Starr International Co	Defendant	Boies Schiller & Flexner LLP
Thomas Tizzio	Defendant Terminated: 2005-12-15	Paul Weiss Rifkind Wharton & Garrison LLP Kobre & Kim LLP
Union Excess Reinsurance Co	Defendant	

		Jones Day
Wachovia Securities Inc	Defendant	Sidley Austin LLP

QLM Associates Inc v. Marsh & Mclennan Companies Inc et al

Docket	2:04-cv-05184-GEB-PS	Case began	2004-10-02	Categories	Antitrust & Trade Regulation (NOS 410) Class Action Multi District Litigation (MDL)
		Case ended			
Court	New Jersey District Court	Exposure began			
		Exposure ended		Additional References	LR 20492 LR 19867 LR 19514 AAER 2508
Judge	Patty Shwartz	Claim			
		Settlement			

Over twenty unrelated insurance brokers and insurers, are defendants in four putative class actions filed by alleged policyholders. Two of these actions were filed in the United States District Court for the Northern District of Illinois, one was filed in the United States District Court for the Northern District of California and one was filed in the United States District Court for the District of New Jersey. These actions assert, on behalf of a class of persons who purchased insurance through the broker defendants, claims arising from the conduct alleged in the New York Attorney General’s civil complaint against Marsh Inc. and Marsh & McLennan Companies, Inc.

Party		Representation
QLM Associates Inc	Plaintiff (Lead)	Lite DePalma Greenberg & Rivas LLC Doffermyre Shields Canfield Knowles & Devine LLC Trujillo Rodriguez & Richards LLC Zwerling Schachter & Zwerling LLP
David Boros	Plaintiff	Saveri & Saveri Inc
National Financial Partners Corporation	Defendant	
Ace Ina	Defendant	
Ace Ina Holdings Inc	Defendant	
Ace Limited	Defendant	
Ace USA	Defendant	
American International Group Inc	Defendant	
AON Brokers Services Inc	Defendant	Kirkland & Ellis LLP
AON Corporation	Defendant	Kirkland & Ellis LLP
AON Group Inc	Defendant	Kirkland & Ellis LLP
AON Risk Services Companies Inc	Defendant	Kirkland & Ellis LLP
AON Risk Services Inc US	Defendant	Kirkland & Ellis LLP
AON Services Group Inc	Defendant	

		Kirkland & Ellis LLP
Benefits Commerce	Defendant	
Branch Banking & Trust Corporation	Defendant	
Crum & Forster Holdings Corp	Defendant	Landman Corsi Ballaine & Ford PC
Douglas P Cox	Defendant	
Hartford Financial Services Group Inc	Defendant	
Marsh & McLennan Companies Inc	Defendant	McCarter & English LLP
Marsh Inc	Defendant	McCarter & English LLP
Marsh USA Inc	Defendant	McCarter & English LLP
Metlife Inc	Defendant	Sedgwick Detert Moran & Arnold LLP
Seabury & Smith Inc	Defendant	McCarter & English LLP
St Paul Travelers Cos Inc	Defendant	
Universal Life Resources	Defendant	
Universal Life Resources Inc	Defendant	
UnumProvident Corporation	Defendant	
Willis Group Holdings Ltd	Defendant	
Willis Group Ltd	Defendant	
Willis North America Inc	Defendant	
Zurich American Insurance Co	Defendant	

Opticare Health Systems Inc v. Marsh & McLennan Companies Inc et al

Docket	1:04-cv-06954-DC	Case began	2004-08-26	Categories	Class Action RICO (NOS 470)
		Case ended	2005-03-16		
Court	New York Southern District Court	Exposure began			
		Exposure ended		Additional References	LR 20492 LR 19867 LR 19514 AAER 2508
Judge	Denny Chin	Claim			
		Settlement			

On or about October 29, 2004, Brown & Brown, Inc. was served with a First Amended Complaint (the Complaint) in a putative class action lawsuit pending in the United States District Court for the Southern District of New York, styled OptiCareHealth Systems, Inc. v. Marsh &McLennan Companies, Inc., etal., Civil Action No. 04 CV 06954 (DC). The Complaint added Brown & Brown, Inc., as well as six other insurance intermediaries and four commercial insurance carriers and their affiliates, as defendants in a case initially filed against three of the largest U.S. insurance intermediaries (Marsh & McLennan, AON and Willis Group). The Complaint refers to an action that was filed against Marsh & McLennan by the New York State Attorney General on October 14, 2004 and alleges various improprieties and unlawful acts by the various defendants in the pricing and placement of insurance, including alleged manipulation of the market for insurance by, among other things: “bid rigging” and “steering” clients to particular insurers based on considerations other than the customers’ interests; alleged entry into unlawful tying arrangements pursuant to which the placement of primary insurance contracts was conditioned upon commitments to place reinsurance through a particular broker; and alleged failure to disclose contingent commission and other allegedly improper compensation and fee arrangements. The Complaint includes Brown & Brown, Inc. in a group together with the other defendant insurance intermediaries, and does not allege that any separate, specific act was committed only by Brown & Brown, Inc. The action asserts a number of causes of action, including violations of the federal antitrust laws, multiple state antitrust and unfair and deceptive practices statutes, and the federal anti-racketeering (RICO) statute, as well as breach of fiduciary duty, misrepresentation, conspiracy, aiding and abetting, and unjust enrichment, and seeks injunctive and declaratory relief. The Complaint also contains a separate breach of contract claim directed only at the Marsh & McLennan affiliates. The plaintiff, allegedly a client of a Marsh & McLennan subsidiary, seeks to represent a putative class consisting of all persons who, between August 26, 1994 and the date a class is certified in the case, engaged the services of any of the insurance intermediary defendants or any of their subsidiaries or affiliates, and who entered into or renewed a contract of insurance with any of the insurance carrier defendants. The plaintiff seeks unspecified damages, including treble damages, as well as attorneys’ fees and costs.

Party		Representation
Opticare Health Systems Inc	Plaintiff (Lead)	Milberg Weiss Bershad & Schulman Whatley Drake & Kallas LLC
Marsh & McLennan Companies Inc	Defendant (Lead)	Willkie Farr & Gallagher LLP
ACE INA Holdings Inc	Defendant	Susman Godfrey LLP Berg & Androphy
ACE Limited	Defendant	Susman Godfrey LLP Berg & Androphy
ACE USA	Defendant	Susman Godfrey LLP Berg & Androphy
Acordia Inc	Defendant	Oppenheimer Wolff & Donnelly LLP
American International Group Inc (AIG)	Defendant	Paul Weiss Rifkind Wharton & Garrison LLP
American International Specialty Lines Insurance Company	Defendant	
American Re Corp	Defendant	Heller Ehrman LLP
American Re-Insurance Co	Defendant	Heller Ehrman LLP
AON Brokers Services Inc	Defendant	Kirkland & Ellis LLP Kirkpatrick & Lockhart Preston Gates Ellis LLP
AON Corporation	Defendant	Kirkland & Ellis LLP Kirkpatrick & Lockhart Preston Gates Ellis LLP
Aon Group Inc	Defendant	Kirkland & Ellis LLP

AON Risk Services Companies Inc	Defendant	Kirkland & Ellis LLP Kirkpatrick & Lockhart Preston Gates Ellis LLP
AON Risk Services Inc US	Defendant	Kirkland & Ellis LLP Kirkpatrick & Lockhart Preston Gates Ellis LLP
AON Services Group Inc	Defendant	Kirkland & Ellis LLP Kirkpatrick & Lockhart Preston Gates Ellis LLP
Arthur J Gallagher & Co	Defendant	Winston & Strawn LLP
BB&T Corporation	Defendant	Squire Sanders & Dempsey LLP
BB&T Insurance Services Inc	Defendant	Squire Sanders & Dempsey LLP
Branch Banking & Trust Company	Defendant	Squire Sanders & Dempsey LLP
Hilb Rogal & Hobbs	Defendant	Hunton & Williams LLP Gregory & Adams PC
Lexington Insurance Company	Defendant	
Marsh Inc	Defendant	Willkie Farr & Gallagher LLP
Marsh USA Inc	Defendant	Willkie Farr & Gallagher LLP
Munich-American Risk Partners Inc	Defendant	
USI Holdings Corp	Defendant	Akin Gump Strauss Hauer & Feld LLP
Wells Fargo & Co	Defendant	Oppenheimer Wolff & Donnelly LLP
Willis Group Holdings Limited	Defendant	Sullivan & Cromwell LLP
Willis Group Limited	Defendant	Sullivan & Cromwell LLP
Willis North America Inc	Defendant	Sullivan & Cromwell LLP

Champps Entertainment Inc v. American International Group Inc et al

Docket	1:04-cv-11444-RWZ	Case began	2004-06-24	Categories	Insurance Law (NOS 110)
		Case ended	2005-03-28		
Court	Massachusetts District Court	Exposure began			
		Exposure ended		Additional References	LR 20492 LR 19867 LR 19514 AAER 2508
Judge	Rya W Zobel	Claim			

		Settlement			

In June 2004, Champps filed suit against AIG and National Union in the United States District Court for the District of Massachusetts based on the defendants' failure to release Champps from further liability under the insurance policies and for wrongfully withholding a $526,000 irrevocable standby letter of credit and a surety bond posted in the amount of $526,254 (the "Federal Court Action"). In August 2004, National Union filed a Petition to Compel Arbitration in the United States District Court for the Southern District of New York. In December 2004, the Court granted National Union's Petition to Compel Arbitration (the "National Union Arbitration").

In February 2005, Champps filed an Amended Complaint in the Federal Court Action, in which it named only AIG as a defendant. In March 2005, Champps withdrew its Amended Complaint in the Federal Court Action, and filed suit against AIG in state court in Massachusetts (the "State Court Action"). In July 2005, the Court granted AIG's motion to stay the State Court Action pending resolution of the National Union Arbitration in New York.

The National Union Arbitration is in its preliminary phase, and the Company intends to vigorously defend any claims of further liability. The Company has not yet conducted discovery on AIG's liability assertions.

Party		**Representation**
Champps Entertainment Inc	Plaintiff (Lead)	
American International Group Inc	Defendant (Lead)	Taylor Duane Barton & Gilman LLP
National Union Fire Insurance Company of Pittsburg PA	Defendant	Taylor Duane Barton & Gilman LLP

SEC v. Brightpoint Inc et al

Docket	2:03-cv-07045-HB	Case began	2003-09-11	Categories	Accounting and Auditing Enforcement Release Securities Law (NOS 850)
		Case ended	2007-07-06		
Court	New York Southern District Court	Exposure began			
		Exposure ended		Additional References	LR 20492 LR 19867 LR 19514 AAER 2508
Judge	Harold Baer	Claim			
		Settlement	$10,645,000		

The Securities and Exchange Commission announced that on July 6, 2007, following a jury verdict, the United States District Court for the Southern District of New York entered a Final Judgment against Timothy Harcharik (Harcharik), former director of risk management for Brightpoint, Inc. (Brightpoint) enjoining Harcharik for a period of five years from future violations of the antifraud, books-and-records, and internal controls provisions of the federal securities laws and ordering him to pay $50,000 in civil penalties. This final judgment follows a jury verdict on May 25, 2007, in favor of the Commission, rendered after a four-day trial before the Honorable Harold Baer, Jr., United States District Judge for the Southern District of New York. Harcharik played a key role in a fraudulent scheme involving a purported insurance policy that enabled Brightpoint to conceal $11.9 million in losses that it sustained in 1998.

The final judgment entered against Harcharik concludes the Commission's litigation in this matter. Previously, all of the defendants except Harcharik had agreed to settle the Commission's charges. In connection with the settlements, AIG paid a civil penalty of $10 million, Brightpoint paid a civil penalty of $450,000, Delaney paid a civil penalty of $100,000 and consented to the entry of a Final Judgment that permanently enjoined him from future violations of the securities laws and permanently barred him from serving as an officer or director of any public company, and Brightpoint's former chief financial officer, Phillip Bounsall (Bounsall), agreed to pay a civil penalty of $45,000.

Party		Representation
Securities & Exchange Commission	Plaintiff (Lead)	
Brightpoint Inc (Settled for $450,000)	Defendant (Lead) Terminated: 2003-09-24	
American International Group Inc (Settled for $10,000,000)	Defendant Terminated: 2003-09-24	
John Delaney (Settled for $100,000)	Defendant Terminated: 2003-09-24	
Phillip Bounsall (Settled for $45,000)	Defendant Terminated: 2003-09-24	
Timothy Harcharik (Settled for $50,000)	Defendant	Lustig & Brown LLP

Auditor Letters

None found.

Internal Controls

10-K 2007 Auditor - Internal Control Opinion

Note: The auditor combined their financial statement and internal control opinion.

American International Group, Inc. and Subsidiaries Report of Independent Registered Public Accounting Firm To the Board of Directors and Shareholders of American International Group, Inc.: In our opinion, the consolidated financial statements listed in the accompanying index present fairly, in all material respects, the financial position of American International Group, Inc. and its subsidiaries (AIG) at December 31, 2007 and 2006, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2007 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedules listed in the accompanying index present fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. Also in our opinion, AIG did not maintain, in all material respects, effective internal control over financial reporting as of December 31, 2007, based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) because a material weakness in internal control over financial reporting related to the AIGFP super senior credit default swap portfolio valuation process and oversight thereof existed as of that date. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis. The material weakness referred to above is described in Management's Report on Internal Control Over Financial Reporting appearing under Item 9A. We considered this material weakness in determining the nature, timing, and extent of audit tests applied in our audit of the 2007 consolidated financial statements, and our opinion regarding the effectiveness of AIG's internal control over financial reporting does not affect our opinion on those consolidated financial statements. AIG's management is responsible for these financial statements and financial statement schedules, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in management's report referred to above. Our responsibility is to express opinions on these financial statements, on the financial statement schedules, and on AIG's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions. As described in Note 1 to the consolidated financial statements, as of January 1, 2007, AIG changed the manner in which it accounts for internal replacements of certain insurance and investment contracts, uncertainty in income taxes, and changes or projected changes in the timing of cash flows relating to income taxes generated by leveraged lease transactions. As described in Notes 1 and 17 to the consolidated financial statements, AIG changed its accounting for certain hybrid financial instruments, life settlement contracts and share based compensation as of January 1, 2006, and certain employee benefit plans as of December 31, 2006. A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. PricewaterhouseCoopers LLP New York, New York February 28, 2008

10-K 2007 Management - Internal Control Assessment

Management's Report on Internal Control Over Financial Reporting Management of AIG is responsible for establishing and maintaining adequate internal control over financial reporting. AIG's internal control over financial reporting is a process, under the supervision of AIG's Chief Executive Officer and Chief Financial Officer, designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of AIG's financial statements for external purposes in accordance with GAAP. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. AIG management conducted an assessment of the effectiveness of AIG's internal control over financial reporting as of December 31, 2007 based on the criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of AIG's annual or interim financial statements will not be prevented or detected on a timely basis. AIG management has concluded that, as of December 31, 2007, the following material weakness existed relating to the fair value valuation of the AIGFP super senior credit default swap portfolio. As of December 31, 2007, controls over the AIGFP super senior credit default swap portfolio valuation process and oversight thereof were not effective. AIG had insufficient resources to design and carry out effective controls to prevent or detect errors and to determine appropriate disclosures on a timely basis with respect to the processes and models introduced in the fourth quarter of 2007. As a result, AIG had not fully developed its controls to assess, on a timely basis, the relevance to its valuation of all third party information. Also, controls to permit the appropriate oversight and monitoring of the AIGFP super senior credit default swap portfolio valuation process, including timely sharing of information at the appropriate levels of the organization, did not operate effectively. As a result, controls over the AIGFP super senior credit default swap portfolio valuation process and oversight thereof were not adequate to prevent or detect misstatements in the accuracy of management's fair value estimates and disclosures on a timely basis, resulting in adjustments for purposes of AIG's December 31, 2007 consolidated financial statements. In addition, this deficiency could result in a misstatement in management's fair value estimates or disclosures that could be material to AIG's annual or interim consolidated financial statements that would not be prevented or detected on a timely basis. Solely as a result of the material weakness in internal control over the fair value valuation of the AIGFP super senior credit default swap portfolio described above, AIG management has concluded that, as of December 31, 2007, AIG's internal control over financial reporting was not effective based on the criteria in Internal Control — Integrated Framework issued by the COSO. The effectiveness of AIG's internal control over financial reporting as of December 31, 2007 has been audited by PricewaterhouseCoopers LLP, an independent registered public 202 AIG 2007 Form 10-K

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American International Group, Inc. and Subsidiaries accounting firm, as stated in their report, which is included in this Annual Report on Form 10-K. Remediation of Prior Material Weakness in Internal Control Over Financial Reporting AIG has been actively engaged in the implementation of remediation efforts to address the material weakness in controls over income tax accounting that was in existence at December 31, 2006. These remediation efforts, outlined below, are specifically designed to address the material weakness identified by AIG management. As a result of its assessment of the effectiveness of internal control over financial reporting, AIG management determined that as of December 31, 2007, the material weakness relating to the controls over income tax accounting no longer existed. AIG's remediation efforts were governed by a Steering Committee, under the direction of AIG's Chief Risk Officer and included AIG's Chief Executive Officer, Chief Financial Officer and Comptroller. The status of remediation was reviewed with the Audit Committee who was advised of issues encountered and key decisions reached by AIG management. As of December 31, 2006, AIG did not maintain effective controls over the determination and reporting of certain components of the provision for income taxes and related income tax balances. Specifically, AIG did not maintain effective controls to review and monitor the accuracy of the components of the income tax provision calculations and related income tax balances and to monitor the differences between the income tax basis and the financial reporting basis of assets and liabilities to effectively reconcile the differences to the deferred income tax balances. During 2007, AIG management took the following actions to remediate this material weakness: • Implemented standard key controls to review and monitor the income tax provision and related income tax balances at applicable AIG business units globally and parent company, and conducted testing of these controls to verify their effectiveness, • Completed the evaluation and reconciliation of certain historical balance sheet income tax accounts at applicable AIG business units globally and parent company, as well as a more detailed financial statement exposure analysis of income tax balances, • Hired additional qualified staff, including Tax Directors and Tax Accountants, at designated business units globally and parent company, and • Continued the development and dissemination of income tax accounting training and education programs at parent company and business unit levels through site visits and training conferences.

AIG continues to develop further enhancements to its controls over income tax accounting at certain business units. Based upon the significant actions taken and the testing and evaluation of the effectiveness of the controls, AIG management has concluded the material weakness in AIG's controls over income tax accounting no longer existed as of December 31, 2007. Continuing Remediation AIG is actively engaged in the development and implementation of a remediation plan to address the material weakness in controls over the fair value valuation of the AIGFP super senior credit default swap portfolio and oversight thereof as of December 31, 2007. The components of this remediation plan, once implemented, are intended to ensure that the key controls over the valuation process are operating effectively and are sustainable. These components include assigning dedicated and experienced resources at AIGFP with the responsibility for valuation, enhancing the technical resources at AIG over the valuation of the super senior credit default swap portfolio and strengthening corporate oversight over the valuation methodologies and processes. AIG management continues to assign the highest priority to AIG's remediation efforts in this area, with the goal of remediating this material weakness by year-end 2008. AIG'S remediation efforts will be governed by a Steering Committee under the direction of AIG's Chief Risk Officer and also including AIG's Chief Executive Officer, Chief Financial Officer and Comptroller. The status of remediation of the material weakness will be reviewed with the Audit Committee and this Committee will be advised of issues encountered and key decisions reached by AIG management relating to the remediation efforts. Notwithstanding the existence of this material weakness in internal control over financial reporting relating to the fair value valuation of the AIGFP super senior credit default swap portfolio, due to the substantive alternative procedures performed and compensating controls introduced after December 31, 2007, AIG believes that the consolidated financial statements fairly present, in all material respects, AIG's consolidated financial condition as of December 31, 2007 and 2006, and consolidated results of its operations and cash flows for the years ended December 31, 2007, 2006 and 2005, in conformity with GAAP. AIG recognizes that continued improvement in its internal controls over financial reporting and consolidation processes, investment accounting, reinsurance accounting and income tax accounting, is necessary. Over time, AIG intends to reduce its reliance on certain manual controls that have been established. AIG is currently developing new systems and processes which will allow it to rely on front-end preventive and detective controls which will be more sustainable over the long term. To accomplish its goals, AIG recognizes its need to continue strengthening and investing in financial personnel, systems and processes. AIG is committed to continuing the significant investments over the next several years necessary to make these improvements. Changes in Internal Control over Financial Reporting Changes in AIG's internal control over financial reporting during the quarter ended December 31, 2007 that have materially affected, or are reasonably likely to materially affect, AIG's internal control over financial reporting have been described above.

10-K 2006 Auditor - Internal Control Opinion

Note: The auditor combined their financial statement and internal control opinion.

