



AIG Australia

A Member of American International Group, Inc.
www.aig.com.au

NEWS

0900 Wednesday 17th September, 2008 – Sydney

The ultimate parent company of AIG Australia, AIG Inc is facing challenges related to the extraordinary developments in the financial markets. AIG Inc is actively developing alternatives to improve its liquidity.

Chris Townsend, CEO of AIG Australia said “the trading position of the group's general insurance arm remained strong and that as far as the Australian operation was concerned it was business as usual”.

AIG's Australian General Insurance business is conducted by a locally registered branch of American Home Assurance Company, trading as AIG Australia.

The Australian branch is subject to local prudential regulation which prescribes minimum requirements governing capital adequacy and solvency. AIG Australia substantially exceeds these requirements. Assets are required by law to be held in Australia to meet the claims of Australia policy holders.

Mr. Townsend said “I'd like to reassure our customers and business partners of the following important facts; the liquidity of AIG Australia remains strong and our ability to pay claims and its commitment to writing challenging risks is undiminished. More than 80 % of AIG Australia's investments are held in fixed interest securities with the remaining 20% in realty, equities and cash.

We will communicate developments as they arise, and we look forward to continuing to serve the risk management needs of our customers and brokers”.

ends

Head Office:

Sydney
Citigroup Centre
Level 19, 2 Park Street
Sydney NSW 2000
Telephone (02) 9240 1711
Facsimile (02) 9240 1875

Melbourne
549 St Kilda Road
Melbourne VIC 3004
GPO Box 4363
Melbourne VIC 3001
Telephone (03) 9522 4000
Facsimile (03) 9522 4645

Brisbane
Level 32, 10 Eagle Street
Brisbane QLD 4000
GPO Box 3105
Brisbane QLD 4001
Telephone (07) 3220 0700
Facsimile (07) 3220 0441

Perth
77 St George's Terrace
Perth WA 6000
PO Box Z5417 Perth
St George's Terrace WA 6831
Telephone (08) 9421 3300
Facsimile (08) 9218 9434