Report of Independent Registered Public Accounting Firm To the Board of Directors and Shareholders of American International Group, Inc.: We have completed integrated audits of American International Group, Inc.'s consolidated financial statements and of its internal control over financial reporting as of December 31, 2006, in accordance with the standards of the Public Company Accounting Oversight Board (United States). Our opinions, based on our audits, are presented below. Consolidated Financial Statements and Financial Statement Schedules In our opinion, the consolidated financial statements listed in the accompanying index present fairly, in all material respects, the financial position of American International Group, Inc. and its subsidiaries (AIG) at December 31, 2006 and 2005, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2006 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedules listed in the accompanying index present fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. These financial statements and financial statement schedules are the responsibility of AIG's management. Our responsibility is to express an opinion on these financial statements and financial statement schedules based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion. As described in Notes 1, 14 and 15 to the consolidated financial statements, AIG changed its accounting for certain hybrid financial instruments, life settlement contracts and share based compensation as of January 1, 2006, and certain employee benefit plans as of December 31, 2006. Internal Control Over Financial Reporting Also, we have audited management's assessment, included in Management's Report on Internal Control Over Financial Reporting appearing under Item 9A, that AIG did not maintain effective internal control over financial reporting as of December 31, 2006 because of the effect of the material weakness relating to controls over income tax accounting, based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). AIG's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express opinions on management's assessment and on the effectiveness of AIG's internal control over financial reporting based on our audit. We conducted our audit of internal control over financial reporting in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. An audit of internal control over financial reporting includes obtaining an understanding of internal control over financial reporting, evaluating management's assessment, testing and evaluating the design and operating effectiveness of internal control, and performing such other procedures as we consider necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinions. A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. A material weakness is a control deficiency, or a combination of control deficiencies, that results in more than a remote likelihood that a material misstatement of the annual or interim financial statements will not be prevented or detected. As of December 31, 2006, a material weakness relating to the controls over income tax accounting has been identified and included in management's assessment. Controls over income tax accounting: AIG did not maintain effective controls over the determination and reporting of certain components of the provision for income taxes and related income tax balances. Specifically, AIG did not maintain effective controls to review and monitor the accuracy of the components of the income tax provision calculations and related income tax balances and to monitor the differences between the income tax basis and the financial reporting basis of assets and liabilities to effectively 100 AIG 2006 Form 10-K

American International Group, Inc. and Subsidiaries Report of Independent Registered Public Accounting Firm Continued reconcile the differences to the deferred income tax balances. These control deficiencies resulted in adjustments to income tax expense, income taxes payable and deferred income tax asset and liability accounts in the 2006 annual and interim consolidated financial statements. Furthermore, these control deficiencies could result in a material misstatement of the annual or interim AIG consolidated financial statements that would not be prevented or detected. Accordingly, AIG management has concluded that these control deficiencies constitute a material weakness. This material weakness was considered in determining the nature, timing, and extent of audit tests applied in our audit of the 2006 consolidated financial statements, and our opinion regarding the effectiveness of AIG's internal control over financial reporting does not affect our opinion on those consolidated financial statements. In our opinion, management's assessment that AIG did not maintain effective internal control over financial reporting as of December 31, 2006 is fairly stated, in all material respects, based on criteria established in Internal Control — Integrated Framework issued by the COSO. Also, in our opinion, because of the effect of the material weakness described above on the achievement of the objectives of the control criteria, AIG has not maintained effective internal control over financial reporting as of December 31, 2006, based on criteria established in Internal Control — Integrated Framework issued by the COSO. PricewaterhouseCoopers LLP New York, New York March 1, 2007

10-K 2006 Management - Internal Control Assessment

Management's Report on Internal Control Over Financial Reporting Management of AIG is responsible for establishing and maintaining adequate internal control over financial reporting. AIG's internal control over financial reporting is a process, under the supervision of AIG's Chief Executive Officer and Chief Financial Officer, designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of AIG's financial statements for external purposes in accordance with GAAP. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate. AIG management conducted an assessment of the effectiveness of AIG's internal control over financial reporting as of December 31, 2006 based on the criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). A material weakness is a control deficiency, or a combination of control deficiencies, that results in more than a remote likelihood that a material misstatement of AIG's annual or interim financial statements will not be prevented or detected. AIG management has concluded that, as of December 31, 2006, the material weakness relating to the controls over income tax accounting was not fully remediated. Controls over income tax accounting: AIG did not maintain effective controls over the determination and reporting of certain components of the provision for income taxes and related income tax balances. Specifically, AIG did not maintain effective controls to review and monitor the accuracy of the components of the income tax provision calculations and related income tax balances and to monitor the differences between the income tax basis and the financial reporting basis of assets and liabilities to effectively reconcile the differences to the deferred income tax balances. These control deficiencies resulted in adjustments to income tax expense, income taxes payable and deferred income tax asset and liability accounts in the 2006 annual and interim consolidated financial statements. Furthermore, these control deficiencies could result in a material misstatement of the annual or interim Form 10-K 2006 AIG 177

AIG consolidated financial statements that would not be prevented or detected. Accordingly, AIG management has concluded that these control deficiencies constitute a material weakness. As a result of the material weakness in internal control over financial reporting described above, AIG management has concluded that, as of December 31, 2006, AIG's internal control over financial reporting was not effective based on the criteria in Internal Control — Integrated Framework issued by the COSO. Management's assessment of the effectiveness of AIG's internal control over financial reporting as of December 31, 2006 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report, which is included in this Annual Report on Form 10-K.

10-K 2005 Auditor - Internal Control Opinion

Note: The auditor combined their financial statement and internal control opinion.

Report of Independent Registered Public Accounting Firm To the Board of Directors and Shareholders of American International Group, Inc.: We have completed integrated audits of American International Group, Inc.'s 2005 and 2004 consolidated financial statements and of its internal control over financial reporting as of December 31, 2005, and an audit of its 2003 consolidated financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Our opinions, based on our audits, are presented below. Consolidated financial statements and financial statement schedules In our opinion, the consolidated financial statements listed in the accompanying index present fairly, in all material respects, the financial position of American International Group, Inc. and its subsidiaries (AIG) at December 31, 2005 and 2004, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2005 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedules listed in the accompanying index present fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. These financial statements and financial statement schedules are the responsibility of AIG's management. Our responsibility is to express an opinion on these financial statements and financial statement schedules based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion. As described in Note 21 to the consolidated financial statements, AIG changed its accounting for certain non-traditional long duration contracts and for separate accounts as of January 1, 2004. Internal control over financial reporting Also, we have audited management's assessment, included in Management's Report on Internal Control Over Financial Reporting appearing under Item 9A, that AIG did not maintain effective internal control over financial reporting as of December 31, 2005 because of the effect of the material weaknesses relating to (1) controls over certain balance sheet reconciliations, (2) controls over the accounting for certain derivative transactions and (3) controls over income tax accounting, based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). AIG's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express opinions on management's assessment and on the effectiveness of AIG's internal control over financial reporting based on our audit. We conducted our audit of internal control over financial reporting in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. An audit of internal control over financial reporting includes obtaining an understanding of internal control over financial reporting, evaluating management's assessment, testing and evaluating the design and operating effectiveness of internal control, and performing such other procedures as we consider necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinions. A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. A material weakness is a control deficiency, or a combination of control deficiencies, that results in more than a remote likelihood that a material misstatement of the annual or interim financial statements will not be prevented or detected. As of December 31, 2005, the following material weaknesses have been identified and included in management's assessment. Controls over certain balance sheet reconciliations: AIG did not maintain effective controls to ensure the accuracy of certain balance sheet accounts in certain key segments of AIG's operations, principally in the Domestic Brokerage Group. Specifically, accounting personnel did not perform timely reconciliations and did not properly resolve reconciling items for premium receivables, reinsurance recoverables and in- 70 AIG - Form 10-K

AMERICAN INTERNATIONAL GROUP, INC. AND SUBSIDIARIES tercompany accounts. As a result, premiums and other considerations, incurred policy losses and benefits, insurance acquisition and other operating expenses, premiums and insurance balances receivable, reinsurance assets, reserve for losses and loss expenses, reserve for unearned premiums, other assets and retained earnings were misstated under GAAP. Controls over the accounting for certain derivative transactions: AIG did not maintain effective controls over the evaluation and documentation of whether certain derivative transactions qualified under GAAP for hedge accounting. As a result, net investment income, realized capital gains (losses), other revenues, accumulated other comprehensive income (loss) and related balance sheet accounts were misstated under GAAP. Controls over income tax accounting: AIG did not maintain effective controls over the determination and reporting of certain components of the provision for income taxes and related deferred income tax balances. Specifically, AIG did not maintain effective controls to review and monitor the accuracy of the components of the income tax provision calculations and related income tax balances and to monitor the differences between the income tax basis and the financial reporting basis of assets and liabilities to effectively reconcile the differences to the deferred income tax balances. As a result, income tax expense, income taxes payable, deferred income tax assets and liabilities, retained earnings and accumulated other comprehensive income were misstated under GAAP. The control deficiencies described above resulted in the restatement in 2005 of AIG's 2004, 2003 and 2002 annual consolidated financial statements and financial statement schedules and the interim consolidated financial statements for each quarter in 2004 and 2003 and for each of the first three quarters in 2005. In addition, these control deficiencies could result in other misstatements to the aforementioned financial statement accounts and disclosures that would result in a material misstatement to the annual or interim AIG consolidated financial statements that would not be prevented or detected. Accordingly, AIG management has concluded that these control deficiencies constitute material weaknesses. These material weaknesses were considered in determining the nature, timing, and extent of audit tests applied in our audit of the 2005 consolidated financial statements, and our opinion regarding the effectiveness of AIG's internal control over financial reporting does not affect our opinion on those consolidated financial statements. In our opinion, management's assessment that AIG did not maintain effective internal control over financial reporting as of December 31, 2005, is fairly stated, in all material respects, based on criteria established in Internal Control — Integrated Framework issued by the COSO. Also, in our opinion, because of the effects of the material weaknesses described above on the achievement of the objectives of the control criteria, AIG has not maintained effective internal control over financial reporting as of December 31, 2005, based on criteria established in Internal Control — Integrated Framework issued by the COSO. PricewaterhouseCoopers LLP New York, New York March 16, 2006

10-K 2005 Management - Internal Control Assessment

Management's Report on Internal Control Over Financial Reporting Management of AIG is responsible for establishing and maintaining adequate internal control over financial reporting. AIG's internal control over financial reporting is a process, under the supervision of AIG's Chief Executive Officer and Chief Financial Officer, designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of AIG's financial statements for external purposes in accordance with GAAP. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate. AIG management conducted an assessment of the effectiveness of AIG's internal control over financial reporting as of AIG - Form 10-K 139

December 31, 2005 based on the criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). A material weakness is a control deficiency, or a combination of control deficiencies, that results in more than a remote likelihood that a material misstatement of AIG's annual or interim financial statements will not be prevented or detected. AIG management has concluded that, as of December 31, 2005, the following material weaknesses in internal control over financial reporting remained: Controls over certain balance sheet reconciliations: AIG did not maintain effective controls to ensure the accuracy of certain balance sheet accounts in certain key segments of AIG's operations, principally in the Domestic Brokerage Group. Specifically, accounting personnel did not perform timely reconciliations and did not properly resolve reconciling items for premium receivables, reinsurance recoverables and intercompany accounts. As a result, premiums and other considerations, incurred policy losses and benefits, insurance acquisition and other operating expenses, premiums and insurance balances receivable, reinsurance assets, reserves for losses and loss expenses, reserve for unearned premiums, other assets and retained earnings were misstated under GAAP. Controls over the accounting for certain derivative transactions: AIG did not maintain effective controls over the evaluation and documentation of whether certain derivative transactions qualified under GAAP for hedge accounting. As a result, net investment income, realized capital gains (losses), other revenues, accumulated other comprehensive income (loss) and related balance sheet accounts were misstated under GAAP. Controls over income tax accounting: AIG did not maintain effective controls over the determination and reporting of certain components of the provision for income taxes and related income tax balances. Specifically, AIG did not maintain effective controls to review and monitor the accuracy of the components of the income tax provision calculations and related income tax balances and to monitor the differences between the income tax basis and the financial reporting basis of assets and liabilities to effectively reconcile the differences to the deferred income tax balances. As a result, income tax expense, income taxes payable, deferred income tax assets and liabilities, retained earnings and accumulated other comprehensive income were misstated under GAAP. The control deficiencies described above resulted in the Second Restatement. In addition, these control deficiencies could result in other misstatements to the aforementioned financial statement accounts and disclosures that would result in a material misstatement to the annual or interim AIG consolidated financial statements that would not be prevented or detected. Accordingly, AIG management has concluded that these control deficiencies constitute material weaknesses. As a result of the material weaknesses in internal control over financial reporting described above, AIG management has concluded that, as of December 31, 2005, AIG's internal control over financial reporting was not effective based on the criteria in Internal Control — Integrated Framework issued by the COSO. Management's assessment of the effectiveness of AIG's internal control over financial reporting as of December 31, 2005 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report, which is included in this Annual Report on Form 10-K.

10-K/A 2004 Auditor - Internal Control Opinion

Note: The auditor combined their financial statement and internal control opinion.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of American International Group, Inc.:

We have completed an integrated audit of American International Group, Inc.'s 2004 consolidated financial statements and of its internal control over financial reporting as of December 31, 2004 and audits of its 2003 and 2002 consolidated financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Our opinions, based on our audits, are presented below.

Consolidated financial statements and

financial statement schedules In our opinion, the consolidated financial statements listed in the accompanying index present fairly, in all material respects, the financial position of American International Group, Inc. and its subsidiaries (AIG) at December 31, 2004 and 2003, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2004 in conformity with accounting principles generally accepted in the United States of America (GAAP). In addition, in our opinion, the financial statement schedules listed in the accompanying index present fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. These financial statements and financial statement schedules are the responsibility of AIG's management. Our responsibility is to express an opinion on these financial statements and financial statement schedules based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Note 2 to the consolidated financial statements, AIG restated its 2004, 2003 and 2002 consolidated financial statements and financial statement schedules.

As described in Note 21 to the consolidated financial statements, AIG changed its accounting for certain non-traditional long duration contracts and for separate accounts as of January 1, 2004.

Internal control over financial reporting

Also, we have audited management's assessment, included in Management's Report on Internal Control Over Financial Reporting appearing under Item 9A, that AIG did not maintain effective internal control over financial reporting as of December 31, 2004 because of the effect of the material weaknesses relating to the (1) control environment, (2) controls over the evaluation of risk transfer, (3) controls over certain balance sheet reconciliations, (4) controls over the accounting for certain derivative transactions and (5) controls over income tax accounting, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). AIG's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express opinions on management’s assessment and on the effectiveness of AIG’s internal control over financial reporting based on our audit.

We conducted our audit of internal control over financial reporting in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. An audit of internal control over financial reporting includes obtaining an understanding of internal control over financial reporting, evaluating management’s assessment, testing and evaluating the design and operating effectiveness of internal control, and performing such other procedures as we consider necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinions.

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of

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American International Group, Inc. and Subsidiaries

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management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

A material weakness is a control deficiency, or combination of control deficiencies, that results in more than a remote likelihood that a material misstatement of the annual or interim financial statements will not be prevented or detected. As of December 31, 2004, the following material weaknesses have been identified and included in management’s assessment.

Control environment: Certain of AIG’s controls within its control environment were not effective to prevent certain members of senior management, including the former Chief Executive Officer and former Chief Financial Officer, from having the ability, which in certain instances was utilized, to override certain controls and effect certain transactions and accounting entries. In certain of these instances, such transactions and accounting entries appear to have been largely motivated to achieve desired accounting results and were not properly accounted for in accordance with GAAP. Further, in certain of these instances, information critical to an effective review of transactions, accounting entries, and certain entities used in these transactions and accounting entries, were not disclosed to the appropriate financial and accounting personnel, regulators and us. As a result, discussion and thorough legal, accounting, actuarial or other professional analysis did not occur. This control deficiency is based primarily on these overrides. Specifically, this control deficiency permitted the following:

• Creation of Capco, a special purpose entity used to effect transactions that were recorded to convert, improperly, underwriting losses to investment losses and that were not correctly accounted for in accordance with GAAP, resulting in a misstatement of premiums and other considerations, realized capital gains (losses), incurred policy losses and benefits and related balance sheet accounts. • Incorrect recording under GAAP of reinsurance transactions that did not involve sufficient risk transfer, such as the Gen Re transaction, and in some cases also related to entities which should have been consolidated, such as Union Excess and Richmond. This incorrect recording under GAAP resulted in a misstatement of premiums and other considerations, incurred policy losses and benefits, net investment income, reinsurance assets, deferred policy acquisition costs, other assets, reserve for losses and loss expenses, reserve for unearned premiums, other liabilities and retained earnings. See below for a related discussion under Controls over the evaluation of risk transfer. • Various transactions, such as Covered Calls and certain “Top Level” Adjustments, converted realized and unrealized gains into investment income, thereby incorrectly applying GAAP, resulting in a misstatement of net investment income, realized capital gains (losses), and accumulated other comprehensive income. • Incorrect recording under GAAP of changes to loss reserves and changes to loss reserves through “Top Level” Adjustments without adequate support, resulting in a misstatement of incurred policy losses and benefits, reserves for losses and loss expenses, foreign currency translation adjustments and retained earnings.

Controls over the evaluation of risk transfer: AIG did not maintain effective controls over the proper evaluation, documentation and disclosure of whether certain insurance and reinsurance transactions involved sufficient risk transfer to qualify for insurance and reinsurance accounting. These transactions included Gen Re, Union Excess, Richmond and certain transactions involving AIG Re, AIG Risk Finance and AIG Risk Management. As a result, AIG did not properly account for these transactions under GAAP, resulting in a misstatement of premiums and other considerations, incurred policy losses and benefits, net investment income, reinsurance assets, deferred policy acquisition costs, other assets, reserve for losses and loss expenses, reserve for unearned premiums, other liabilities and retained earnings.

Controls over certain balance sheet reconciliations: AIG did not maintain effective controls to ensure the accuracy of certain balance sheet accounts in certain key segments of AIG’s operations, principally in the Domestic Brokerage Group. Specifically, accounting personnel did not perform timely reconciliations and did not properly resolve reconciling items for premium receivables, reinsurance recoverables and intercompany accounts. As a result, insurance acquisition and other operating expenses, premiums and insurance balances receivable, reinsurance assets, other assets and retained earnings were misstated under GAAP.

Controls over the accounting for certain derivative transactions: AIG did not maintain effective controls over the evaluation and documentation of whether certain derivative transactions qualified under GAAP for hedge accounting, resulting in a misstatement of net investment income, realized capital gains (losses), other revenues, accumulated other comprehensive income (loss) and related balance sheet accounts.

Controls over income tax accounting: AIG did not maintain effective controls over the determination and reporting of

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certain components of the provision for income taxes and related deferred income tax balances. Specifically, AIG did not maintain effective controls to review and monitor the accuracy of the components of the income tax provision calculations and related deferred income taxes and to monitor the differences between the income tax basis and the financial reporting basis of assets and liabilities to effectively reconcile the differences to the deferred income tax balances. As a result, deferred income taxes payable, retained earnings and accumulated other comprehensive income were misstated under GAAP. The control deficiencies described above resulted in the restatement of AIG's 2003, 2002, 2001 and 2000 annual consolidated financial statements and 2004 and 2003 interim consolidated financial statements, as well as adjustments, including audit adjustments, relating to the derivative matter described above, to AIG's 2004 annual consolidated financial statements. Also, the control deficiencies above related to the accounting for certain derivative transactions, income tax accounting and certain balance sheet reconciliations resulted in the further restatement to AIG's 2004, 2003 and 2002 annual consolidated financial statements and quarterly financial information for 2004 and 2003, as well as for the first three quarters of 2005. Furthermore, these control deficiencies could result in other misstatements in the aforementioned financial statement accounts and disclosures that would result in a material misstatement to the annual or interim AIG consolidated financial statements that would not be prevented or detected. Accordingly, management has concluded that these control deficiencies constitute material weaknesses. These material weaknesses were considered in determining the nature, timing, and extent of audit tests applied in our audit of the 2004 consolidated financial statements, and our opinion regarding the effectiveness of AIG's internal control over financial reporting does not affect our opinion on those consolidated financial statements.

In our opinion, management's assessment that AIG did not maintain effective internal control over financial reporting as of December 31, 2004, is fairly stated, in all material respects, based on criteria established in Internal Control – Integrated Framework issued by the COSO. Also, in our opinion, because of the effects of the material weaknesses described above on the achievement of the objectives of the control criteria, AIG has not maintained effective internal control over financial reporting as of December 31, 2004, based on criteria established in Internal Control – Integrated Framework issued by the COSO.

AIG's management and we previously concluded that AIG did not maintain effective internal control over financial reporting as of December 31, 2004 because of the material weaknesses described above. However, AIG's management subsequently determined that the Second Restatement described in Note 2 to the consolidated financial statements was an additional effect of the material weaknesses related to certain derivative transactions, income tax accounting and certain balance sheet reconciliations described above. Accordingly, the Second Restatement did not affect management's assessment or our opinion on internal control over financial reporting.

PricewaterhouseCoopers LLP New York, New York May 27, 2005, except for the effects of the Second Restatement discussed in Note 2, the updates after May 27, 2005 discussed in Notes 7 and 12 to the consolidated financial statements, and except for the matter in the penultimate paragraph of Management's Report on Internal Control Over Financial Reporting, as to which the date is March 16, 2006

10-K/A 2004 Management - Internal Control Assessment

Management's Report on Internal Control Over Financial Reporting

Management of AIG is responsible for establishing and maintaining adequate internal control over financial reporting. AIG's internal control over financial reporting is a process, under the supervision of AIG's Chief Executive Officer and Chief Financial Officer, designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of AIG's financial statements for external purposes in accordance with GAAP.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

AIG management conducted an assessment of the effectiveness of AIG's internal control over financial reporting as of December 31, 2004 based on the criteria established in Internal Control – Integrated Framework issued by the Committee

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American International Group, Inc. and Subsidiaries

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of Sponsoring Organizations of the Treadway Commission (COSO). A material weakness is a control deficiency, or a combination of control deficiencies, that results in more than a remote likelihood that a material misstatement of AIG's annual or interim financial statements will not be prevented or detected. In connection with the assessment described above, AIG management identified control deficiencies as of December 31, 2004 in the following areas:

Control environment: Certain of AIG's controls within its control environment were not effective to prevent certain members of senior management, including the former Chief Executive Officer and former Chief Financial Officer, from having the ability, which in certain instances was utilized, to override certain controls and effect certain transactions and accounting entries. In certain of these instances, such transactions and accounting entries appear to have been largely motivated to achieve desired accounting results and were not properly accounted for in accordance with GAAP. Further, in certain of these instances, information critical to an effective review of transactions, accounting entries, and certain entities used in these transactions and accounting entries, were not disclosed to the appropriate financial and accounting personnel, regulators and AIG's independent registered public accounting firm. As a result, discussion and thorough legal, accounting, actuarial or other professional analysis did not occur. This control deficiency is based primarily on these overrides.

Specifically, this control deficiency permitted the following:

• Creation of Capco, a special purpose entity used to effect transactions that were recorded to convert, improperly, underwriting losses to investment losses and that were not correctly accounted for in accordance with GAAP, resulting in a misstatement of premiums and other considerations, realized capital gains (losses), incurred policy losses and benefits and related balance sheet accounts. • Incorrect recording under GAAP of reinsurance transactions that did not involve sufficient risk transfer, such as the Gen Re transaction, and in some cases also related to entities which should have been consolidated, such as Union Excess and Richmond. This incorrect recording under GAAP resulted in a misstatement of premiums and other considerations, incurred policy losses and benefits, net investment income, reinsurance assets, deferred policy acquisition costs, other assets, reserve for losses and loss expenses, reserve for unearned premiums, other liabilities and retained earnings. See below for a related discussion under Controls over the evaluation of risk transfer. • Various transactions, such as Covered Calls and certain "Top Level" Adjustments, converted realized and unrealized gains into investment income, thereby incorrectly applying GAAP, resulting in a misstatement of net investment income, realized capital gains (losses), and accumulated other comprehensive income. • Incorrect recording under GAAP of changes to loss reserves and changes to loss reserves through “Top Level” Adjustments without adequate support, resulting in a misstatement of incurred policy losses and benefits, reserves for losses and loss expenses, foreign currency translation adjustments and retained earnings.

Controls over the evaluation of risk transfer: AIG did not maintain effective controls over the proper evaluation, documentation and disclosure of whether certain insurance and reinsurance transactions involved sufficient risk transfer to qualify for insurance and reinsurance accounting. These transactions included Gen Re, Union Excess, Richmond and certain transactions involving AIG Re, AIG Risk Finance and AIG Risk Management. As a result, AIG did not properly account for these transactions under GAAP, resulting in a misstatement of premiums and other considerations, incurred policy losses and benefits, net investment income, reinsurance assets, deferred policy acquisition costs, other assets, reserve for losses and loss expenses, reserve for unearned premiums, other liabilities, and retained earnings.

Controls over certain balance sheet reconciliations: AIG did not maintain effective controls to ensure the accuracy of certain balance sheet accounts in certain key segments of AIG’s operations, principally in the Domestic Brokerage Group. Specifically, accounting personnel did not perform timely reconciliations and did not properly resolve reconciling items for premium receivables, reinsurance recoverables and intercompany accounts. As a result, insurance acquisition and other operating expenses, premiums and insurance balances receivable, reinsurance assets, other assets and retained earnings were misstated under GAAP.

Controls over the accounting for certain derivative transactions: AIG did not maintain effective controls over the evaluation and documentation of whether certain derivative transactions qualified under GAAP for hedge accounting, resulting in a misstatement of net investment income, realized capital gains (losses), other revenues, accumulated other comprehensive income (loss) and related balance sheet accounts.

Controls over income tax accounting: AIG did not maintain effective controls over the determination and reporting of certain components of the provision for income taxes and related deferred income tax balances. Specifically, AIG did not maintain effective controls to review and monitor the accuracy of the components of the income tax provision calculations and related deferred income taxes and to monitor the differences between the income tax basis and the financial reporting basis of assets and liabilities to effectively reconcile the differences to the deferred income tax balances. As a re-

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sult, deferred income taxes payable, retained earnings and accumulated other comprehensive income were misstated under GAAP. The control deficiencies described above resulted in the restatement of AIG’s 2003, 2002, 2001 and 2000 annual consolidated financial statements and 2004 and 2003 interim consolidated financial statements, as well as adjustments, including audit adjustments, relating to the derivative matter described above, to AIG’s 2004 annual consolidated financial statements. Also, the control deficiencies above related to the accounting for certain derivative transactions, income tax accounting and certain balance sheet reconciliations resulted in the further restatement to AIG’s 2004, 2003 and 2002 annual consolidated financial statements and quarterly financial information for 2004 and 2003, as well as for the first three quarters of 2005. Furthermore, these control deficiencies could result in other misstatements in the aforementioned financial statement accounts and disclosures that would result in a material misstatement to the annual or interim AIG consolidated financial statements that would not be prevented or detected. Accordingly, management has concluded that these control deficiencies constitute material weaknesses.

AIG's management previously concluded that AIG's internal control over financial reporting as of December 31, 2004 was not effective based on the criteria in Internal Control — Integrated Framework because of the material weaknesses described above. In connection with the Second Restatement of AIG's consolidated financial statements described in Note 2 to the consolidated financial statements, AIG's management has determined that the Second Restatement was an additional effect of the material weaknesses related to certain derivative transactions, income tax accounting and certain balance sheet reconciliations described above. Accordingly, the Second Restatement did not affect AIG management's assessment on internal control over financial reporting as of December 31, 2004.

Management's assessment of the effectiveness of AIG's internal control over financial reporting as of December 31, 2004 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report, which is included in this 2004 Annual Report on Form 10-K/A.

Remediation of Material Weaknesses in Internal Control Over Financial Reporting

Throughout 2005 AIG has been actively engaged in the implementation of remediation efforts to address the material weaknesses in AIG's internal control over financial reporting as of December 31, 2004. These remediation efforts, outlined below, are specifically designed both to address the material weaknesses identified by AIG management and to enhance AIG's overall corporate governance.

AIG has taken, and continues to develop further plans to take, significant actions to improve its control environment, starting with a clear statement of the tone and philosophy set by its current senior management.

AIG appointed a new Chief Executive Officer and a new Chief Financial Officer, who, together with other senior executives, are committed to achieving transparency and clear communication with all stakeholders through effective corporate governance, a strong control environment, high ethical standards and financial reporting integrity.

AIG has taken appropriate remedial actions with respect to certain employees in management and in the underwriting, accounting, auditing, actuarial and financial reporting functions. Such remedial actions included further training and supervision and reassignment outside areas of involvement with financial reporting or termination.

The AIG Board of Directors has established the Regulatory, Compliance and Legal Committee to provide oversight of AIG's compliance with applicable laws and regulations.

AIG has enhanced its Code of Conduct for employees and mandated that all employees complete special formal ethics training developed and monitored by AIG Corporate Compliance. AIG has implemented a Director, Executive Officer and Senior Financial Officer Code of Business Conduct and Ethics, to provide reasonable assurance that all members of the Board of Directors, executive officers and senior financial officers adhere to the stated principles and procedures set forth in that Code.

AIG is developing a corporate level compliance framework, including implementation of compliance programs at the major business areas.

AIG has strengthened the position of Chief Risk Officer, responsible for enterprise-wide credit, market, and operational risk management and oversight of the corresponding functions at the business levels and has empowered the Chief Risk Officer to work more closely with top executives at the corporate and major business area level to identify, assess, quantify, manage and mitigate risks to AIG.

AIG has established an Operational Risk Management department, reporting to the Chief Risk Officer, to engage in expanded risk self-assessment processes for more effective identification and management of operational and reputational risks.

In 2004, AIG established the Complex Structured Finance Transaction Committee at the corporate level to review and approve transactions that could enable a third party to achieve an accounting or financial reporting result inconsistent with applicable accounting principles or subject AIG to heightened legal, reputational, regulatory or other risk. AIG has expanded the scope and activities of the Complex Struc-

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tured Finance Transaction Committee, to include the review and approval of AIG’s accounting and financial reporting of identified transactions, including related party transactions. AIG has established a Financial Disclosure Committee to assist the Chief Executive Officer and the Chief Financial Officer in fulfilling their responsibilities for oversight of the accuracy and timeliness of the disclosures made by AIG.

AIG has adopted policies and procedures to provide reasonable assurance that risk transfer will be properly evaluated and contemporaneously documented and that the proper GAAP accounting will be utilized.

AIG is establishing specific processes and controls and modifying others to provide reasonable assurance that reconciliations are performed as part of standardized procedures, reconciling items are reported on a periodic basis for timely resolution and consolidated exposure analyses are initiated and completed.

AIG has commenced an evaluation of alternative approaches necessary to conform to hedge accounting in accordance with GAAP, has expanded the quarterly hedge effectiveness reviews that apply to derivative transactions intended to meet hedge accounting requirements, and has begun to develop and implement the processes and controls necessary to ensure the appropriate evaluation and documentation of transactions qualifying for hedge accounting treatment.

AIG has commenced a process to enhance controls to ensure that accounting for deferred taxes is in accordance with GAAP, addressing the reconciliation of deferred tax assets and liabilities to the tax basis of the related assets and liabilities and the monitoring of the effective tax rate applied to foreign subsidiaries eligible for relief from US income tax.

Changes in Internal Control Over Financial Reporting

There has been no change in AIG’s internal control over financial reporting during the quarter ended December 31, 2004 that has materially affected, or is reasonably likely to materially affect, AIG’s internal control over financial reporting.

10-K 2004 Auditor - Internal Control Opinion

Note: The auditor combined their financial statement and internal control opinion.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of American International Group, Inc.:

We have completed an integrated audit of American International Group, Inc.'s 2004 consolidated financial statements and of its internal control over financial reporting as of December 31, 2004 and audits of its 2003 and 2002 consolidated financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Our opinions, based on our audits, are presented below.

Consolidated financial statements and

financial statement schedules In our opinion, the consolidated financial statements listed in the accompanying index present fairly, in all material respects, the financial position of American International Group, Inc. and its subsidiaries (AIG) at December 31, 2004 and 2003, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2004 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedules listed in the accompanying index present fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. These financial statements and financial statement schedules are the responsibility of AIG's management. Our responsibility is to express an opinion on these financial statements and financial statement schedules based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Note 2 to the consolidated financial statements, AIG restated its 2003 and 2002 consolidated financial statements.

As described in Note 21 to the consolidated financial statements, AIG changed the manner in which it accounts for certain non-traditional long duration contracts and for separate accounts as of January 1, 2004.

Internal control over financial reporting

Also, we have audited management's assessment, included in Management's Report on Internal Control Over Financial Reporting appearing under Item 9A, that AIG did not maintain effective internal control over financial reporting as of December 31, 2004 because of the effect of the material weaknesses relating to the (1) control environment, (2) controls over the evaluation of risk transfer, (3) controls over certain balance sheet reconciliations, (4) controls over accounting for certain derivative transactions and (5) controls over income tax accounting based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). AIG's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express opinions on management's assessment and on the effectiveness of AIG's internal control over financial reporting based on our audit.

We conducted our audit of internal control over financial reporting in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. An audit of internal control over financial reporting includes obtaining an understanding of internal control over financial reporting, evaluating management's assessment, testing and evaluating the design and operating effectiveness of internal control, and performing such other procedures as we consider necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of

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management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

A material weakness is a control deficiency, or combination of control deficiencies, that results in more than a remote likelihood that a material misstatement of the annual or interim financial statements will not be prevented or detected. As of December 31, 2004, the following material weaknesses have been identified and included in management's assessment.

Control environment: Certain of AIG's controls within its control environment were not effective to prevent certain members of senior management, including the former Chief Executive Officer and former Chief Financial Officer, from having the ability, which in certain instances was utilized, to override certain controls and effect certain transactions and accounting entries. In certain of these instances, such transactions and accounting entries appear to have been largely motivated to achieve desired accounting results and were not properly accounted for in accordance with GAAP. Further, in certain of these instances, information critical to an effective review of transactions, accounting entries, and certain entities used in these transactions and accounting entries, were not disclosed to the appropriate financial and accounting personnel, regulators and AIG's independent registered public accounting firm. As a result, discussion and thorough legal, accounting, actuarial or other professional analysis did not occur. This control deficiency is based primarily on these overrides. Specifically, this control deficiency permitted the following:

• Creation of Capco, a special purpose entity used to effect transactions that were recorded to convert, improperly, underwriting losses to investment losses and that were not correctly accounted for in accordance with GAAP, resulting in a misstatement of premiums and other considerations, realized capital gains (losses), incurred policy losses and benefits and related balance sheet accounts. • Incorrect recording under GAAP of reinsurance transactions that did not involve sufficient risk transfer, such as the Gen Re transaction, and in some cases also related to entities which should have been consolidated, such as Union Excess and Richmond. This incorrect recording under GAAP resulted in a misstatement of premiums and other considerations, incurred policy losses and benefits, net investment income, reinsurance assets, deferred policy acquisition costs, other assets, reserve for losses and loss expenses, reserve for unearned premiums, other liabilities and retained earnings. See below for a related discussion under Controls over the evaluation of risk transfer. • Various transactions, such as Covered Calls and certain “Top Level” Adjustments, converted realized and unrealized gains into investment income, thereby incorrectly applying GAAP, resulting in a misstatement of net investment income, realized capital gains (losses), and accumulated other comprehensive income. • Incorrect recording under GAAP of changes to loss reserves and changes to loss reserves through “Top Level” Adjustments without adequate support, resulting in a misstatement of incurred policy losses and benefits, reserves for losses and loss expenses, foreign currency translation adjustments and retained earnings.

Controls over the evaluation of risk transfer: AIG did not maintain effective controls over the proper evaluation, documentation and disclosure of whether certain insurance and reinsurance transactions involved sufficient risk transfer to qualify for insurance and reinsurance accounting. These transactions included Gen Re, Union Excess, Richmond and certain transactions involving AIG Re, AIG Risk Finance and AIG Risk Management. As a result, AIG did not properly account for these transactions under GAAP, resulting in a misstatement of premiums and other considerations, incurred policy losses and benefits, net investment income, reinsurance assets, deferred policy acquisition costs, other assets, reserve for losses and loss expenses, reserve for unearned premiums, other liabilities and retained earnings.

Controls over certain balance sheet reconciliations: AIG did not maintain effective controls to ensure the accuracy of certain balance sheet accounts in certain key segments of AIG’s operations, principally in the Domestic Brokerage Group. Specifically, accounting personnel did not perform timely reconciliations and did not properly resolve reconciling items for premium receivables, reinsurance recoverables and intercompany accounts. As a result, insurance acquisition and other operating expenses, premiums and insurance balances receivable, reinsurance assets, other assets and retained earnings were misstated under GAAP.

Controls over the accounting for certain derivative transactions: AIG did not maintain effective controls over the evaluation and documentation of whether certain derivative transactions qualified under GAAP for hedge accounting, resulting in a misstatement of net investment income, realized capital gains (losses), other revenues, accumulated other comprehensive income (loss) and related balance sheet accounts.

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American International Group, Inc. and Subsidiaries

Controls over income tax accounting: AIG did not maintain effective controls over the determination and reporting of certain components of the provision for income taxes and related deferred income tax balances. Specifically, AIG did not maintain effective controls to review and monitor the accuracy of the components of the income tax provision calculations and related deferred income taxes and to monitor the differences between the income tax basis and the financial reporting basis of assets and liabilities to effectively reconcile the differences to the deferred income tax balances. As a result, deferred income taxes payable, retained earnings and accumulated other comprehensive income were misstated under GAAP.

The control deficiencies described above resulted in the restatement of AIG’s 2003, 2002, 2001 and 2000 annual consolidated financial statements and 2004 and 2003 interim consolidated financial statements, as well as adjustments, including audit adjustments relating to the derivative matter described above, to AIG’s 2004 annual consolidated financial statements. Furthermore, these control deficiencies could result in other misstatements in financial statement accounts and disclosures that would result in a material misstatement to the annual or interim AIG consolidated financial statements that would not be prevented or detected. Accordingly, management has concluded that these control deficiencies constitute material weaknesses. These material weaknesses were considered in determining the nature, timing, and extent of audit tests applied in our audit of the 2004 consolidated financial statements, and our opinion regarding the effectiveness of AIG's internal control over financial reporting does not affect our opinion on those consolidated financial statements.

In our opinion, management's assessment that AIG did not maintain effective internal control over financial reporting as of December 31, 2004, is fairly stated, in all material respects, based on criteria established in Internal Control – Integrated Framework issued by the COSO. Also, in our opinion, because of the effects of the material weaknesses described above on the achievement of the objectives of the control criteria, AIG has not maintained effective internal control over financial reporting as of December 31, 2004, based on criteria established in Internal Control – Integrated Framework issued by the COSO.

PricewaterhouseCoopers LLP New York, New York May 27, 2005

10-K 2004 Management - Internal Control Assessment

Management's Report on Internal Control Over Financial Reporting

Management of AIG and its consolidated subsidiaries is responsible for establishing and maintaining adequate internal control over financial reporting. AIG's internal control over financial reporting is a process, under the supervision of AIG's Chief Executive Officer and Chief Financial Officer, designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of AIG's financial statements for external reporting purposes in accordance with GAAP.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

AIG management conducted an assessment of the effectiveness of AIG's internal control over financial reporting as of December 31, 2004 based on the criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

A material weakness is a control deficiency, or a combination of control deficiencies, that results in more than a remote likelihood that a material misstatement of AIG's annual or interim financial statements will not be prevented or detected. In connection with the assessment described above, AIG management identified control deficiencies as of December 31, 2004 in the following areas:

Control environment: Certain of AIG's controls within its control environment were not effective to prevent certain members of senior management, including the former Chief Executive Officer and former Chief Financial Officer, from having the ability, which in certain instances was utilized, to override certain controls and effect certain transactions and

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accounting entries. In certain of these instances, such transactions and accounting entries appear to have been largely motivated to achieve desired accounting results and were not properly accounted for in accordance with GAAP. Further, in certain of these instances, information critical to an effective review of transactions, accounting entries, and certain entities used in these transactions and accounting entries, were not disclosed to the appropriate financial and accounting personnel, regulators and AIG's independent registered public accounting firm. As a result, discussion and thorough legal, accounting, actuarial or other professional analysis did not occur. This control deficiency is based primarily on these overrides. Specifically, this control deficiency permitted the following:

• Creation of Capco, a special purpose entity used to effect transactions that were recorded to convert, improperly, underwriting losses to investment losses and that were not correctly accounted for in accordance with GAAP, resulting in a misstatement of premiums and other considerations, realized capital gains (losses), incurred policy losses and benefits and related balance sheet accounts. • Incorrect recording under GAAP of reinsurance transactions that did not involve sufficient risk transfer, such as the Gen Re transaction, and in some cases also related to entities which should have been consolidated, such as Union Excess and Richmond. This incorrect recording under GAAP resulted in a misstatement of premiums and other considerations, incurred policy losses and benefits, net investment income, reinsurance assets, deferred policy acquisition costs, other assets, reserve for losses and loss expenses, reserve for unearned premiums, other liabilities and retained earnings. See below for a related discussion under Controls over the evaluation of risk transfer. • Various transactions, such as Covered Calls and certain "Top Level" Adjustments, converted realized and unrealized gains into investment income, thereby incorrectly applying GAAP, resulting in a misstatement of net investment income, realized capital gains (losses), and accumulated other comprehensive income. • Incorrect recording under GAAP of changes to loss reserves and changes to loss reserves through "Top Level" Adjustments without adequate support, resulting in a misstatement of incurred policy losses and benefits, reserves for losses and loss expenses, foreign currency translation adjustments and retained earnings.

Controls over the evaluation of risk transfer: AIG did not maintain effective controls over the proper evaluation, documentation and disclosure of whether certain insurance and reinsurance transactions involved sufficient risk transfer to qualify for insurance and reinsurance accounting. These transactions included Gen Re, Union Excess, Richmond and certain transactions involving AIG Re, AIG Risk Finance and AIG Risk Management. As a result, AIG did not properly account for these transactions under GAAP, resulting in a misstatement of premiums and other considerations, incurred policy losses and benefits, net investment income, reinsurance assets, deferred policy acquisition costs, other assets, reserve for losses and loss expenses, reserve for unearned premiums, other liabilities, and retained earnings.

Controls over certain balance sheet reconciliations: AIG did not maintain effective controls to ensure the accuracy of certain balance sheet accounts in certain key segments of AIG's operations, principally in the Domestic Brokerage Group. Specifically, accounting personnel did not perform timely reconciliations and did not properly resolve reconciling items for premium receivables, reinsurance recoverables and intercompany accounts. As a result, insurance acquisition and other operating expenses, premiums and insurance balances receivable, reinsurance assets, other assets and retained earnings were misstated under GAAP.

Controls over the accounting for certain derivative transactions: AIG did not maintain effective controls over the evaluation and documentation of whether certain derivative transactions qualified under GAAP for hedge accounting, resulting in a misstatement of net investment income, realized capital gains (losses), other revenues, accumulated other comprehensive income (loss) and related balance sheet accounts.

Controls over income tax accounting: AIG did not maintain effective controls over the determination and reporting of certain components of the provision for income taxes and related deferred income tax balances. Specifically, AIG did not maintain effective controls to review and monitor the accuracy of the components of the income tax provision calculations and related deferred income taxes and to monitor the differences between the income tax basis and the financial reporting basis of assets and liabilities to effectively reconcile the differences to the deferred income tax balances. As a result, deferred income taxes payable, retained earnings and accumulated other comprehensive income were misstated under GAAP.

The control deficiencies described above resulted in the restatement of AIG’s 2003, 2002, 2001 and 2000 annual consolidated financial statements and 2004 and 2003 interim consolidated financial statements, as well as adjustments, including audit adjustments relating to the derivative matter described above, to AIG’s 2004 annual consolidated financial statements. Furthermore, these control deficiencies could result in other misstatements in financial statement accounts and disclosures that would result in a material misstatement to the annual or interim AIG consolidated financial statements that would not be prevented or detected. Accordingly, management has concluded that these control deficiencies constitute material weaknesses.

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As a result of the material weaknesses described above, AIG management has concluded that, as of December 31, 2004, AIG’s internal control over financial reporting was not effective based on the criteria in Internal Control – Integrated Framework issued by COSO.

Management’s assessment of the effectiveness of AIG’s internal control over financial reporting as of December 31, 2004 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report, which is included in this Annual Report on Form 10-K.

Disclosure Controls

10-Q 30 June 2008 - Management's Assessment of Disclosure Controls

ITEM 4. Controls and Procedures

In connection with the preparation of this Quarterly Report on Form 10-Q, an evaluation was carried out by AIGï¿½s management, with the participation of AIGï¿½s Chief Executive Officer and Chief Financial Officer, of the effectiveness of AIGï¿½s disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (Exchange Act)).

Disclosure controls and procedures are designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and that such information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosures. Solely as a result of the previously identified material weakness in internal control over the fair value valuation of the AIGFP super senior credit default swap portfolio and oversight thereof as described in the 2007 Annual Report on Form 10-K, AIGï¿½s Chief Executive Officer and Chief

Financial Officer have concluded that, as of June 30, 2008, AIGï¿½s disclosure controls and procedures were ineffective. Notwithstanding the existence of this material weakness, AIG believes that the consolidated financial statements in this Quarterly Report on Form 10-Q fairly present, in all material respects, AIGï¿½s consolidated financial condition as of June 30, 2008 and December 31, 2007 and consolidated results of operations for the three- and six-month periods ended June 30, 2008 and 2007 and consolidated cash flows for the six-month periods ended June 30, 2008 and 2007, in conformity with GAAP. In addition, there has been no change in AIGï¿½s internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) that occurred during the quarter ended June 30, 2008 that has materially affected, or is reasonably likely to materially affect, AIGï¿½s internal control over financial reporting.

Throughout 2008 and 2007, AIG recorded out of period adjustments, many of which were detected as part of continuing remediation efforts. It is AIGï¿½s policy to record all error corrections, without regard to materiality, and AIG has an established, formal process for the identification, evaluation and recording of all out of period adjustments. This process includes a heightened sensitivity for potential errors related to the internal control matters discussed in Item 9A. of the 2007 Annual Report on Form 10-K. AIG distinguishes error corrections from changes in estimates by evaluating the facts and circumstances of such items, including considering whether information was capable of being known at the time of original recording. AIG has evaluated the adjustments recorded in 2008 and 2007 from a qualitative and quantitative perspective and concluded that such adjustments are immaterial individually and in the aggregate to the current and prior periods. 123

American International Group, Inc. and Subsidiaries Part II - OTHER INFORMATION ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds

10-Q 31 March 2008 - Management's Assessment of Disclosure Controls

ITEM 4. Controls and Procedures

In connection with the preparation of this Quarterly Report on Form 10-Q, an evaluation was carried out by AIG’s management, with the participation of AIG’s Chief Executive Officer and Chief Financial Officer, of the effectiveness of AIG’s disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (Exchange Act)). Disclosure controls and procedures are designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and that such information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosures. Solely as a result of the previously identified material weakness in internal control over the fair value valuation of the AIGFP super senior credit default swap portfolio and oversight thereof as described in the 2007 Annual Report on Form 10-K, AIG’s Chief Executive Officer and Chief Financial Officer have concluded that, as of March 31, 2008, AIG’s disclosure controls and procedures were ineffective. Notwithstanding the existence of this material weakness, AIG believes that the consolidated financial statements in this Quarterly Report on Form 10-Q fairly present, in all material respects, AIG’s consolidated financial condition as of March 31, 2008 and December 31, 2007 and consolidated results of operations and cash flows for the three-month periods ended March 31, 2008 and 2007, in conformity with GAAP. In addition, there has been no change in AIG’s internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) that occurred during the quarter ended March 31, 2008 that has materially affected, or is reasonably likely to materially affect, AIG’s internal control over financial reporting. Throughout 2008 and 2007, AIG recorded out of period adjustments, many of which were detected as part of continuing remediation efforts. It is AIG’s policy to record all error 103

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American International Group, Inc. and Subsidiaries corrections, without regard to materiality, and AIG has an established, formal process for the identification, evaluation and recording of all out of period adjustments. This process includes a heightened sensitivity for potential errors related to the internal control matters discussed in Item 9A. of the 2007 Annual Report on Form 10-K. AIG distinguishes error corrections from changes in estimates by evaluating the facts and circumstances of such items, including considering whether information was capable of being known at the time of original recording. AIG has evaluated the adjustments recorded in 2008 and 2007 from a qualitative and quantitative perspective and concluded that such adjustments are immaterial individually and in the aggregate to the current and prior periods. 104

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American International Group, Inc. and Subsidiaries Part II – OTHER INFORMATION ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds

10-K 31 December 2007 - Management's Assessment of Disclosure Controls

Controls and Procedures Evaluation of Disclosure Controls and Procedures In connection with the preparation of this Annual Report on Form 10-K, an evaluation was carried out by AIG's management, with the participation of AIG's Chief Executive Officer and Chief Financial Officer, of the effectiveness of AIG's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (Exchange Act)) as of December 31, 2007. Disclosure controls and procedures are designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and that such information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosures. During the evaluation of disclosure controls and procedures as of December 31, 2007 conducted during the preparation of AIG's financial statements to be included in this Annual Report on Form 10-K, a material weakness in internal control over financial reporting relating to the fair value valuation of the AIGFP super senior credit default swap portfolio was identified. As a result of this material weakness, described more fully below, AIG's Chief Executive Officer and Chief Financial Officer concluded that, as of December 31, 2007, AIG's disclosure controls and procedures were ineffective. As of December 31, 2007 and as described under Remediation of Prior Material Weaknesses in Internal Control Over Financial Reporting below, the material weakness relating to the controls over income tax accounting no longer existed. Notwithstanding the existence of this material weakness in internal control over financial reporting relating to the fair value valuation of the AIGFP super senior credit default swap portfolio, AIG believes that the consolidated financial statements in this Annual Report on Form 10-K fairly present, in all material respects, AIG's consolidated financial condition as of December 31, 2007 and 2006, and consolidated results of its operations and cash flows for the years ended December 31, 2007, 2006 and 2005, in conformity with U.S. generally accepted accounting principles (GAAP). Management's Report on Internal Control Over Financial Reporting Management of AIG is responsible for establishing and maintaining adequate internal control over financial reporting. AIG's internal control over financial reporting is a process, under the supervision of AIG's Chief Executive Officer and Chief Financial Officer, designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of AIG's financial statements for external purposes in accordance with GAAP. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. AIG management conducted an assessment of the effectiveness of AIG's internal control over financial reporting as of December 31, 2007 based on the criteria established in Internal Control —

Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of AIG's annual or interim financial statements will not be prevented or detected on a timely basis. AIG management has concluded that, as of December 31, 2007, the following material weakness existed relating to the fair value valuation of the AIGFP super senior credit default swap portfolio. As of December 31, 2007, controls over the AIGFP super senior credit default swap portfolio valuation process and oversight thereof were not effective. AIG had insufficient resources to design and carry out effective controls to prevent or detect errors and to determine appropriate disclosures on a timely basis with respect to the processes and models introduced in the fourth quarter of 2007. As a result, AIG had not fully developed its controls to assess, on a timely basis, the relevance to its valuation of all third party information. Also, controls to permit the appropriate oversight and monitoring of the AIGFP super senior credit default swap portfolio valuation process, including timely sharing of information at the appropriate levels of the organization, did not operate effectively. As a result, controls over the AIGFP super senior credit default swap portfolio valuation process and oversight thereof were not adequate to prevent or detect misstatements in the accuracy of management's fair value estimates and disclosures on a timely basis, resulting in adjustments for purposes of AIG's December 31, 2007 consolidated financial statements. In addition, this deficiency could result in a misstatement in management's fair value estimates or disclosures that could be material to AIG's annual or interim consolidated financial statements that would not be prevented or detected on a timely basis. Solely as a result of the material weakness in internal control over the fair value valuation of the AIGFP super senior credit default swap portfolio described above, AIG management has concluded that, as of December 31, 2007, AIG's internal control over financial reporting was not effective based on the criteria in Internal Control — Integrated Framework issued by the COSO. The effectiveness of AIG's internal control over financial reporting as of December 31, 2007 has been audited by PricewaterhouseCoopers LLP, an independent registered public 202 AIG 2007 Form 10-K

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American International Group, Inc. and Subsidiaries accounting firm, as stated in their report, which is included in this Annual Report on Form 10-K. Remediation of Prior Material Weakness in Internal Control Over Financial Reporting AIG has been actively engaged in the implementation of remediation efforts to address the material weakness in controls over income tax accounting that was in existence at December 31, 2006. These remediation efforts, outlined below, are specifically designed to address the material weakness identified by AIG management. As a result of its assessment of the effectiveness of internal control over financial reporting, AIG management determined that as of December 31, 2007, the material weakness relating to the controls over income tax accounting no longer existed. AIG's remediation efforts were governed by a Steering Committee, under the direction of AIG's Chief Risk Officer and included AIG's Chief Executive Officer, Chief Financial Officer and Comptroller. The status of remediation was reviewed with the Audit Committee who was advised of issues encountered and key decisions reached by AIG management. As of December 31, 2006, AIG did not maintain effective controls over the determination and reporting of certain components of the provision for income taxes and related income tax balances. Specifically, AIG did not maintain effective controls to review and monitor the accuracy of the components of the income tax provision calculations and related income tax balances and to monitor the differences between the income tax basis and the financial reporting basis of assets and liabilities to effectively reconcile the differences to the deferred income tax balances. During 2007, AIG management took the following actions to remediate this material weakness: • Implemented standard key controls to review and monitor the income tax provision and related income tax balances at applicable AIG business units globally and parent company, and conducted testing of these controls to verify their effectiveness, • Completed the evaluation and reconciliation of certain historical balance sheet income tax accounts at applicable AIG business units globally and parent company, as well as a more detailed financial statement exposure analysis of income tax balances, • Hired additional qualified staff, including Tax Directors and Tax Accountants, at designated business units globally and parent company, and • Continued the development and dissemination of income tax accounting training and education programs at parent company and business unit levels through site visits and training conferences. AIG continues to develop further enhancements to its controls over income tax accounting at certain business units. Based upon the significant actions taken and the testing and evaluation of the effectiveness of the controls, AIG management has concluded the material weakness in AIG's controls over income tax accounting no longer existed as of December 31, 2007. Continuing Remediation AIG is actively engaged in the development and implementation of a remediation plan to address the material weakness in controls over the fair value valuation of the AIGFP super senior credit default swap portfolio and oversight thereof as of December 31, 2007. The components of this remediation plan, once implemented, are intended to ensure that the key controls over the valuation process are operating effectively and are sustainable. These components include assigning dedicated and experienced resources at AIGFP with the responsibility for valuation, enhancing the technical resources at AIG over the valuation of the super senior credit default swap portfolio and strengthening corporate oversight over the valuation methodologies and processes. AIG management continues to assign the highest priority to AIG's remediation efforts in this area, with the goal of remediating this material weakness by year-end 2008. AIG'S remediation efforts will be governed by a Steering Committee under the direction of AIG's Chief Risk Officer and also including AIG's Chief Executive Officer, Chief Financial Officer and Comptroller. The status of remediation of the material weakness will be reviewed with the Audit Committee and this Committee will be advised of issues encountered and key decisions reached by AIG management relating to the remediation efforts. Notwithstanding the existence of this material weakness in internal control over financial reporting relating to the fair value valuation of the AIGFP super senior credit default swap portfolio, due to the substantive alternative procedures performed and compensating controls introduced after December 31, 2007, AIG believes that the consolidated financial statements fairly present, in all material respects, AIG's consolidated financial condition as of December 31, 2007 and 2006, and consolidated results of its operations and cash flows for the years ended December 31, 2007, 2006 and 2005, in conformity with GAAP. AIG recognizes that continued improvement in its internal controls over financial reporting and consolidation processes, investment accounting, reinsurance accounting and income tax accounting, is necessary. Over time, AIG intends to reduce its reliance on certain manual controls that have been established. AIG is currently developing new systems and processes which will allow it to rely on front-end preventive and detective controls which will be more sustainable over the long term. To accomplish its goals, AIG recognizes its need to continue strengthening and investing in financial personnel, systems and processes. AIG is committed to continuing the significant investments over the next several years necessary to make these improvements. Changes in Internal Control over Financial Reporting Changes in AIG's internal control over financial reporting during the quarter ended December 31, 2007 that have materially affected, or are reasonably likely to materially affect, AIG's internal control over financial reporting have been described above. AIG 2007 Form 10-K 203

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American International Group, Inc. and Subsidiaries Part II – Other Information

10-Q 30 September 2007 - Management's Assessment of Disclosure Controls

Controls and Procedures

In connection with the preparation of this Quarterly Report on Form 10-Q, an evaluation was carried out by AIG's management, with the participation of AIG's Chief Executive Officer and Chief Financial Officer, of the effectiveness of AIG's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (Exchange Act)). Disclosure controls and procedures are designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and that such information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosures. Based on its evaluation, and in light of the previously identified material weakness in internal control over financial reporting, as of

December 31, 2006, relating to controls over income tax accounting described in the 2006 Annual Report on Form 10-K, AIG's Chief Executive Officer and Chief Financial Officer concluded that, as of September 30, 2007, AIG's disclosure controls and procedures were ineffective. In addition, there has been no change in AIG's internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) that occurred during the quarter ended September 30, 2007 that has materially affected, or is reasonably likely to materially affect, AIG's internal control over financial reporting. 92

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American International Group, Inc. and Subsidiaries Part II – OTHER INFORMATION

10-Q 30 June 2007 - Management's Assessment of Disclosure Controls

ITEM 4. Controls and Procedures

In connection with the preparation of this Quarterly Report on Form 10-Q, an evaluation was carried out by AIG's management, with the participation of AIG's Chief Executive Officer and Chief Financial Officer, of the effectiveness of AIG's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (Exchange Act)). Disclosure controls and procedures are designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and that such information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosures. Based on its evaluation, and in light of the previously identified material weakness in internal control over financial reporting, as of December 31, 2006, relating to controls over income tax accounting described in the 2006 Annual Report on Form 10-K, AIG's Chief Executive Officer and Chief Financial Officer concluded that, as of June 30, 2007, AIG's disclosure controls and procedures were ineffective. In addition, there has been no change in AIG's internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) that occurred during the quarter ended June 30, 2007 that has materially affected, or is reasonably likely to materially affect, AIG's internal control over financial reporting. 86

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American International Group, Inc. and Subsidiaries Part II – OTHER INFORMATION

10-Q 31 March 2007 - Management's Assessment of Disclosure Controls

ITEM 4. Controls and Procedures

In connection with the preparation of this Form 10-Q, an evaluation was carried out by AIG's management, with the participation of AIG's Chief Executive Officer and Chief Financial Officer, of the effectiveness of AIG's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (Exchange Act)). Disclosure controls and procedures are designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and that such information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosures. Based on its evaluation, and in light of the previously identified material weakness in internal control over financial reporting, as of

December 31, 2006, relating to controls over income tax accounting described in the 2006 Annual Report on Form 10-K, AIG's Chief Executive Officer and Chief Financial Officer concluded that, as of March 31, 2007, AIG's disclosure controls and procedures were ineffective. In addition, there has been no change in AIG's internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) that occurred during the quarter ended March 31, 2007 that has materially affected, or is reasonably likely to materially affect, AIG's internal control over financial reporting.

10-K 31 December 2006 - Management's Assessment of Disclosure Controls

Evaluation of Disclosure Controls and Procedures In connection with the preparation of this Annual Report on Form 10-K, an evaluation was carried out by AIG's management, with the participation of AIG's Chief Executive Officer and Chief Financial Officer, of the effectiveness of AIG's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (Exchange Act)) as of December 31, 2006. Disclosure controls and procedures are designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and that such information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosures. During the evaluation of disclosure controls and procedures as of December 31, 2005 conducted during the preparation of AIG's financial statements to be included in the Annual Report on Form 10-K for the year ended December 31, 2005, three material weaknesses in internal control over financial reporting were identified, relating to controls over certain balance sheet reconciliations, controls over the accounting for certain derivative transactions and controls over income tax accounting. As a result, AIG's Chief Executive Officer and Chief Financial Officer concluded that, as of December 31, 2005, AIG's disclosure controls and procedures were ineffective. Under the direction of its Chief Executive Officer and Chief Financial Officer, AIG continued to implement its plans to remediate the material weaknesses, and adjusted these plans as appropriate. AIG's remediation efforts were governed by a Steering Committee, under the direction of AIG's Chief Risk Officer and also including AIG's Chief Executive Officer, Chief Financial Officer and Comptroller. The status of remediation of each material weakness was reviewed with the Audit Committee and this Committee was advised of issues encountered and key decisions reached by AIG management relating to the remediation efforts. As of December 31, 2006 and as described under Remediation of Material Weaknesses in Internal Control Over Financial Reporting below, the material weaknesses relating to the controls over certain balance sheet reconciliations and the controls over the accounting for certain derivative transactions were remediated, and the material weakness relating to the controls over income tax accounting was not fully remediated. As a result of the remaining material weakness in internal control over financial reporting relating to income tax accounting, described more fully below, AIG's Chief Executive Officer and Chief Financial Officer concluded that, as of December 31, 2006, AIG's disclosure controls and procedures were ineffective. Notwithstanding the existence of this remaining material weakness, AIG believes that the consolidated financial statements in this Annual Report on Form 10-K fairly present, in all material respects, AIG's financial condition as of December 31, 2006 and 2005, and results of its operations and cash flows for the years ended December 31, 2006, 2005 and 2004, in conformity with U.S. generally accepted accounting principles (GAAP). Management's Report on Internal Control Over Financial Reporting Management of AIG is responsible for establishing and maintaining adequate internal control over financial reporting. AIG's internal control over financial reporting is a process, under the supervision of AIG's Chief Executive Officer and Chief Financial Officer, designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of AIG's financial statements for external purposes in accordance with GAAP. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate. AIG management conducted an assessment of the effectiveness of AIG's internal control over financial reporting as of December 31, 2006 based on the criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). A material weakness is a control deficiency, or a combination of control deficiencies, that results in more than a remote likelihood that a material misstatement of AIG's annual or interim financial statements will not be prevented or detected. AIG management has concluded that, as of December 31, 2006, the material weakness relating to the controls over income tax accounting was not fully remediated. Controls over income tax accounting: AIG did not maintain effective controls over the determination and reporting of certain components of the provision for income taxes and related income tax balances. Specifically, AIG did not maintain effective controls to review and monitor the accuracy of the components of the income tax provision calculations and related income tax balances and to monitor the differences between the income tax basis and the financial reporting basis of assets and liabilities to effectively reconcile the differences to the deferred income tax balances. These control deficiencies resulted in adjustments to income tax expense, income taxes payable and deferred income tax asset and liability accounts in the 2006 annual and interim consolidated financial statements. Furthermore, these control deficiencies could result in a material misstatement of the annual or interim Form 10-K 2006 AIG 177

AIG consolidated financial statements that would not be prevented or detected. Accordingly, AIG management has concluded that these control deficiencies constitute a material weakness. As a result of the material weakness in internal control over financial reporting described above, AIG management has concluded that, as of December 31, 2006, AIG's internal control over financial reporting was not effective based on the criteria in Internal Control — Integrated Framework issued by the COSO. Management's assessment of the effectiveness of AIG's internal control over financial reporting as of December 31, 2006 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report, which is included in this Annual Report on Form 10-K. Remediation of Material Weaknesses in Internal Control Over Financial Reporting Throughout 2006 and continuing in 2007, AIG has been actively engaged in the implementation of remediation efforts to address the three material weaknesses in existence at December 31, 2005. These remediation efforts, outlined below, are specifically designed to address the material weaknesses identified by AIG management. As a result of its assessment of the effectiveness of internal control over financial reporting, AIG management determined that as of December 31, 2006, two material weaknesses, relating to the controls over certain balance sheet reconciliations and the controls over the accounting for certain derivative transactions, had been remediated, but the material weakness relating to the controls over income tax accounting had not been remediated. Controls over certain balance sheet reconciliations: As of December 31, 2005, AIG did not maintain effective controls to ensure the accuracy of certain balance sheet accounts in certain key segments of AIG's operations, principally in the Domestic Brokerage Group (DBG). Specifically, accounting personnel did not perform timely reconciliations and did not properly resolve reconciling items for premium receivables, reinsurance recoverables and intercompany accounts. During 2006, AIG management developed and implemented a corporate-wide accounting policy on balance sheet reconciliations, which augments the corporate guidelines on balance sheet reconciliations that were released in 2005. The policy requires all reporting units to perform timely reconciliations of their balance sheet accounts including the resolution of reconciling items and the evaluation of exposure. AIG reporting units, including DBG, have been performing reconciliations of their accounts consistent with this policy. Implementation of the new policy was supplemented with dedicated training sessions, a self-assessment process and the continued addition of qualified staff to monitor on-going compliance with the new policy. AIG continues to develop further enhancements to its controls over certain balance sheet reconciliations. Based upon the significant actions taken and the testing and evaluation of the effectiveness of the controls, AIG management has concluded that remediation of the material weakness in AIG's controls over certain balance sheet reconciliations had been achieved as of December 31, 2006. Controls over the accounting for certain derivative transactions: As of December 31, 2005, AIG did not maintain effective controls over accounting for certain derivative transactions and related assets and liabilities under FAS 133. In particular, AIG did not maintain effective controls over the evaluation and documentation of whether certain derivative transactions qualified under GAAP for hedge accounting. During 2006, AIG management implemented effective controls over accounting for derivative transactions. An important element of this implementation was the hiring in key staff positions of additional professionals with expertise in derivatives and hedge accounting. AIG management has established a new corporate team with the responsibility and authority for overseeing and monitoring the application of hedge accounting throughout AIG. This team, staffed with accounting and quantitative professionals with extensive experience in dealing with derivative accounting matters, is responsible to ensure that the application of hedge accounting by AIG or its subsidiaries is in compliance with FAS 133 and AIG's accounting policies. As part of this activity, both enhancements to existing systems and investments in new applications were made to automate certain processes with respect to the application of hedge accounting and to reduce reliance on manual procedures. Based upon the significant actions taken and the testing and evaluation of the effectiveness of the controls, AIG management has concluded that remediation of the material weakness in AIG's controls over the accounting for certain derivative transactions had been achieved as of December 31, 2006. Continuing Remediation Controls over income tax accounting: As of December 31, 2005, AIG did not maintain effective controls over the determination and reporting of certain components of the provision for income taxes and related income tax balances. During 2006, AIG management took the following actions to remediate this material weakness: • Continued focus on implementing and testing of standard key controls globally, • Continued focus on reconciling, evaluating and monitoring of historical balance sheet income tax accounts as well as more detailed financial statement exposure analysis, • Implementation of a global income tax accounting reporting tool, • Hiring of additional qualified staff including a new Director of Taxes, as well as Tax Managers and Tax Accountants at designated business units and Corporate, and • Development and dissemination of income tax accounting training and education programs at the Corporate and business unit levels utilizing site visits and training conferences.

Notwithstanding these significant efforts towards remediation of the material weakness in controls over income tax accounting, implementation and testing of the standard key controls, as well 178 AIG 2006 Form 10-K

American International Group, Inc. and Subsidiaries as procedures and processes, were not completed within all business units as of December 31, 2006. As a result, the effectiveness and sustainability of controls and processes could not be assured as of that date. Furthermore, during 2006, the reconciliation, evaluation and monitoring of historical balance sheet income tax accounts identified errors in the income tax balances. The errors identified to date were not material; therefore, they were recorded and disclosed in the period in which they were identified. AIG has not completed the necessary reconciliation and evaluation of all historical balance sheet income tax accounts; accordingly, additional work is required in the analysis of the remaining prior year balances. AIG cannot predict the outcome of the review and analysis described above or estimate the potential adjustments related to these remediation activities. However, in the opinion of AIG management and based upon information currently known, resolution of these historical balance sheet income tax accounts is not likely to have a material adverse effect on AIG's consolidated financial condition, but it is possible that the effect could be material to AIG's consolidated results of operations for an individual reporting period. Remediation of the material weakness in controls over income tax accounting requires completing the implementation of key controls in the applicable AIG business units and testing them after they are in place to validate their effectiveness and sustainability. Due to the nature of these requirements and the need to complete the reconciliation of certain historical balances, no assurance can be given as to the specific timing of the remediation of this material weakness. AIG management continues to assign the highest priority to AIG's remediation efforts in this area, with the goal of remediating this material weakness by year-end 2007. While the material weakness in controls over income tax accounting was not remediated, due to the substantive alternative procedures performed and compensating controls in place, AIG believes that the consolidated financial statements present fairly in all material respects AIG's financial condition as of December 31, 2006 and 2005, and results of its operations and cash flows for the years ended December 31, 2006, 2005 and 2004, in conformity with GAAP. AIG recognizes that improvement in its internal controls over financial reporting and consolidation processes, as well as those over investment accounting, is essential. Over time, AIG intends to reduce its reliance on the manual controls that have been established. AIG is currently developing new systems and processes which will allow it to rely on front end detection and preventative controls which will be more sustainable over the long term. AIG recognizes that, to accomplish its goals, further strengthening and investing are needed in financial personnel, as well as in systems and processes. AIG is committed to making the investments necessary to make these improvements. Changes in Internal Controls over Financial Reporting Changes in AIG’s internal control over financial reporting during the quarter ended December 31, 2006 that have materially affected, or are reasonably likely to materially affect, AIG’s internal control over financial reporting have been described above.

10-Q 30 September 2006 - Management's Assessment of Disclosure Controls

In connection with the preparation of this Form 10-Q, an evaluation was carried out by AIG’s management, with the participation of AIG’s Chief Executive Officer and Chief Financial Officer, of the effectiveness of AIG’s disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (Exchange Act)). Disclosure controls and procedures are designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and that such information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosures. Based on its evaluation, and in light of the previously identified material weaknesses in internal control over financial reporting, as of December 31, 2005, described within the 2005 Annual Report on Form 10-K, AIG’s Chief Executive Officer and Chief Financial Officer concluded that, as of September 30, 2006, AIG’s disclosure controls and procedures were ineffective. In addition, there has been no change in AIG’s internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) that occurred during the quarter ended September 30, 2006 that has materially affected, or is reasonably likely to materially affect, AIG’s internal control over financial reporting.

10-Q 30 June 2006 - Management's Assessment of Disclosure Controls

In connection with the preparation of this Form 10-Q, an evaluation was carried out by AIG’s management, with the participation of AIG’s Chief Executive Officer and Chief Financial Officer, of the effectiveness of AIG’s disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (Exchange Act)). Disclosure controls and procedures are designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and that such information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosures. Based on its evaluation, and in light of the previously identified material weaknesses in internal control over financial reporting, as of December 31, 2005, described within the 2005 Annual Report on Form 10-K, AIG’s Chief Executive Officer and Chief Financial Officer concluded that, as of June 30, 2006, AIG’s disclosure controls and procedures were ineffective. In addition, there has been no change in AIG’s internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) that occurred during the quarter ended June 30, 2006 that has materially affected, or is reasonably likely to materially affect, AIG’s internal control over financial reporting.

10-Q 31 March 2006 - Management's Assessment of Disclosure Controls

In connection with the preparation of this First Quarter Form 10-Q, an evaluation was carried out by AIG’s management, with the participation of AIG’s current Chief Executive Officer and Chief Financial Officer, of the effectiveness of AIG’s disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (Exchange Act)). Disclosure controls and procedures are designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and that such information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosures. Based on its evaluation, and in light of the previously identified material weaknesses in internal control over financial reporting, as of December 31, 2005, described within the 2005 Annual Report on Form 10-K, AIG's Chief Executive Officer and Chief Financial Officer concluded that, as of March 31, 2006, AIG's disclosure controls and procedures were ineffective. In addition, there has been no change in AIG's internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) that occurred during the first three months of 2006 that has materially affected, or is reasonably likely to materially affect, AIG's internal control over financial reporting.

10-K 31 December 2005 - Management's Assessment of Disclosure Controls

Evaluation of Disclosure Controls and Procedures In connection with the preparation of this Annual Report on Form 10-K, an evaluation was carried out by AIG's management, with the participation of AIG's Chief Executive Officer and Chief Financial Officer, of the effectiveness of AIG's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (Exchange Act)) as of December 31, 2005. Disclosure controls and procedures are designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and that such information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosures. During the evaluation of disclosure controls and procedures as of December 31, 2004 conducted during the preparation of AIG's financial statements to be included in the 2004 Form 10-K, five material weaknesses in internal control over financial reporting were identified, relating to control environment, controls over the evaluation of risk transfer, controls over certain balance sheet reconciliations, controls over the accounting for certain derivative transactions and controls over income tax accounting. As a result, AIG's new Chief Executive Officer and Chief Financial Officer concluded that, as of December 31, 2004, AIG's disclosure controls and procedures were ineffective. Upon identification of the material weaknesses and under the direction of its Chief Executive Officer and Chief Financial Officer, AIG developed a comprehensive plan to remediate the material weaknesses. AIG's remediation efforts were governed by a Steering Committee, under the direction of AIG's Chief Risk Officer and also including AIG's Chief Executive Officer, Chief Financial Officer, Comptroller and Senior Vice President for Strategic Planning. The status of remediation of each material weakness was reviewed with the Audit Committee and this Committee was advised of issues encountered and key decisions reached by AIG management relating to the remediation efforts. On November 9, 2005, AIG announced that it had identified certain errors, the preponderance of which were identified during the remediation of the material weaknesses in internal control over financial reporting described above, principally relating to controls over accounting for certain derivative transactions and related assets and liabilities under FAS 133, reconciliation of certain balance sheet accounts and income tax accounting. Subsequent to that announcement, and in connection with its ongoing remediation efforts, AIG identified certain additional errors principally relating to internal controls over reconciliation of certain balance sheet accounts in the Domestic Brokerage Group. Due to the significance of these additional errors, AIG restated its consolidated financial statements and financial statement schedules for the years ended December 31, 2004, 2003 and 2002, along with 2001 and 2000 for purposes of preparation of the Selected Consolidated Financial Data for 2001 and 2000, and quarterly financial information for 2004 and 2003 and will restate the first three quarters of 2005 (the Second Restatement). AIG's September 2005 Form 10-Q will not be amended because the adjustments to correct the additional errors to the financial statements included therein are not material to those financial statements. As of December 31, 2005 and as described under Remediation of Material Weaknesses in Internal Control Over Financial Reporting below, the material weaknesses relating to the control environment and controls over the evaluation of risk transfer were remediated, and the material weaknesses relating to controls over certain balance sheet reconciliations, controls over the accounting for certain derivative transactions and controls over income tax accounting remained, as they were not fully remediated. As a result of these remaining material weaknesses in internal control over financial reporting, described more fully below, AIG's Chief Executive Officer and Chief Financial Officer concluded that, as of December 31, 2005, AIG's disclosure controls and procedures were ineffective. Notwithstanding the existence of these three remaining material weaknesses, AIG believes that the consolidated financial statements in this Annual Report on Form 10-K fairly present, in all material respects, AIG's financial condition as of December 31, 2005 and 2004, and results of its operations and cash flows for the years ended December 31, 2005, 2004 and 2003, in conformity with U.S. generally accepted accounting principles (GAAP). Management's Report on Internal Control Over Financial Reporting Management of AIG is responsible for establishing and maintaining adequate internal control over financial reporting. AIG's internal control over financial reporting is a process, under the supervision of AIG's Chief Executive Officer and Chief Financial Officer, designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of AIG's financial statements for external purposes in accordance with GAAP. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate. AIG management conducted an assessment of the effectiveness of AIG's internal control over financial reporting as of AIG - Form 10-K 139

December 31, 2005 based on the criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). A material weakness is a control deficiency, or a combination of control deficiencies, that results in more than a remote likelihood that a material misstatement of AIG's annual or interim financial statements will not be prevented or detected. AIG management has concluded that, as of December 31, 2005, the following material weaknesses in internal control over financial reporting remained: Controls over certain balance sheet reconciliations: AIG did not maintain effective controls to ensure the accuracy of certain balance sheet accounts in certain key segments of AIG's operations, principally in the Domestic Brokerage Group. Specifically, accounting personnel did not perform timely reconciliations and did not properly resolve reconciling items for premium receivables, reinsurance recoverables and intercompany accounts. As a result, premiums and other considerations, incurred policy losses and benefits, insurance acquisition and other operating expenses, premiums and insurance balances receivable, reinsurance assets, reserves for losses and loss expenses, reserve for unearned premiums, other assets and retained earnings were misstated under GAAP. Controls over the accounting for certain derivative transactions: AIG did not maintain effective controls over the evaluation and documentation of whether certain derivative transactions qualified under GAAP for hedge accounting. As a result, net investment income, realized capital gains (losses), other revenues, accumulated other comprehensive income (loss) and related balance sheet accounts were misstated under GAAP. Controls over income tax accounting: AIG did not maintain effective controls over the determination and reporting of certain components of the provision for income taxes and related income tax balances. Specifically, AIG did not maintain effective controls to review and monitor the accuracy of the components of the income tax provision calculations and related income tax balances and to monitor the differences between the income tax basis and the financial reporting basis of assets and liabilities to effectively reconcile the differences to the deferred income tax balances. As a result, income tax expense, income taxes payable, deferred income tax assets and liabilities, retained earnings and accumulated other comprehensive income were misstated under GAAP. The control deficiencies described above resulted in the Second Restatement. In addition, these control deficiencies could result in other misstatements to the aforementioned financial statement accounts and disclosures that would result in a material misstatement to the annual or interim AIG consolidated financial statements that would not be prevented or detected. Accordingly, AIG management has concluded that these control deficiencies constitute material weaknesses. As a result of the material weaknesses in internal control over financial reporting described above, AIG management has concluded that, as of December 31, 2005, AIG's internal control over financial reporting was not effective based on the criteria in Internal Control — Integrated Framework issued by the COSO. Management's assessment of the effectiveness of AIG's internal control over financial reporting as of December 31, 2005 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report, which is included in this Annual Report on Form 10-K. Remediation of Material Weaknesses in Internal Control Over Financial Reporting

Throughout 2005 and continuing in 2006, AIG has been actively engaged in the implementation of remediation efforts to address the five material weaknesses in existence at December 31, 2004 and disclosed in its 2004 Form 10-K. These remediation efforts, outlined below, are specifically designed to address the material weaknesses identified by AIG management. As a result of its assessment of the effectiveness of internal control over financial reporting, AIG management determined that as of December 31, 2005, two material weaknesses, relating to the control environment and controls over the evaluation of risk transfer, had been remediated, and three material weaknesses, relating to the controls over certain balance sheet reconciliations, controls over the accounting for certain derivative transactions and controls over income tax accounting, had not been remediated. Completed Remediation Control environment: As of December 31, 2004, certain of AIG's controls within its control environment were not effective to prevent certain members of senior management, including the former Chief Executive Officer and former Chief Financial Officer, from having the ability, which in certain instances was utilized, to override certain controls and effect certain transactions and accounting entries. AIG has taken several significant actions to improve its control environment, starting with the appointment of new senior management with a new tone and philosophy. AIG's Chief Executive Officer and Chief Financial Officer, together with other senior executives, are committed to achieving transparency and clear communication with all stakeholders through effective corporate governance, a strong control environment, high ethical standards and financial reporting integrity. To strengthen and enhance its overall financial reporting and internal control environment, AIG has increased resources for technical accounting, internal audit, enterprise risk management and compliance functions, hired additional staff with specialized financial and accounting expertise, and established stronger reporting lines within the financial reporting function. Among the specific actions taken by AIG to remediate this material weakness and to further strengthen overall controls over financial reporting were the following: AIG has established a Financial Disclosure Committee to assist the Chief Executive Officer and the Chief Financial Officer in fulfilling their responsibilities for oversight of the accuracy and timeliness of the disclosures made by AIG. 140 AIG - Form 10-K

AMERICAN INTERNATIONAL GROUP, INC. AND SUBSIDIARIES AIG has implemented new controls, including specific procedures with respect to post-closing adjustments and consolidating entries. AIG has taken remedial actions with respect to certain employees in management and in the underwriting, accounting, auditing, actuarial and financial reporting functions. Such remedial actions included further training and supervision, reassignment outside areas of involvement with financial reporting, or termination. Employees identified as needing further training and supervision underwent formal ethics training and recertified their compliance with AIG's Code of Conduct. AIG now requires that all employees complete formal ethics training developed and monitored by AIG Corporate Compliance. AIG has implemented a Director, Executive Officer and Senior Financial Officer Code of Business Conduct and Ethics, and requires all members of the Board of Directors, executive officers and senior financial officers to confirm that they adhere to the stated principles and procedures set forth in that Code. AIG has strengthened the position of Chief Risk Officer, responsible for enterprise-wide credit, market, and operational risk management and oversight of the corresponding functions at the business unit level and has empowered the Chief Risk Officer to work more closely with top executives at the corporate and major business unit levels to identify, assess, quantify, manage and mitigate risks to AIG. AIG has established an Operational Risk Management department, reporting to the Chief Risk Officer, to engage in expanded risk self-assessment processes for more effective identification and management of operational and reputational risks. The AIG Board of Directors has established the Regulatory, Compliance and Legal Committee to provide oversight of AIG's compliance with applicable laws and regulations. AIG's Chief Compliance Officer, who reports directly to this Committee, has implemented a corporate level, centrally-managed compliance function and developed a compliance framework, within which AIG is implementing consistent compliance policies and procedures for all major business units. AIG has expanded the scope and activities of the corporate level Complex Structured Finance Transaction Committee, to review and approve transactions that could subject AIG to heightened legal, reputational, regulatory or other risk or enable a third party to achieve an accounting or financial reporting result inconsistent with applicable accounting principles, to include the review and approval of AIG's accounting and financial reporting of identified transactions, including related party transactions. Also, AIG's major business units have implemented their own committees and processes to enhance their ability to identify, analyze and present for approval complex structured finance transactions to AIG's corporate level committee. Although AIG continues to develop further enhancements to its control environment, based upon the significant actions taken, as listed above, and the testing and evaluation of the effectiveness of the controls, AIG management has concluded that remediation of the material weakness in AIG's control environment has been achieved as of December 31, 2005. Controls over the evaluation of risk transfer: As of December 31, 2004, AIG did not maintain effective controls over the proper evaluation, documentation and disclosure of whether certain insurance and reinsurance transactions in the General Insurance segment involved sufficient risk transfer to qualify for insurance and reinsurance accounting. To remediate this material weakness, AIG has developed a formal risk transfer policy for direct insurance, assumed reinsurance and ceded reinsurance in the General Insurance segment. This policy establishes guidelines for the assessment by the underwriting, and if appropriate, actuarial functions, of the adequacy of risk transfer to support insurance accounting, and requires that appropriate documentation of the assessment be provided to the accounting function to allow proper accounting for the transaction. AIG has also established procedures to incorporate risk transfer assessments into its underwriting and financial audit processes. Although AIG continues to refine and enhance its controls over the evaluation of risk transfer, including developing a process for updating the risk transfer policy to reflect changes in accounting pronouncements, based upon the significant actions taken, as listed above, and the testing and evaluation of the effectiveness of the controls, AIG management has concluded that remediation of this material weakness has been achieved as of December 31, 2005. Continuing Remediation AIG has devoted significant efforts towards remediation of its three remaining material weaknesses, and remediation of AIG's control environment has aided in these efforts. Nonetheless, these material weaknesses are not yet fully remediated as of December 31, 2005. AIG management continues to assign the highest priority to AIG's remediation efforts in these areas, with the goal of remediating these material weaknesses by year-end 2006. However, due to the nature of the remediation process and the need to allow adequate time after implementation to evaluate and test the effectiveness of the controls, no assurance can be given as to the timing of achievement of remediation. AIG recognizes that further improvement in its internal control over financial reporting and consolidation processes is essential. Over time, AIG intends to reduce its reliance on the utilization of consultants to supplement current resources and the manual controls that have been established. As part of its remediation efforts, AIG intends to develop new systems and processes which will allow it to rely on front end preventative controls which will be more sustainable over the long term. AIG recognizes that to accomplish its goals, further strengthening and investment are needed in accounting and tax personnel, as well as in systems and processes. AIG is committed to making the investments necessary to make these improvements. AIG has taken specific remediation steps with respect to its three remaining material weaknesses. Controls over certain balance sheet reconciliations: AIG has implemented the following measures to enhance its ability to AIG - Form 10-K 141

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identify, assess, measure and help to ensure the accuracy of its balance sheet accounts: - adoption and implementation of new corporate guidelines on balance sheet reconciliations; - implementation of new programs to train staff on the requirements of the new guidelines; - enhancement of the oversight of the balance sheet reconciliation function by adding qualified staff and engaging outside resources; and - enhancement of processes for evaluating and monitoring financial statement exposures related to balance sheet reconciliations.

AIG's remediation efforts during 2005 with respect to its controls over certain balance sheet reconciliations identified additional errors, contributing to the Second Restatement. Thus, AIG management believes that full remediation has not yet been achieved. Controls over the accounting for certain derivative transactions: AIG has taken the following actions to remediate this material weakness: - enhancement of systems and implementation of new controls over the accounting for derivatives and related assets and liabilities; - implementation of new procedures and controls to ensure technical compliance with the provisions of FAS 133, including specific documentation requirements, prior to application of hedge accounting by AIG subsidiaries; and - establishment of improved oversight, monitoring and supervision of derivative accounting issues in part, through the hiring of additional personnel with expertise in FAS 133.

AIG's remediation efforts with respect to its controls over the accounting for certain derivative transactions resulted in identification of previously undetected errors that contributed to the Second Restatement. Thus, AIG management believes that full remediation has not yet been achieved, and testing will continue to ensure that processes and controls over the accounting for derivative transactions are operating effectively before hedge accounting is applied again. Controls over income tax accounting: AIG has taken the following actions to remediate this material weakness: - implementation of new controls over its accounting for income taxes; - enhancement of its oversight over income tax accounting through hiring of additional qualified staff; - engagement of an outside accounting firm to assist in the analysis of its income tax accounting; and - enhancement of processes for evaluating and monitoring financial statement exposure related to income tax accounting.

AIG's remediation efforts during 2005 with respect to its controls over income tax accounting identified additional errors, contributing to the Second Restatement. Thus, AIG management believes that remediation has not yet been achieved. Changes in Internal Control Over Financial Reporting Changes in AIG's internal control over financial reporting during the quarter ended December 31, 2005 that have materially affected, or are reasonably likely to materially affect, AIG's internal control over financial reporting have been described above.

10-Q 30 September 2005 - Management's Assessment of Disclosure Controls

As of September 30, 2005, an evaluation was carried out by AIG's management, with the participation of AIG's Chief Executive Officer and Chief Financial Officer, of the effectiveness of AIG's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Disclosure controls and procedures are designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and that such information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosures. Based on its evaluation, which included comparisons to the criteria in Internal Control – Integrated Framework – issued by the Committee of Sponsoring Organizations of the Treadway Commission, and in light of the previously identified material weaknesses in internal control over financial reporting described within the 2004 Annual Report on Form 10-K, AIG's Chief Executive Officer and Chief Financial Officer concluded that, as of September 30, 2005, AIG's disclosure controls and procedures continued to be ineffective.

Earlier in 2005, in connection with the preparation of AIG's consolidated financial statements to be included in the 2004 Annual Report on Form 10-K, AIG's current management initiated an internal review of AIG's books and records, which was substantially expanded in mid-March 2005. As a result of the findings of that review, together with the results of investigations conducted by outside counsel at the request of AIG's Audit Committee, and in consultation with AIG's independent registered public accounting firm, AIG restated its audited consolidated financial statements for the years ended December 31, 2003, 2002, 2001 and 2000 and its unaudited condensed consolidated financial statements for the quarters ended March 31, June 30 and September 30, 2004 and 2003 and the quarter ended December 31, 2003.

As announced on November 9, 2005, AIG identified certain errors, the preponderance of which were identified during the remediation of the material weaknesses in internal controls referred to in the Explanatory Note, principally relating to internal controls surrounding accounting for derivatives and related assets and liabilities under FAS 133, reconciliation of certain balance sheet accounts and income tax accounting. Due to the significance of these corrections, AIG will restate its audited consolidated financial statements for years ended December 31, 2004, 2003 and 2002, along with 2001 and 2000, for purposes of preparation of the Selected Consolidated Financial Data for 2001 and 2000, and unaudited condensed consolidated financial statements for the quarters ended March 31 and June 30, 2005 and the quarters ended March 31, June 30 and September 30, 2004 and 2003. AIG is actively engaged in the implementation of remediation efforts to address the material weaknesses in AIG's internal control over financial reporting. AIG will disclose any further developments arising as a result of its remediation efforts in future filings with the SEC.

10-Q 30 June 2005 - Management's Assessment of Disclosure Controls

As of June 30, 2005, an evaluation was carried out by AIG's management, with the participation of AIG's Chief Executive Officer and Chief Financial Officer, of the effectiveness of AIG's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (Exchange Act)). Disclosure controls and procedures are designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and that such information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosures. Based on its evaluation, which included comparisons to the criteria in Internal Control – Integrated Framework – issued by the Committee of Sponsoring Organizations of the Treadway Commission, and in light of the previously identified material weaknesses in internal control over financial reporting described within the 2004 Annual Report on Form 10-K, AIG's Chief Executive Officer and Chief Financial Officer concluded that, as of June 30, 2005, AIG's disclosure controls and procedures continued to be ineffective.

Earlier in 2005, in connection with the preparation of AIG's consolidated financial statements to be included in the 2004 Annual Report on Form 10-K, AIG's current management initiated an internal review of AIG's books and records, which was substantially expanded in mid-March 2005. As a result of the findings of that review, together with the results of investigations conducted by outside counsel at the request of AIG's Audit Committee, and in consultation with AIG's independent registered public accounting firm, AIG has restated its audited consolidated financial statements for the years ended December 31, 2003, 2002, 2001 and 2000 and its unaudited condensed consolidated financial statements for the quarters ended March 31, June 30 and September 30, 2004 and 2003 and the quarter ended December 31, 2003. AIG is actively engaged in the implementation of remediation efforts to address the material weaknesses in AIG's internal control over financial reporting as of December 2004. These remediation efforts are outlined in the 2004 Annual Report on Form 10-K and further remediation developments will be described in future filings with the SEC.

10-Q 31 March 2005 - Management's Assessment of Disclosure Controls

As of March 31, 2005, an evaluation was carried out by AIG's management, with the participation of AIG's current Chief Executive Officer and Chief Financial Officer, of the effectiveness of AIG's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (Exchange Act)). Disclosure controls and procedures are designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and that such information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosures. Based on its evaluation, which included comparisons to the criteria in Internal Control – Integrated Framework – issued by the Committee of Sponsoring Organizations of the Treadway Commission, and in light of the previously identified material weaknesses in internal control over financial reporting described within the 2004 Annual Report on Form 10-K, and the inability to file this Quarterly Report on Form 10-Q within the statutory time period, AIG's Chief Executive Officer and Chief Financial Officer concluded that, as of March 31, 2005, AIG's disclosure controls and procedures were ineffective.

Earlier in 2005, in connection with the preparation of AIG's consolidated financial statements to be included in the 2004 Annual Report on Form 10-K, AIG's current management initiated an internal review of AIG's books and records, which was substantially expanded in mid-March 2005. As a result of the findings of that review, together with the results of investigations conducted by outside counsel at the request of AIG's Audit Committee, and in consultation with AIG's independent registered public accounting firm, AIG has restated its audited consolidated financial statements for the years ended December 31, 2003, 2002, 2001 and 2000 and its unaudited condensed consolidated financial statements for the quarters ended March 31, June 30 and September 30, 2004 and 2003 and the quarter ended December 31, 2003. AIG is actively engaged in the implementation of remediation efforts to address the material weaknesses in AIG's internal control over financial reporting as of December 2004. These remediation efforts are outlined in the 2004 Annual Report on Form 10-K and further remediation developments will be described in future filings with the SEC.

10-K 31 December 2004 - Management's Assessment of Disclosure Controls

As of the end of the period covered by this report (December 31, 2004), an evaluation was carried out by AIG's management, with the participation of AIG's current Chief Executive Officer and Chief Financial Officer, of the effectiveness of AIG's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (Exchange Act)). Disclosure controls and procedures are designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and that such information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosures. Based on its evaluation and the identification of the material weaknesses in internal control over financial reporting described below and new information about preexisting facts which came to AIG's attention during the course of its internal review, and because of an inability to file the Annual Report on Form 10-K within the statutory time period, AIG's Chief Executive Officer and Chief Financial Officer concluded that, as of December 31, 2004, AIG's disclosure controls and procedures were ineffective.

As more fully described in Management's Discussion and Analysis of Financial Condition and Results of Operations and in Note 2 to the Consolidated Financial Statements, following receipt of subpoenas from, and commencement of investigations by, various regulatory agencies, in March 2005, AIG's then Chief Executive Officer retired and the then Chief Financial Officer was terminated. In connection with the preparation of AIG's consolidated financial statements to be included in this report, AIG's current management initiated an internal review of AIG's books and records, which was substantially expanded in mid-March with the oversight of the Audit Committee of the Board of Directors.

As a result of the findings of that review, together with the results of investigations conducted by outside counsel at the request of AIG's Audit Committee, and in consultation with AIG's independent registered public accounting firm, AIG has restated its audited consolidated financial statements for the years ended December 31, 2003, 2002, 2001 and 2000 and its unaudited condensed consolidated financial statements for the quarters ended March 31, June 30 and September 30, 2004 and 2003 and the quarter ended December 31, 2003. Notwithstanding the existence of the material weaknesses described below, AIG believes that the consolidated financial statements in this Form 10-K fairly present, in all material respects, AIG's financial condition as of December 31, 2004 and 2003, and results of its operations and cash flows for the years ended December 31, 2004, 2003 and 2002, in conformity with U.S. generally accepted accounting principles (GAAP).

10-Q 30 September 2004 - Management's Assessment of Disclosure Controls

Controls and Procedures

AIG’s disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed in the reports that AIG files or submits under the Securities Exchange Act of 1934, as amended (Exchange Act), is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission (SEC). Disclosure controls and procedures include controls and procedures reasonably designed to ensure that information required to be disclosed by AIG in the reports that it files or submits under the Exchange Act is accumulated and communicated to AIG’s management, including AIG’s Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. AIG’s management, with the participation of AIG’s Chief Executive Officer and the Chief Financial Officer, have evaluated the effectiveness of AIG’s disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, AIG’s Chief Executive Officer and Chief Financial Officer concluded that the disclosure controls and procedures were effective as of the end of the period covered by this report to provide reasonable assurance that the information required to be disclosed in the reports AIG files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC.

10-Q 30 June 2004 - Management's Assessment of Disclosure Controls

Controls and Procedures

AIG’s disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed in the reports that AIG files or submits under the Securities Exchange Act of 1934, as amended (Exchange Act), is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission (SEC). Disclosure controls and procedures include controls and procedures reasonably designed to ensure that information required to be disclosed by AIG in the reports that it files or submits under the Exchange Act is accumulated and communicated to AIG’s management, including AIG’s Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. AIG’s management, with the participation of AIG’s Chief Executive Officer and the Chief Financial Officer, have evaluated the effectiveness of AIG’s disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, AIG’s Chief Executive Officer and Chief Financial Officer concluded that the disclosure controls and procedures were effective as of the end of the period covered by this report to provide reasonable assurance that the information required to be disclosed in the reports AIG files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC.

10-Q 31 March 2004 - Management's Assessment of Disclosure Controls

Controls and Procedures

AIG’s disclosure controls and procedures are designed to ensure that information required to be disclosed in the reports that AIG files or submits under the Securities Exchange Act of 1934, as amended (Exchange Act), is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission. Disclosure controls and procedures include controls and procedures designed to ensure that information required to be disclosed by AIG in the reports that it files or submits under the Exchange Act is accumulated and communicated to AIG’s management, including AIG’s Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. AIG’s management, with the participation of AIG’s Chief Executive Officer and the Chief Financial Officer, have evaluated the effectiveness of AIG’s disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation,

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American International Group, Inc. and Subsidiaries AIG's Chief Executive Officer and Chief Financial Officer concluded that the disclosure controls and procedures provided reasonable assurance of effectiveness as of the end of the period covered by this report.

10-K 31 December 2003 - Management's Assessment of Disclosure Controls

AIG's disclosure controls and procedures are designed to ensure that information required to be disclosed in the reports that AIG files or submits under the Securities Exchange Act of 1934, as amended (Exchange Act), is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission. Disclosure controls and procedures include controls and procedures designed to ensure that information required to be disclosed by AIG in the reports that it files or submits under the Exchange Act is accumulated and communicated to AIG's management, including AIG's Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. AIG's management, with the participation of AIG's Chief Executive Officer and Chief Financial Officer, have evaluated the effectiveness of AIG's disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, AIG's Chief Executive Officer and Chief Financial Officer concluded that the disclosure controls and procedures provided reasonable assurance of effectiveness as of the end of the period covered by this report.

10-Q 30 September 2003 - Management's Assessment of Disclosure Controls

Controls and Procedures

AIG's disclosure controls and procedures are designed to ensure that information required to be disclosed in the reports that AIG files or submits under the Securities Exchange Act of 1934, as amended (Exchange Act), is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission. Disclosure controls and procedures include controls and procedures designed to ensure that information required to be disclosed by AIG in the reports that it files or submits under the Exchange Act is accumulated and communicated to AIG's management, including AIG's Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. AIG's management, with the participation of AIG's Chief Executive Officer and the Chief Financial Officer, have evaluated the effectiveness of AIG's disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, AIG's Chief Executive Officer and Chief Financial Officer concluded that the disclosure controls and procedures were effective as of the end of the period covered by this report.

10-Q 30 June 2003 - Management's Assessment of Disclosure Controls

AIG's disclosure controls and procedures are designed to ensure that information required to be disclosed in the reports that AIG files or submits under the Securities Exchange Act of 1934, as amended (Exchange Act), is recorded, processed,

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summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission. Disclosure controls and procedures include controls and procedures designed to ensure that information required to be disclosed by AIG in the reports that it files or submits under the Exchange Act is accumulated and communicated to AIG's management, including AIG's Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

AIG’s management, with the participation of AIG’s Chief Executive Officer and the Chief Financial Officer, have evaluated the effectiveness of AIG’s disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, AIG’s Chief Executive Officer and Chief Financial Officer concluded that the disclosure controls and procedures were effective as of the end of the period covered by this report.

10-Q 31 March 2003 - Management's Assessment of Disclosure Controls

AIG’s disclosure controls and procedures are designed to ensure that information required to be disclosed in the reports that AIG files or submits under the Securities Exchange Act of 1934, as amended (Exchange Act), is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission. Disclosure controls and procedures include controls and procedures designed to ensure that information required to be disclosed by AIG in the reports that it files or submits under the Exchange Act is accumulated and communicated to AIG’s management, including AIG’s Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. AIG’s Chief Executive Officer and the Chief Financial Officer have reviewed the effectiveness of AIG’s disclosure controls and procedures within 90 days of the filing date of this Quarterly Report on Form 10-Q and have concluded that the disclosure controls and procedures are effective.

10-K 31 December 2002 - Management's Assessment of Disclosure Controls

Controls and Procedures AIG's disclosure controls and procedures are designed to ensure that information required to be disclosed in the reports that AIG files or submits under the Securities Exchange Act of 1934, as amended (Exchange Act), is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission. Disclosure controls and procedures include controls and procedures designed to ensure that information required to be disclosed by AIG in the reports that it files or submits under the Exchange Act is accumulated and communicated to AIG's management, including AIG's Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. AIG's Chief Executive Officer and the Chief Financial Officer have reviewed the effectiveness of AIG's disclosure controls and procedures within 90 days of the filing date of this Annual Report on Form 10-K and have concluded that the disclosure controls and procedures are effective.

10-Q 30 September 2002 - Management's Assessment of Disclosure Controls

AIG’s disclosure controls and procedures are designed to ensure that information required to be disclosed in the reports that AIG files or submits under the Securities Exchange Act of 1934, as amended (Exchange Act), is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission. Disclosure controls and procedures include controls and procedures designed to ensure that information required to be disclosed by AIG in the reports that it files or submits under the Exchange Act is accumulated and communicated to AIG’s management, including AIG’s Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. AIG’s Chief Executive Officer and the Chief Financial Officer have reviewed the effectiveness of AIG’s disclosure controls and procedures within the last 90 days and have concluded that the disclosure controls and procedures are effective.

Director / Officer Change Reports

8-K FORM 8-K 2008-07-22

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers. On July 21, 2008, American International Group, Inc. (AIG) was informed by Ellen V. Futter that she was resigning from the Board of Directors of AIG effective immediately. SIGNATURES Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized. AMERICAN INTERNATIONAL GROUP, INC. (Registrant) Date: July 22, 2008 By: /s/ Kathleen E. Shannon Name: Kathleen E. Shannon Title: Senior Vice President and Secretary

8-K FORM 8-K 2008-07-17

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers. On July 16, 2008, American International Group, Inc. (AIG) issued a press release announcing that the Board of Directors of AIG elected Suzanne Nora Johnson a director. Committee membership for Ms. Nora Johnson will be determined at a later date. A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K. Also on July 16, 2008, Richard C. Holbrooke informed AIG that he was resigning from the Board of Directors of AIG effective immediately. Section 9 — Financial Statements and Exhibits Item 9.01 Financial Statements and Exhibits. (d) Exhibits. Exhibit 99.1 Press release of American International Group, Inc. dated July 16, 2008. SIGNATURES Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized. AMERICAN INTERNATIONAL GROUP, INC. (Registrant) Date: July 17, 2008 By: /s/ Kathleen E. Shannon Name: Kathleen E. Shannon Title: Senior Vice President and Secretary

8-K FORM 8-K 2008-06-16

Item 5.03. Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year. Effective June 15, 2008, the Board of Directors amended the By-laws of AIG to provide for a Chairman of the Board of Directors, who may also serve as Chief Executive Officer, and to create the position of Lead Independent Director. A copy of AIG's Amended By-laws is filed herewith as Exhibit 3.1 and is incorporated by reference herein. Section 9 — Financial Statements and Exhibits Item 9.01 Financial Statements and Exhibits. (d) Exhibits. Exhibit 3.1 American International Group, Inc. By-laws, as amended on June 15, 2008. Exhibit 99.1 Press release of American International Group, Inc. dated June 15, 2008. SIGNATURES Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized. AMERICAN INTERNATIONAL GROUP, INC. (Registrant) Date: June 16, 2008 By: /s/ Kathleen E. Shannon Name: Kathleen E. Shannon Title: Senior Vice President and Secretary

8-K FORM 8-K 2008-05-08

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers. American International Group, Inc. (AIG) announced that Steven J. Bensinger has been appointed Vice Chairman-Financial Services of AIG, effective May 8, 2008, and that he will continue to serve as Chief Financial Officer of AIG until the appointment of his successor. In connection with his new appointment, AIG has amended Mr. Bensinger's employment agreement to extend his right to terminate for "good reason" until the end of his employment term. The letter agreement with Mr. Bensinger is filed herewith as Exhibit 10.1 and is incorporated by reference herein. Section 9 — Financial Statements and Exhibits Item 9.01. Financial Statements and Exhibits. (d) Exhibits. Exhibit 10.1 Letter Agreement between Steven J. Bensinger and AIG, dated May 8, 2008. . Table of Contents SIGNATURES Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized. AMERICAN INTERNATIONAL GROUP, INC. (Registrant) Date: May 8, 2008 By: /s/ Kathleen E. Shannon Name: Kathleen E. Shannon Title: Senior Vice President and Secretary

8-K 8-K 2008-02-21

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers. On February 15, 2008, American International Group, Inc.

(AIG) was notified by Stephen L. Hammerman that he does not wish to stand for re-election to the AIG Board of Directors at the AIG 2008 Annual Meeting of Shareholders. Mr. Hammerman expressed a desire to have more time with his family and focus on charitable endeavors. SIGNATURES Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized. AMERICAN INTERNATIONAL GROUP, INC. (Registrant) Date: February 21, 2008 By: /s/ Kathleen E. Shannon Name: Kathleen E. Shannon Title: Senior Vice President and Secretary

8-K FORM 8-K 2008-01-17

Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year. On January 16, 2008, the Board of Directors of AIG amended the By-laws of AIG to require that each director be elected by the vote of the majority of the votes cast. In a contested election, however, the directors will be elected by a plurality of the votes cast. AIG’s Corporate Governance Guidelines (available on the corporate governance section of AIG’s website at www.aigcorporate.com/corpsite/) contain AIG’s policy regarding the director resignation process. A copy of AIG’s Amended By-laws is filed herewith as Exhibit 3.1 and is incorporated by reference herein. Section 9 — Financial Statements and Exhibits Item 9.01 Financial Statements and Exhibits. (d) Exhibits. Exhibit 3.1 American International Group, Inc. By-laws, as amended on January 16, 2008. Exhibit 99.1 Press release of American International Group, Inc. dated January 16, 2008. Table of Contents SIGNATURES Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized. AMERICAN INTERNATIONAL GROUP, INC. (Registrant) Date: January 16, 2008 By: /s/ Kathleen E. Shannon Name: Kathleen E. Shannon Title: Senior Vice President and Secretary Table of Contents EXHIBIT INDEX Exhibit No. Description 3.1 American International Group, Inc. By-laws, as amended on January 16, 2008. 99.1 Press release of American International Group, Inc. dated January 16, 2008.

8-K 8-K 2006-09-20

Item 5.02. Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers. (d) On September 20, 2006, American International Group, Inc. (AIG) announced that the Board of Directors of AIG elected Virginia M. Rometty a Director. Committee assignments for Ms. Rometty will be determined at a later date. Section 8-Other Information Item 8.01. Other Events. On September 20, 2006, AIG announced that the Board of Directors of AIG has elected Robert B. Willumstad as Chairman of the Board of Directors of AIG, effective November 1, 2006, to succeed Frank G. Zarb, who has served as Interim Chairman since April 2005. SIGNATURES Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized. AMERICAN INTERNATIONAL GROUP, INC. (Registrant) Date: September 20, 2006 By /s/ KATHLEEN E. SHANNON ------------------------------------ Name: Kathleen E. Shannon Title: Senior Vice President and Secretary

8-K FORM 8-K 2006-07-21

Item 5.02. Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers. (b) On July 19, 2006, American International Group, Inc. (AIG) was notified by Pei-yuan Chia, a director of AIG, of his intention to resign from the Board of Directors as of September 30, 2006. Section 9 - Financial Statements and Exhibits Item 9.01. Financial Statements and Exhibits. (d) Exhibits. Exhibit 10.1 AIG Senior Partners Plan. SIGNATURES Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized. AMERICAN INTERNATIONAL GROUP, INC. (Registrant) Date: July 21, 2006 By /s/ KATHLEEN E. SHANNON ------------------------------------ Name: Kathleen E. Shannon Title: Senior Vice President and Secretary

8-K FORM 8-K 2006-02-13

Item 5.02. Departure of Directors or Principal Officers, Election of Directors, Appointment of Principal Officers. On February 7, 2006 and February 10, 2006, respectively, American International Group, Inc. (AIG) was notified by Carla A. Hills and William S. Cohen, directors of AIG, that they will not stand for reelection to the Board of Directors at AIG's 2006 Annual Meeting of Shareholders. Ms. Hills is a member of the Audit Committee and the Nominating and Corporate Governance Committee of AIG's Board of Directors. Mr. Cohen is a member of the Public Policy and Social Responsibility Committee of AIG's Board of Directors. SIGNATURES Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized. AMERICAN INTERNATIONAL GROUP, INC. (Registrant) Date: February 13, 2006 By /s/ KATHLEEN E. SHANNON -------------------------- Name: Kathleen E. Shannon Title: Senior Vice President and Secretary

8-K 8-K 2006-01-19

Item 5.02. Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers. On January 18, 2006, the Board of Directors of American International Group, Inc. (AIG) elected Fred H. Langhammer and Robert B. Willumstad Directors. Mr. Willumstad will serve on the Finance Committee and additional committee assignments for both new directors will be determined at a later date. A copy of the press release announcing the election of Messrs. Langhammer and Willumstad is attached as Exhibit 99.1 to this Current Report on Form 8-K. In addition, on January 18, 2006, Donald P. Kanak, Executive Vice Chairman and Chief Operating Officer, gave a notice of the termination of his employment with AIG for Good Reason pursuant to section 9(c) of his Employment Agreement with AIG. Mr. Kanak's Employment Agreement is filed as an exhibit to AIG's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2005. Mr. Kanak resigned as a director of AIG effective as of January 18, 2006. AIG has issued a press release announcing Mr. Kanak's resignation, a copy of which is attached as Exhibit 99.2 to this Current Report on Form 8-K. A copy of Mr. Kanak's notice of termination is attached as Exhibit 99.3 to this Current Report on Form 8-K. Section 9 - Financial Statements and Exhibits Item 9.01. Financial Statements and Exhibits. (d) Exhibits Exhibit 99.1 Press Release of American International Group, Inc. dated January 18, 2006. Exhibit 99.2 Press Release of American International Group, Inc. dated January 18, 2006. Exhibit 99.3 Notice of Termination. SIGNATURES Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized. AMERICAN INTERNATIONAL GROUP, INC. (Registrant) Date: January 18, 2006 By /s/ KATHLEEN E. SHANNON ----------------------------------- Name: Kathleen E. Shannon Title: Senior Vice President and Secretary

8-K 8-K 2005-10-21

Item 5.02. Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers. On October 20, 2005, American International Group, Inc. (AIG) issued a press release announcing that the Board of Directors of AIG has elected Michael H. Sutton as a Director. Mr. Sutton will serve on the Audit Committee of the Board of Directors. A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K. In addition, on October 20, 2005, the Board of Directors of AIG was notified by M. Bernard Aidinoff, director of AIG, that he does not intend to stand for election at AIG's 2006 Annual Meeting of Shareholders and will retire from the Board of Directors at that time. Section 9 - Financial Statements and Exhibits Item 9.01 Financial Statements and Exhibits. (c) Exhibits. Exhibit 99.1 Press release of American International Group, Inc. dated October 20, 2005. SIGNATURES Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized. AMERICAN INTERNATIONAL GROUP, INC. (Registrant) Date: October 21, 2005 By /s/ KATHLEEN E. SHANNON ----------------------------------- Name: Kathleen E. Shannon Title: Senior Vice President and Secretary EXHIBIT INDEX Exhibit No. Description - ----------- ----------- 99.1 Press Release of American International Group, Inc. dated October 20, 2005.

8-K 8-K 2005-06-24

Item 5.02. Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers. On June 21, 2005, American International Group, Inc. (AIG) announced that David L. Herzog, age 45, has been named AIG Comptroller and has been elected an AIG Senior Vice President. Mr. Herzog previously served as Chief Financial Officer of AIG's worldwide life insurance operations since 2004. Prior to that, he served as Chief Operating Officer and Chief Financial Officer of AIG's domestic life insurance companies, a position held since AIG's acquisition of American General Corporation in 2001. Prior to joining AIG, Mr. Herzog served as Executive Vice President and Chief Financial Officer of American General Corporation's life division since February 2000. SIGNATURES Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized. AMERICAN INTERNATIONAL GROUP, INC. (Registrant) Date: June 24, 2005 By /s/ KATHLEEN E. SHANNON ----------------------------------- Name: Kathleen E. Shannon Title: Senior Vice President and Secretary

8-K AMERICAN INTERNATIONAL GROUP, INC. 2005-06-10

Item 5.02. Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers. On June 7, 2005, American International Group, Inc. (AIG) received a letter from Howard I. Smith notifying AIG of his resignation from the AIG Board of Directors, effective immediately. A copy of Mr. Smith's letter is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference. On June 8, 2005, AIG received a letter from Maurice R. Greenberg notifying AIG of his resignation from the AIG Board of Directors, effective immediately. A copy of Mr. Greenberg's letter setting forth the reasons for his resignation is attached as Exhibit 99.2 to this Current Report on Form 8-K and is incorporated herein by reference. Section 9 - Financial Statements and Exhibits Item 9.01 Financial Statements and Exhibits. (c) Exhibits. Exhibit 99.1 Letter of Howard I. Smith Exhibit 99.2 Letter of Maurice R. Greenberg SIGNATURES Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized. AMERICAN INTERNATIONAL GROUP, INC. (Registrant) Date: June 10, 2005 By /s/ KATHLEEN E. SHANNON ----------------------------------- Name: Kathleen E. Shannon Title: Senior Vice President and Secretary EXHIBIT INDEX Exhibit No. Description - ----------- ----------- 99.1 Letter of Howard I. Smith 99.2 Letter of Maurice R. Greenberg

8-K/A FORM 8-K/A 2005-05-24

Item 5.02. Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers. American International Group, Inc. (AIG) is filing this amendment to its Current Report on Form 8-K filed on April 22,2005, which reported that the Board of Directors of AIG had elected George L. Miles, Jr. and Morris W. Offit as Directors and its Current Report on Form 8-K filed on March 8, 2005, which reported that the Board of Directors of AIG had elected Stephen L. Hammerman as a Director. Messrs. Miles and Offit join Ms. Hills and Messrs. Aidinoff, Chia, Hoenemeyer and Zarb on the Audit Committee of the Board of Directors; Mr. Hammerman joins Ms. Futter and Messrs. Aidinoff and M. Cohen on the Regulatory, Legal and Compliance Committee of the Board of Directors; and Mr. Miles joins Messrs. Holbrooke, Feldstein and W. Cohen on the Social Responsibility Committee of the Board of Directors. As Interim Chairman of the Board of Directors of AIG, Mr. Zarb serves as an ex officio member of all standing committees of the Board. In addition, Messrs. Miles, Offit and Hammerman comprise the newly-formed Special Committee on Indemnification of the Board of Directors. SIGNATURES Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized. AMERICAN INTERNATIONAL GROUP, INC. (Registrant) Date: May 24, 2005 By /s/ KATHLEEN E. SHANNON ----------------------------------- Name: Kathleen E. Shannon Title: Senior Vice President and Secretary

8-K AMERICAN INTERNATIONAL GROUP, INC. 2005-04-28

Item 5.02. Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers. On April 21, 2005, American International Group, Inc. (AIG) was notified by Frank J. Hoenemeyer, director of

AIG, that he will retire from the Board of Directors following AIG's 2005 Annual Meeting of Shareholders. The date of AIG's 2005 Annual Meeting of Shareholders has not been scheduled. Mr. Hoenemeyer is a member of the Compensation, Executive, Finance and Audit Committees of the Board of Directors. SIGNATURES Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized. AMERICAN INTERNATIONAL GROUP, INC. (Registrant) Date: April 27, 2005 By /s/ KATHLEEN E. SHANNON ------------------------------------ Name: Kathleen E. Shannon Title: Senior Vice President and Secretary

8-K FORM 8-K 2005-04-22

Item 5.02. Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers. On April 21, 2005, American International Group, Inc. (AIG) issued a press release announcing that the Board of Directors of AIG has elected George L. Miles, Jr. and Morris W. Offit as Directors. A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K. Section 9 - Financial Statements and Exhibits Item 9.01 Financial Statements and Exhibits. (c) Exhibits. Exhibit 99.1 Press release of American International Group, Inc. dated April 21, 2005. SIGNATURES Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized. AMERICAN INTERNATIONAL GROUP, INC. (Registrant) Date: April 21, 2005 By /s/ KATHLEEN E. SHANNON ------------------------------------ Name: Kathleen E. Shannon Title: Senior Vice President and Secretary EXHIBIT INDEX Exhibit No. Description - ----------- ----------- 99.1 Press Release of American International Group, Inc. dated April 21, 2005.

8-K AMERICAN INTERNATIONAL GROUP, INC. 2005-03-30

Item 5.02. Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers. On March 28, 2005, counsel to the Audit Committee of the Board of Directors of American International Group, Inc. (AIG) was notified by M.R. Greenberg, Chairman of the Board of AIG, that he does not intend to stand for election to the Board of Directors of AIG at AIG's 2005 Annual Meeting of Shareholders. The date of AIG's 2005 Annual Meeting of Shareholders has not been scheduled. SIGNATURES Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized. AMERICAN INTERNATIONAL GROUP, INC. (Registrant) Date: March 30, 2005 By /s/ KATHLEEN E. SHANNON ------------------------------------ Name: Kathleen E. Shannon Title: Senior Vice President and Secretary

8-K AMERICAN INTERNATIONAL GROUP, INC. 2005-03-15

Item 5.02 above, that the filing of its 2004 Annual Report on Form 10-K, which is due on March 16, 2005, will be delayed. This action is the result of the management changes described above as well as AIG's ongoing internal review of the accounting for certain transactions, which review was commenced in connection with previously announced regulatory inquiries. AIG does not believe that any of the matters subject to the review are likely to result in significant changes to AIG's financial position. Section 9 - Financial Statements and Exhibits Item 9.01 Financial Statements and Exhibits. (c) Exhibits. Exhibit 99.1 Press release of American International Group, Inc. dated March 14, 2005. SIGNATURES Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized. AMERICAN INTERNATIONAL GROUP, INC. (Registrant) Date: March 14, 2005 By /s/ KATHLEEN E. SHANNON ------------------------------------ Name: Kathleen E. Shannon Title: Senior Vice President and Secretary EXHIBIT INDEX Exhibit No. Description - ----------- ----------- 99.1 Press Release of American International Group, Inc. dated March 14, 2005.

8-K AMERICAN INTERNATIONAL GROUP, INC. 2005-03-08

Item 5.02. Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers. On March 7, 2005, American International Group, Inc. (AIG) issued a press release announcing that the Board of Directors of AIG has elected Stephen L. Hammerman as a Director. A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K. Section 9 - Financial Statements and Exhibits Item 9.01 Financial Statements and Exhibits. (c) Exhibits. Exhibit 99.1 Press release of American International Group, Inc. dated March 7, 2005. SIGNATURES Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized. AMERICAN INTERNATIONAL GROUP, INC. (Registrant) Date: March 7, 2005 By /s/ KATHLEEN E. SHANNON ----------------------------------- Name: Kathleen E. Shannon Title: Senior Vice President and Secretary EXHIBIT INDEX Exhibit No. Description - ----------- ----------- 99.1 Press Release of American International Group, Inc. dated March 7, 2005.

8-K AMERICAN INTERNATIONAL GROUP, INC. 2005-01-06

Item 5.02. Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers. On January 6, 2005, American International Group, Inc. (AIG) issued a press release announcing, among other things, that Steven J. Bensinger, age 49, has been named AIG Comptroller in addition to his current duties as AIG Treasurer and that he has been elected an AIG Senior Vice President. A copy of the press release is attached as Exhibit 99.1 to this Form 8-K. Prior to joining AIG in September 2002, Mr. Bensinger was Executive Vice President and Chief Financial Officer of Combined Specialty Group, Inc. (a division of Aon Corporation) commencing in March 2002, and served as Executive Vice President of Trenwick Group, Ltd. from October 1999 through December 2001 and as President of Chartwell Re Corp. from March 1993 until October 1999. The press release also announced that Michael J. Castelli, who has served since 2000 as AIG Comptroller, has been named AIG Chief Administrative Officer and elected an AIG Senior Vice President. SIGNATURES Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized. AMERICAN INTERNATIONAL GROUP, INC. (Registrant) Date: January 6, 2005 By /s/ KATHLEEN E. SHANNON ----------------------------------- Name: Kathleen E. Shannon Title: Senior Vice President and Secretary EXHIBIT INDEX Exhibit No. Description - ----------- ----------- 99.1 Press Release of American International Group, Inc. dated January 6, 2005.

Auditor Opinions

2007 Audit Opinion	**AMERICAN INTERNATIONAL GROUP INC**
Auditor	PricewaterhouseCoopers LLP (New York, NY)
Annotations	***Issues***

American International Group, Inc. and Subsidiaries Report of Independent Registered Public Accounting Firm To the Board of Directors and Shareholders of American International Group, Inc.: In our opinion, the consolidated financial statements listed in the accompanying index present fairly, in all material respects, the financial position of American International Group, Inc. and its subsidiaries (AIG) at December 31, 2007 and 2006, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2007 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedules listed in the accompanying index present fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. Also in our opinion, AIG did not maintain, in all material respects, effective internal control over financial reporting as of December 31, 2007, based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) because a material weakness in internal control over financial reporting related to the AIGFP super senior credit default swap portfolio valuation process and oversight thereof existed as of that date. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis. The material weakness referred to above is described in Management's Report on Internal Control Over Financial Reporting appearing under Item 9A. We considered this material weakness in determining the nature, timing, and extent of audit tests applied in our audit of the 2007 consolidated financial statements, and our opinion regarding the effectiveness of AIG’s internal control over financial reporting does not affect our opinion on those consolidated financial statements. AIG’s management is responsible for these financial statements and financial statement schedules, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in management’s report referred to above. Our responsibility is to express opinions on these financial statements, on the financial statement schedules, and on AIG’s internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions. As described in Note 1 to the consolidated financial statements, as of January 1, 2007, AIG changed the manner in which it accounts for internal replacements of certain insurance and investment contracts, uncertainty in income taxes, and changes or projected changes in the timing of cash flows relating to income taxes generated by leveraged lease transactions. As described in Notes 1 and 17 to the consolidated financial statements, AIG changed its accounting for certain hybrid financial instruments, life settlement contracts and share based compensation as of January 1, 2006, and certain employee benefit plans as of December 31, 2006. A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. PricewaterhouseCoopers LLP New York, New York February 28, 2008

2006 Audit Opinion	**AMERICAN INTERNATIONAL GROUP INC**
Auditor	PricewaterhouseCoopers LLP (New York, NY)
Annotations	***Issues***

Report of Independent Registered Public Accounting Firm To the Board of Directors and Shareholders of American International Group, Inc.: We have completed integrated audits of American International Group, Inc.’s consolidated financial statements and of its internal control over financial reporting as of December 31, 2006, in accordance with the standards of the Public Company Accounting Oversight Board (United States). Our opinions, based on our audits, are presented below. Consolidated Financial Statements and Financial Statement Schedules In our opinion, the consolidated financial statements listed in the accompanying index present fairly, in all material respects, the financial position of American International Group, Inc. and its subsidiaries (AIG) at December 31, 2006 and 2005, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2006 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedules listed in the accompanying index present fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. These financial statements and financial statement schedules are the responsibility of AIG's management. Our responsibility is to express an opinion on these financial statements and financial statement schedules based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion. As described in Notes 1, 14 and 15 to the consolidated financial statements, AIG changed its accounting for certain hybrid financial instruments, life settlement contracts and share based compensation as of January 1, 2006, and certain employee benefit plans as of December 31, 2006. Internal Control Over Financial Reporting Also, we have audited management's assessment, included in Management's Report on Internal Control Over Financial Reporting appearing under Item 9A, that AIG did not maintain effective internal control over financial reporting as of December 31, 2006 because of the effect of the material weakness relating to controls over income tax accounting, based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). AIG's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express opinions on management's assessment and on the effectiveness of AIG's internal control over financial reporting based on our audit. We conducted our audit of internal control over financial reporting in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. An audit of internal control over financial reporting includes obtaining an understanding of internal control over financial reporting, evaluating management's assessment, testing and evaluating the design and operating effectiveness of internal control, and performing such other procedures as we consider necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinions. A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. A material weakness is a control deficiency, or a combination of control deficiencies, that results in more than a remote likelihood that a material misstatement of the annual or interim financial statements will not be prevented or detected. As of December 31, 2006, a material weakness relating to the controls over income tax accounting has been identified and included in management's assessment. Controls over income tax accounting: AIG did not maintain effective controls over the determination and reporting of certain components of the provision for income taxes and related income tax balances. Specifically, AIG did not maintain effective controls to review and monitor the accuracy of the components of the income tax provision calculations and related income tax balances and to monitor the differences between the income tax basis and the financial reporting basis of assets and liabilities to effectively 100 AIG 2006 Form 10-K

American International Group, Inc. and Subsidiaries Report of Independent Registered Public Accounting Firm Continued reconcile the differences to the deferred income tax balances. These control deficiencies resulted in adjustments to income tax expense, income taxes payable and deferred income tax asset and liability accounts in the 2006 annual and interim consolidated financial statements. Furthermore, these control deficiencies could result in a material misstatement of the annual or interim AIG consolidated financial statements that would not be prevented or detected. Accordingly, AIG management has concluded that these control deficiencies constitute a material weakness. This material weakness was considered in determining the nature, timing, and extent of audit tests applied in our audit of the 2006 consolidated financial statements, and our opinion regarding the effectiveness of AIG's internal control over financial reporting does not affect our opinion on those consolidated financial statements. In our opinion, management's assessment that AIG did not maintain effective internal control over financial reporting as of December 31, 2006 is fairly stated, in all material respects, based on criteria established in Internal Control — Integrated Framework issued by the COSO. Also, in our opinion, because of the effect of the material weakness described above on the achievement of the objectives of the control criteria, AIG has not maintained effective internal control over financial reporting as of December 31, 2006, based on criteria established in Internal Control — Integrated Framework issued by the COSO. PricewaterhouseCoopers LLP New York, New York March 1, 2007

2005 Audit Opinion	**AMERICAN INTERNATIONAL GROUP INC**
Auditor	PricewaterhouseCoopers LLP (New York, NY)
Annotations	***Issues***

Report of Independent Registered Public Accounting Firm To the Board of Directors and Shareholders of American International Group, Inc.: We have completed integrated audits of American International Group, Inc.'s 2005 and 2004 consolidated financial statements and of its internal control over financial reporting as of December 31, 2005, and an audit of its 2003 consolidated financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Our opinions, based on our audits, are presented below. Consolidated financial statements and financial statement schedules In our opinion, the consolidated financial statements listed in the accompanying index present fairly, in all material respects, the financial position of American International Group, Inc. and its subsidiaries (AIG) at December 31, 2005 and 2004, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2005 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedules listed in the accompanying index present fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. These financial statements and financial statement schedules are the responsibility of AIG's management. Our responsibility is to express an opinion on these financial statements and financial statement schedules based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion. As described in Note 21 to the consolidated financial statements, AIG changed its accounting for certain non-traditional long duration contracts and for separate accounts as of January 1, 2004. Internal control over financial reporting Also, we have audited management's assessment, included in Management's Report on Internal Control Over Financial Reporting appearing under Item 9A, that AIG did not maintain effective internal control over financial reporting as of December 31, 2005 because of the effect of the material weaknesses relating to (1) controls over certain balance sheet reconciliations, (2) controls over the accounting for certain derivative transactions and (3) controls over income tax accounting, based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). AIG's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express opinions on management's assessment and on the effectiveness of AIG's internal control over financial reporting based on our audit. We conducted our audit of internal control over financial reporting in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. An audit of internal control over financial reporting includes obtaining an understanding of internal control over financial reporting, evaluating management's assessment, testing and evaluating the design and operating effectiveness of internal control, and performing such other procedures as we consider necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinions. A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. A material weakness is a control deficiency, or a combination of control deficiencies, that results in more than a remote likelihood that a material misstatement of the annual or interim financial statements will not be prevented or detected. As of December 31, 2005, the following material weaknesses have been identified and included in management's assessment. Controls over certain balance sheet reconciliations: AIG did not maintain effective controls to ensure the accuracy of certain balance sheet accounts in certain key segments of AIG's operations, principally in the Domestic Brokerage Group. Specifically, accounting personnel did not perform timely reconciliations and did not properly resolve reconciling items for premium receivables, reinsurance recoverables and in- 70 AIG - Form 10-K

AMERICAN INTERNATIONAL GROUP, INC. AND SUBSIDIARIES tercompany accounts. As a result, premiums and other considerations, incurred policy losses and benefits, insurance acquisition and other operating expenses, premiums and insurance balances receivable, reinsurance assets, reserve for losses and loss expenses, reserve for unearned premiums, other assets and retained earnings were misstated under GAAP. Controls over the accounting for certain derivative transactions: AIG did not maintain effective controls over the evaluation and documentation of whether certain derivative transactions qualified under GAAP for hedge accounting. As a result, net investment income, realized capital gains (losses), other revenues, accumulated other comprehensive income (loss) and related balance sheet accounts were misstated under GAAP. Controls over income tax accounting: AIG did not maintain effective controls over the determination and reporting of certain components of the provision for income taxes and related deferred income tax balances. Specifically, AIG did not maintain effective controls to review and monitor the accuracy of the components of the income tax provision calculations and related income tax balances and to monitor the differences between the income tax basis and the financial reporting basis of assets and liabilities to effectively reconcile the differences to the deferred income tax balances. As a result, income tax expense, income taxes payable, deferred income tax assets and liabilities, retained earnings and accumulated other comprehensive income were misstated under GAAP. The control deficiencies described above resulted in the restatement in 2005 of AIG's 2004, 2003 and 2002 annual consolidated financial statements and financial statement schedules and the interim consolidated financial statements for each quarter in 2004 and 2003 and for each of the first three quarters in 2005. In addition, these control deficiencies could result in other misstatements to the aforementioned financial statement accounts and disclosures that would result in a material misstatement to the annual or interim AIG consolidated financial statements that would not be prevented or detected. Accordingly, AIG management has concluded that these control deficiencies constitute material weaknesses. These material weaknesses were considered in determining the nature, timing, and extent of audit tests applied in our audit of the 2005 consolidated financial statements, and our opinion regarding the effectiveness of AIG's internal control over financial reporting does not affect our opinion on those consolidated financial statements. In our opinion, management's assessment that AIG did not maintain effective internal control over financial reporting as of December 31, 2005, is fairly stated, in all material respects, based on criteria established in Internal Control — Integrated Framework issued by the COSO. Also, in our opinion, because of the effects of the material weaknesses described above on the achievement of the objectives of the control criteria, AIG has not maintained effective internal control over financial reporting as of December 31, 2005, based on criteria established in Internal Control — Integrated Framework issued by the COSO. PricewaterhouseCoopers LLP New York, New York March 16, 2006

2004 Audit Opinion	**AMERICAN INTERNATIONAL GROUP INC**
Auditor	PricewaterhouseCoopers LLP (New York, NY)
Annotations	***Issues***

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of American International Group, Inc.:

We have completed an integrated audit of American International Group, Inc.'s 2004 consolidated financial statements and of its internal control over financial reporting as of December 31, 2004 and audits of its 2003 and 2002 consolidated financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Our opinions, based on our audits, are presented below.

Consolidated financial statements and

financial statement schedules In our opinion, the consolidated financial statements listed in the accompanying index present fairly, in all material respects, the financial position of American International Group, Inc. and its subsidiaries (AIG) at December 31, 2004 and 2003, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2004 in conformity with accounting principles generally accepted in the United States of America (GAAP). In addition, in our opinion, the financial statement schedules listed in the accompanying index present fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. These financial statements and financial statement schedules are the responsibility of AIG's management. Our responsibility is to express an opinion on these financial statements and financial statement schedules based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Note 2 to the consolidated financial statements, AIG restated its 2004, 2003 and 2002 consolidated financial statements and financial statement schedules.

As described in Note 21 to the consolidated financial statements, AIG changed its accounting for certain non-traditional long duration contracts and for separate accounts as of January 1, 2004.

Internal control over financial reporting

Also, we have audited management's assessment, included in Management's Report on Internal Control Over Financial Reporting appearing under Item 9A, that AIG did not maintain effective internal control over financial reporting as of December 31, 2004 because of the effect of the material weaknesses relating to the (1) control environment, (2) controls over the evaluation of risk transfer, (3) controls over certain balance sheet reconciliations, (4) controls over the accounting for certain derivative transactions and (5) controls over income tax accounting, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). AIG's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express opinions on management's assessment and on the effectiveness of AIG's internal control over financial reporting based on our audit.

We conducted our audit of internal control over financial reporting in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. An audit of internal control over financial reporting includes obtaining an understanding of internal control over financial reporting, evaluating management's assessment, testing and evaluating the design and operating effectiveness of internal control, and performing such other procedures as we consider necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of

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American International Group, Inc. and Subsidiaries

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management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

A material weakness is a control deficiency, or combination of control deficiencies, that results in more than a remote likelihood that a material misstatement of the annual or interim financial statements will not be prevented or detected. As of December 31, 2004, the following material weaknesses have been identified and included in management’s assessment.

Control environment: Certain of AIG’s controls within its control environment were not effective to prevent certain members of senior management, including the former Chief Executive Officer and former Chief Financial Officer, from having the ability, which in certain instances was utilized, to override certain controls and effect certain transactions and accounting entries. In certain of these instances, such transactions and accounting entries appear to have been largely motivated to achieve desired accounting results and were not properly accounted for in accordance with GAAP. Further, in certain of these instances, information critical to an effective review of transactions, accounting entries, and certain entities used in these transactions and accounting entries, were not disclosed to the appropriate financial and accounting personnel, regulators and us. As a result, discussion and thorough legal, accounting, actuarial or other professional analysis did not occur. This control deficiency is based primarily on these overrides. Specifically, this control deficiency permitted the following:

• Creation of Capco, a special purpose entity used to effect transactions that were recorded to convert, improperly, underwriting losses to investment losses and that were not correctly accounted for in accordance with GAAP, resulting in a misstatement of premiums and other considerations, realized capital gains (losses), incurred policy losses and benefits and related balance sheet accounts. • Incorrect recording under GAAP of reinsurance transactions that did not involve sufficient risk transfer, such as the Gen Re transaction, and in some cases also related to entities which should have been consolidated, such as Union Excess and Richmond. This incorrect recording under GAAP resulted in a misstatement of premiums and other considerations, incurred policy losses and benefits, net investment income, reinsurance assets, deferred policy acquisition costs, other assets, reserve for losses and loss expenses, reserve for unearned premiums, other liabilities and retained earnings. See below for a related discussion under Controls over the evaluation of risk transfer. • Various transactions, such as Covered Calls and certain “Top Level” Adjustments, converted realized and unrealized gains into investment income, thereby incorrectly applying GAAP, resulting in a misstatement of net investment income, realized capital gains (losses), and accumulated other comprehensive income. • Incorrect recording under GAAP of changes to loss reserves and changes to loss reserves through “Top Level” Adjustments without adequate support, resulting in a misstatement of incurred policy losses and benefits, reserves for losses and loss expenses, foreign currency translation adjustments and retained earnings.

Controls over the evaluation of risk transfer: AIG did not maintain effective controls over the proper evaluation, documentation and disclosure of whether certain insurance and reinsurance transactions involved sufficient risk transfer to qualify for insurance and reinsurance accounting. These transactions included Gen Re, Union Excess, Richmond and certain transactions involving AIG Re, AIG Risk Finance and AIG Risk Management. As a result, AIG did not properly account for these transactions under GAAP, resulting in a misstatement of premiums and other considerations, incurred policy losses and benefits, net investment income, reinsurance assets, deferred policy acquisition costs, other assets, reserve for losses and loss expenses, reserve for unearned premiums, other liabilities and retained earnings.

Controls over certain balance sheet reconciliations: AIG did not maintain effective controls to ensure the accuracy of certain balance sheet accounts in certain key segments of AIG’s operations, principally in the Domestic Brokerage Group. Specifically, accounting personnel did not perform timely reconciliations and did not properly resolve reconciling items for premium receivables, reinsurance recoverables and intercompany accounts. As a result, insurance acquisition and other operating expenses, premiums and insurance balances receivable, reinsurance assets, other assets and retained earnings were misstated under GAAP.

Controls over the accounting for certain derivative transactions: AIG did not maintain effective controls over the evaluation and documentation of whether certain derivative transactions qualified under GAAP for hedge accounting, resulting in a misstatement of net investment income, realized capital gains (losses), other revenues, accumulated other comprehensive income (loss) and related balance sheet accounts.

Controls over income tax accounting: AIG did not maintain effective controls over the determination and reporting of

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certain components of the provision for income taxes and related deferred income tax balances. Specifically, AIG did not maintain effective controls to review and monitor the accuracy of the components of the income tax provision calculations and related deferred income taxes and to monitor the differences between the income tax basis and the financial reporting basis of assets and liabilities to effectively reconcile the differences to the deferred income tax balances. As a result, deferred income taxes payable, retained earnings and accumulated other comprehensive income were misstated under GAAP. The control deficiencies described above resulted in the restatement of AIG’s 2003, 2002, 2001 and 2000 annual consolidated financial statements and 2004 and 2003 interim consolidated financial statements, as well as adjustments, including audit adjustments, relating to the derivative matter described above, to AIG’s 2004 annual consolidated financial statements. Also, the control deficiencies above related to the accounting for certain derivative transactions, income tax accounting and certain balance sheet reconciliations resulted in the further restatement to AIG’s 2004, 2003 and 2002 annual consolidated financial statements and quarterly financial information for 2004 and 2003, as well as for the first three quarters of 2005. Furthermore, these control deficiencies could result in other misstatements in the aforementioned financial statement accounts and disclosures that would result in a material misstatement to the annual or interim AIG consolidated financial statements that would not be prevented or detected. Accordingly, management has concluded that these control deficiencies constitute material weaknesses. These material weaknesses were considered in determining the nature, timing, and extent of audit tests applied in our audit of the 2004 consolidated financial statements, and our opinion regarding the effectiveness of AIG’s internal control over financial reporting does not affect our opinion on those consolidated financial statements.

In our opinion, management’s assessment that AIG did not maintain effective internal control over financial reporting as of December 31, 2004, is fairly stated, in all material respects, based on criteria established in Internal Control – Integrated Framework issued by the COSO. Also, in our opinion, because of the effects of the material weaknesses described above on the achievement of the objectives of the control criteria, AIG has not maintained effective internal control over financial reporting as of December 31, 2004, based on criteria established in Internal Control – Integrated Framework issued by the COSO.

AIG’s management and we previously concluded that AIG did not maintain effective internal control over financial reporting as of December 31, 2004 because of the material weaknesses described above. However, AIG’s management subsequently determined that the Second Restatement described in Note 2 to the consolidated financial statements was an additional effect of the material weaknesses related to certain derivative transactions, income tax accounting and certain balance sheet reconciliations described above. Accordingly, the Second Restatement did not affect management’s assessment or our opinion on internal control over financial reporting.

PricewaterhouseCoopers LLP New York, New York May 27, 2005, except for the effects of the Second Restatement discussed in Note 2, the updates after May 27, 2005 discussed in Notes 7 and 12 to the consolidated financial statements, and except for the matter in the penultimate paragraph of Management's Report on Internal Control Over Financial Reporting, as to which the date is March 16, 2006

2003 Audit Opinion	**AMERICAN INTERNATIONAL GROUP INC**
Auditor	PricewaterhouseCoopers LLP (New York, NY)

REPORT OF INDEPENDENT AUDITORS

The Board of Directors and Shareholders of American International Group, Inc.:

In our opinion, the consolidated financial statements listed in the accompanying index present fairly, in all material respects, the consolidated financial position of American International Group, Inc. and subsidiaries (the "Company") at December 31, 2003 and 2002, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 2003, in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedules listed in the accompanying index present fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. These financial statements and financial statement schedules are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements and financial statement schedules based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP New York, New York February 11, 2004

2002 Audit Opinion	**AMERICAN INTERNATIONAL GROUP INC**
Auditor	PricewaterhouseCoopers LLP (New York, NY)

The Board of Directors and Shareholders American International Group, Inc.: In our opinion, the consolidated financial statements listed in the accompanying index present fairly, in all material respects, the consolidated financial position of American International Group, Inc. and subsidiaries (the "Company") at December 31, 2002 and 2001, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 2002, in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedules listed in the accompanying index present fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. These financial statements and financial statement schedules are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements and financial statement schedules based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion. PricewaterhouseCoopers LLP New York, New York February 12, 2003 60 American International Group, Inc. and Subsidiaries

2001 Audit Opinion	**AMERICAN INTERNATIONAL GROUP INC**
Auditor	PricewaterhouseCoopers LLP (New York, NY)

REPORT OF INDEPENDENT ACCOUNTANTS THE BOARD OF DIRECTORS AND SHAREHOLDERS AMERICAN INTERNATIONAL GROUP, INC.: In our opinion, the consolidated financial statements listed in the accompanying index present fairly, in all material respects, the consolidated financial position of American International Group, Inc. and its subsidiaries (the "Company") at December 31, 2001 and 2000, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 2001, in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedules listed in the accompanying index present fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. These financial statements and financial statement schedules are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements and financial statement schedules based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion. PricewaterhouseCoopers LLP New York, New York February 6, 2002

2000 Audit Opinion	**AMERICAN INTERNATIONAL GROUP INC**
Auditor	PricewaterhouseCoopers LLP (New York, NY)

Report of Independent Accountants

The Board of Directors and Shareholders American International Group, Inc.:

In our opinion, the consolidated financial statements listed in the accompanying index present fairly, in all material respects, the consolidated financial position of American International Group, Inc. and its subsidiaries (the "Company") at December 31, 2000 and 1999, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 2000, in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedules listed in the accompanying index present fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. These financial statements and financial statement schedules are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements and financial statement schedules based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

New York, New York February 7, 2001

Benefit Plan Auditor Opinions

None found.

Category Descriptions

Acc - Lease, FAS 5, legal, contingency & commit issues

Consists primarily of internal control deficiencies associated with FAS 5 type contingencies and commitments. This description also deals with issues associated with the disclosure or accrual of legal exposures by registrants and issues associated leases and lease commitments. One significant area of impact has been internal control deficiencies associated with determining the proper accounting or determination of operating vs. capitalized leases.

IC - Material and/or numerous auditor /YE adjustments

Represents circumstances where one of the explanations for a material weakness opinion was the number and/or size of year-end adjustments including those proposed by the auditor. These adjustments also consider footnote and related errors that need to be corrected by the auditor at year-end. Too many, or auditor initiated year-end adjustments are consider prima facie evidence of a potential material weakness in financial reporting.

IC - Restatement or nonreliance of company filings

Consists of material weakness opinions deriving from problems that led to restatements. Restatements are often evidentiary of primi-facie internal control deficiencies.

IC - SEC or other regulatory investigations and/or inquiries

An SEC or related investigation into the company affairs is often evidentiary of accounting or financial reporting issues that point to internal control deficiencies. This category seeks to identify circumstances where registrants have indicated in their 404 assertion that an SEC investigation or inquiry is underway.

IC - Management/Board/Audit Committee investigation(s)

Consists of internal control reports indicating that an internal investigation is underway relative to accounting and/or financial reporting matters. This item is demographic in nature.

Acc - Intercompany/Investment w/ sub/affil issues

Consists primarily of internal control deficiencies in approach, theory or calculation related to intercompany or affiliate balances, investment valuations or transactions. It is often the case that problems arise when intercompany balances are not reconciled and accounted for on a timely basis.

IC - Untimely or inadequate account reconciliations

In reviewing internal control assertions or opinions it is often the case that inadequate account reconciliations are identified as the reason for material or numerous adjustments. This category seeks to specifically identify such circumstances.

IC - Senior management competency, tone, reliability issues

This category has been established to identify circumstances where internal control weaknesses are attributed directly to potentially improper or negligent conduct of the current or former senior management of the company. This does not necessarily mean that the assertion is correct, just that such language exists in the filing.

Acc - Accounts/loans receivable, investments & cash issues

Consists of internal control deficiencies in approach, theory or calculations with respect to cash, cash equivalents, accounts receivable, short term investments, certain long term investments, notes, loans collectible, allowance for uncollectibles, notes receivables and/or related reserves.

IC - Accounting documentation, policy and/or procedures

Represents material weaknesses deriving from internal control systems that do not contain adequate documentation, policies or other means of justifying account balances. These issues may also include failures to ensure that accounts are recorded based on GAAP, SAB, FASB and/or the appropriate accounting methodology are followed. They may also include failures in policies or procedures designed to gather the correct information on a timely basis or problems with the y/e close process. It also includes failures to employ proper procedures over journal entries, non-routine transactions and other common procedural failures. This is a catch all category. Almost by definition this item will be checked whenever a company indicates an ineffective 404 situation.

IC - Ethical or compliance issues with personnel

Consists of problems with personnel in the areas of compliance with policies, maintenance of ethical standards, fraud and intentional acts that lead to (or could lead to) misstated account balances or financial reports.

Acc - Balance sheet classification of asset issues

Consists of internal control deficiencies in approach, theory or calculation associated with how assets were classified on the balance sheet. Primarily this category is made up of misclassified assets as short term versus long term or whether certain assets were properly considered cash equivalents versus short-term investments.

Acc - Consolidation, (Fin46r/Off BS) & foreign curr transl iss

Consists of internal control deficiencies in approach, theory or calculation with respect to the consolidation of subsidiaries including variable interest entities and off balance sheet arrangements. This can include mistakes in how joint ventures, off balance sheet entities were recorded or disclosed. This category also identifies issues associated with foreign currency translations, minority interests, eliminations or other issues associated with consolidations.

Acc - Financial derivatives/hedging (FAS 133) acctg issues

Consists of internal control deficiencies in approach, theory or calculation of derivative instruments. These can include the valuation of financial instruments such as hedges on currency swings, interest rate swaps, purchases of foreign goods, guarantees and other. Often this category is checked when registrants fail to follow the FAS 133 rules for proper documentation or application of its principles.

Acc - Liabilities, payables, reserves and accrual est failures

Consists of internal control deficiencies associated with the accrual or identification of liabilities on the balance sheet. These could range from failures to record pension obligations, to problems with establishing the correct amount of payables, accruals or other reserves. From an internal control perspective, issues in this area most often occur because of cut-off failures in recording liabilities and matching them to related revenue or inventory accounts.

Acc - Foreign, related party, affiliated and/or subsid issues

Consists primarily of internal control deficiencies associated with disclosures about related, alliance, affiliated and/or subsidiary entities. This can also refer to accounting issues detected at foreign subsidiaries. This box is checked mostly in conjunction with other categories to indicate that an issue has been raised in association with a failure at a subsidiary (often foreign sub) that has been deemed to be material to the overall financial condition of the company.

Acc - Revenue recognition issues

Consists of internal control deficiencies in approach, understanding or calculation associated with the recognition of revenue. Many of these restatements originate from a failure to properly interpret sales contracts for hidden rebates, returns, barter or resale arrangements. They can also occur because of misapplied credits or debits associated with customer accounts. This account is generally checked without regard to other accounts they impact, such as accounts receivable.

Acc - Tax expense/benefit/deferral/other (FAS 109) issues

Consists of internal control deficiencies in approach, understanding or calculation associated with various forms of tax obligations or benefits. Many of these restatements relate to foreign tax, local taxes or tax planning issues. Some deal with failures associated with sales taxes, etc. The accounts impacted can include expense, deferral or allowances. With the change in goodwill accounting, a number of issues have arisen with the failure of companies to change the level of permanent differences in their FAS 109 calculations.

IC - Segregations of duties/ design of controls (personnel)

This category covers internal control deficiencies associated with the design and use of personnel within an organization. It primarily deals with segregation of duty issues, such as clerks having access to both the cash receipts and the bank reconciliation. It may also deal with more sophisticated design of control issues relating to executives having the ability to change customer records ,etc.

IC - Restatement of previous 404 disclosures

Represents circumstances where a company has had to restate its 404 opinion because of some event (most likely a restatement of financials) that has occurred subsequently to filing

IC - Accounting personnel resources, competency/training

Consists of problems with accounting personnel resources, competency, training, experience and/or adequacy in any way. To meet these criteria, such an indication would have to be contained in the filing or in the remediation plan.

DC - Restatement (recent past or pending) evident

Identifies circumstances where a restatement is noted in a disclosure control filing either directly or indirectly. It could be for example that the restatement is noted indirectly because reference is made of it in a 404 opinion which includes the identification of a restatement. further, it could be that the company has filed a restatement but not indicated such in a disclosure control declaration. A restatement is considered a significant factor in the determination of both 302 and 404 adverse statements.

DC - Fin close process/ policy/info accum & timeliness issues

This category is a general catch all for disclosure control issues. It can include a range of issues associated with the financial close process including issues with timely gathering of data for use in the close process to the application of the appropriate FASB principles in the recording. It can also include issues with accounting policies and procedures that prevent timely, accurate or complete information from being reported.

DC - Personnel inadequacies/segregation of duty issues

This category represents circumstances where deficiencies in the number, training, qualifications, conduct or personnel are identified as being part of the cause of the disclosure control qualification. It also is used when issues associated with segregation of duties are raised as a disclosure control weakness.

DC - Information technology, software, access/security issues

This category of disclosure control issues identifies registrants that have indicated that their material weaknesses or disclosure issues are associated with or derive from deficiencies in their internal information reporting systems, software processing, access controls and/or security systems. This category is also used to identify circumstances when a company has indicated that they are implementing a new ERP or financial reporting system within their organization.

DC - Period end close & non-routine adjustment issues

this category is used primarily when it is evident that a period end company or auditor initiated adjustment is required to correct quarterly or annual financial statements. This category is also checked when it is evident that material changes have been required to the period procedures to ensure proper recording. In many cases, one has to refer to the annual 404 opinion for support for this categorization.

DC - Internal investigation evident/noted

This category is checked whenever an independent internal investigation is noted. This category does not indicate an internal control weakness directly but seems to indicate a level of severity with respect to a registrants internal control deficiencies.

DC - Remediation of Disclosure Control Weakness asserted

Often a registrant will state that its disclosure controls are effective but will identify a series of material weaknesses or other disclosures that have been overcome. Typically they will state affirmatively that their control deficiencies have been remediated. This category is utilized when this is the circumstance.

DC - Insufficient management review,inadequate control procedu

This category is checked when the filing indicates that at least in part , the disclosure control failure resulted from deficient review systems being in place to catch problems. It is also utilized to identify when companies state that their internal control systems are in need of improvement but do not identify actual deficiencies.

DC - Revision made later to these 302/404 disclosures

This category is primarily checked when a company revises at a later date a current 302 or 404 opinion. This occurs primarily because of some latent event (restatement, etc.). It is also used as a miscellaneous category where something unusual has taken place that cannot be attributed elsewhere.

DC - Fin records controlled in part or wholly by third party

Refers to situations where disclosure documentation is deemed inadequate or control over documentation supporting the financial records is held in part or wholly by a third party. It can be difficult to opine on the veracity of disclosure controls when one does not control the compilation or delivery of the underlying data. This category can also include circumstances where the underlying financial records are not reliable. This may refer to investments consolidated under Fin 46r or other such circumstances.

DC - Sect 404 adverse report (recent past/pending) filed

This categorization refers to disclosure control reports that make reference to material weaknesses associated with previously issued section 404 reports of year end financial reporting. A reader should consider integrating what has been reported in the disclosure control section with that of the section 404 report to gain a full picture of the weaknesses. This box is checked only when there has been a previously issued 404 report issued (as opposed to noticed).

DC - Senior management tone and/or self dealing issues

"Tone" at the top represents a critical factor in internal and disclosure controls with respect to determining material weaknesses. This category may also include issues with board level make up and competence/qualifications.

DC - Board, Audit Committee, Corp Governance issues

This category applies to registrants who identify material weaknesses associated with corporate governance issues such as no audit committee or audit committee expert etc. This category can also apply to a broad range of corporate governance issues.

IC - Non-routine transaction control issues

This category is checked whenever a registrant specifically describes one of their control deficiencies as emanating from non-routine types of transactions. These could include acquisitions, asset sales, establishment of new systems and other.

DC - Ethics code issues

Use this reason to flag a problem involving the formulation or implementation of an effective code of ethics. This includes but is not limited to the following cases: an ethics code is newly or recently adopted (implying a previous non-adoption); more vigorous attempts to educate management or employees with respect to the code; revisions in the code; institution of a requirement to sign the code.

Management believes disclosure controls are effective

Flagged "No" when any of the following conditions exist:

1. The registrant states that the disclosure controls are "ineffective", "not ineffective", etc
2. The registrant states that the disclosure controls "are effective", "are reasonably effective", etc but includes language such as "except for", "but", "however", "subject to", etc in modifying their assertion of effectiveness.
3. The registrant uses some opaque language such as "subject to the limitations" or "subject to the changes becoming effective", etc where upon review of the remaining language, it is clear that

the material weakness remains in existence.

4. The registrant refers to a Material Weakness in their disclosure while also referring or implying that remediation has taken place.

Flagged "ND" when a registrant declines to offer an opinion or gives a reason why one is not warranted.

Flagged "Yes" when a registrant identifies that the disclosure controls are identified as being effective. This can take place, and often does, when a company also identifies apparently significant material weaknesses.

Material Weakness

Flagged whenever the phrase, Material Weakness is used in describing a registrant's assessment of Disclosure Control and/or Internal Control over Financial Reporting circumstances; or when reference is made to a registrant's external auditor identifying such Material Weakness.

Depending on the circumstances, generally the term, Material Weakness, can be attributed to one of two authorities, the PCAOB or the AICPA. The PCAOB defines Material Weakness in its PCAOB Standard Number 2. Most registrant assertions in 2004 and 2005 seem to follow this definition of Material Weakness in identifying such deficiencies. Prior to those years, most registrants utilized the AICPA description of Material Weakness which differs somewhat from the PCAOB definition.

With respect to the AICPA, a Material Weakness is understood as a "reportable condition" for which the chances of it adversely affecting the financial statements rises to a level beyond "low". Not all reportable conditions rise to the level of material weaknesses.

With respect to the PCAOB, a Material Weakness is understood as a "significant deficiency" where the number or severity of the significant deficiencies rises to a level beyond "remote". Not all significant deficiencies rise to the level of material weakness.

It is unclear that the PCAOB standard for identifying mateial weaknesses actually applies to the Sarbanes Oxley Section 302 (Disclosure Controls) as opposed to Section 404 (Internal Control over Financial Reporting) for which it definitely applies.

Other Notable Deficiencies / Disclosures

Flagged when a registrant's disclosures identify any of the following:

1. A reportable condition that does not rise to the level of a material weakness under the AICPA standard.
2. A significant deficiency where the issue does not rise to the level of a material weakness.
3. A deficiency in the internal control or disclosure control systems that are not attributed to any independent regulatory standard.
4. A disclosure of some internal or disclosure control improvement that by definition is notable because it is mentioned.
5. A disclosure about some aspect of the control and disclosure system that should be understood by the reader - for example that the registrant is dependent on a third party for critical reporting information.

PPE intangible or fixed asset (value/diminution) issues

Consists of identifiable errors or irregularities either in calculation, approach or theory that have taken place in the recording of assets, goodwill, intangible or contra liabilities that are required to be valued or assessed for diminution in value on a periodic basis. Examples include: intangible assets, goodwill, buildings, securities, investments, lease hold improvements, etc. This description also covers misreporting of fixed assets.

Revenue recognition issues

Consists of errors or irregularities in approach, understanding or calculation associated with the recognition of revenue. Many of these restatements originate from a failure to properly interpret sales contracts for hidden rebate, return, barter or resale clauses. Some of them also relate to the treatment of sales returns, credits and other allowances.

Financial derivatives/hedging (FAS 133) acct issues

Consists of errors or irregularities in approach, theory or calculation of derivative instruments. These can include the valuation of financial instruments such as hedges on currency swings, interest rate swaps, purchases of foreign goods, guarantees on future sales and many other examples.

EPS, ratio and classification of income statement issues

Consists primarily of errors, omissions or irregularities associated with a registrant's disclosure of financial/operational ratios or margins and earnings per share calculation issues. Also included are circumstances where income statement items are misclassified, often between CGS and SGA.

Foreign, related party, affiliated, or subsidiary issues

Consists primarily of errors, omissions or irregularities associated with disclosures about related, alliance, affiliated and/or subsidiary entities. The most prevalent number of issues in this category arise from problems with foreign affiliates and their related accounting or financial reporting.

Liabilities, payables, reserves and accrual estimate failures

Consists of errors, irregularities or omissions associated with the accrual or identification of liabilities on the balance sheet. These could range from failures to record pension obligations, to problems with establishing the correct amount of liabilities for leases, capital leases and other. This category could also include failures to record deferred revenue obligations or normal accruals.

Consolidation issues incl Fin 46 variable interest & off-B/S

Consists of errors or irregularities in approach, theory or calculation with respect to the consolidation of subsidiaries including variable interest entities and off balance sheet arrangements. This can include mistakes in how joint ventures, off balance sheet entities or minority interests are recorded or manifested. It can also include issues associated with foreign currency translations of foreign affiliates.

Accounts/loans receivable, investments & cash issues

Consists of errors or irregularities in approach, theory or calculations with respect to cash, accounts receivable, loans collectible, investments, allowance for uncollectibles, notes receivables and/or related reserves. These mistakes often manifest themselves in balance sheet and income statement errors or misclassifications. Based on GAAP rules, changes in estimates, such as allowances for bad debts, should not be reflected as a restatement but should be recorded in the period in which such change is identified.

Deferred, stock-based and/or executive comp issues

Consists of errors or irregularities in approach, theory or calculation associated with the recording of deferred, stock based or executive compensation. The majority of these errors are associated with the valuation of options or similar derivative securities or rights granted to key executives. This category can also include restatements associated with the new FASB dealing with expensing of certain employee options as compensation expense in financial statements.

Tax expense/benefit/deferral/other (FAS 109) issues

Consists of errors or irregularities in approach, understanding or calculation associated with various forms of tax obligations or benefits. Many of these restatements relate to foreign tax, specialty taxes or tax planning issues. Some deal with failures to identify appropriate differences between tax and book adjustments.

Cash flow statement (SFAS 95) classification errors

Consists of errors or irregularities in approach, theory or calculation that manifested themselves in cash flow statements (FAS 95) that are not consistent with GAAP. These misclassifications can affect cash flow from operations, financing, non-cash and other.

Lease, SFAS 5, legal, contingency and commitment issues

Consists primarily of errors, omissions or irregularities associated with FAS 5 type contingencies and commitments. This description also deals with issues associated with the disclosure or accrual of legal exposures by registrants and issues associated with incorrectly identifying historical contractual lease terms. These terms can include treatment of "rent holidays", tenant allowances and other such items.

Gain or loss recognition issues

Consists of errors or irregularities in approach, theory or calculation with respect to the recording of gains or losses from the sales of assets, interests, entities or liabilities. Mistakes in these areas often result from problems with calculating the appropriate basis for items that were sold or the proper sales amount when such amounts are of the nature of barters.

Intercompany, investment in subs./affiliate issues

Consists primarily of errors or irregularities in approach, theory or calculation related to intercompany or affiliate balances, investment valuations or transactions. It is often the case that problems arise when intercompany balances are not recognized or that income figures are manipulated at the affiliate (foreign or US) levels.

Balance sheet classification of assets issues

Consists of errors or irregularities in approach, theory or calculation associated with how assets were classified on the balance sheet. This can include how assets were classified as short term/long term, how they were described or whether they should have been netted against some other liability.

X - Audit(or) - defective acct records (subcategory)

Consists of disclosures by a registrant that a scope limitation exists with respect to the company's ability to rely on accounting or internal control records. Typically no restatement is announced because the amount, if any, cannot be determined.

Unspecified (amounts or accounts) restatement adjustments

Consists of restatements of financial statements where the company does not identify what areas of accounting or financial reporting the actual restatements affect.

Comprehensive income issues

Made up of errors or irregularities related to misstatements of comprehensive income or accumulated income. These most commonly would include misstatements of pensions, foreign currency or derivatives.

X - Audit or auditor related restatements or nonreliance

Consists of audit or auditor related financial restatements or non-reliance assertions. These can arise from companies failing to record audit adjustments, companies failing to gain proper consent, auditors asserting an inability to rely on financial records and related audit or auditor initiated issues

Tax - FIN 48 Unrecognized Tax Benefit Liability Affected

This category is checked when a company adopts FIN 48 and records a beginning retained earnings change associated with a change to the unrecognized tax benefit liabilities.

Tax - FIN 48 Statutory Tax Periods Noted

This category is checked when a registrant notes in this disclosure the years that remain subject to audit by the primary taxing authorities. Occasionally, the registrant will specifically refer to closed tax periods; it is assumed periods between closed to present remain open, in this case.

Tax - FIN 48 Retained Earnings Cumulative Adjustment

This category is checked to identify occurrences when the adoption of FIN 48 resulted in an adjustment to retained earnings.