Summary of Sept. 30, 2008, Conference Call with AIG

> The Council sponsored a conference call for clients of Council member firms on Tuesday, Sept.30, 2008, with AIG officials including John Q. Doyle, president of AIG Commercial Insurance Group, and Robert S. Schimek, CFO of AIG Property Casualty Group. Kristian P. Moor, president and CEO of AIG Property Casualty Group, and Mark T. Willis, executive vice president of AIG Commercial Insurance Group, also took part. The following is a summary of the call.

Doyle acknowledged that it has been "a challenging couple of weeks for us as a company" but that AIG has had "absolutely terrific support" from the insurance community. AIG's new CEO, Ed Liddy took over within hours of the federal rescue agreement that will provide up to $85 billion to the company over the next two years in exchange for a 79.9 percent equity interest in the firm, and he is "moving quickly" to set the company on a strong recovery path.

Doyle said Liddy will conduct an investor conference call on Friday during which he will lay out his strategic plan for AIG, identify the assets that will be sold and outline how the company intends to pay the government back.

Doyle repeated previous statements that AIG's "commercial insurance operations, both here and abroad, are not for sale" and are "core to our operations."

He noted that the well-publicized financial problems of the AIG parent company involved AIG Financial Services, and the insurance companies are walled off from the parent company and therefore were not part of the financial problems.

"It was never about our commercial insurance operations," Doyle said. "Our insurance companies were never going to file for bankruptcy."

Doyle said customers considering renewing their commercial insurance policies with AIG need to recognize that insurance companies making up AIG Commercial Insurance Group have more capital now "than the last time you decided to do business with us" and are in a stronger position than any of AIG's competitors. The strength of the assets of AIG's insurance operations is a testament to the protection afforded by state regulators, he said.

"Nothing has changed about our commercial insurance operations. We have the same risk appetite and the same interest in renewing your business," Doyle said. "We're out there writing business and competing hard for your business."

Schimek, the CFO, noted that the 16 AIG commercial insurance entities had a $26.7 billion policyholder surplus as of June 30, 2008, which represents "the amount by which our assets exceed our liabilities inside those insurance operations." That amount is a greater policyholder surplus than any of AIG's competitors and reflects the strong earnings of the company's commercial insurance operations.

He also noted that the various state regulators who oversee each of the entities require those firms to have a risk-based capital ratio of 200 percent – meaning capital that is double the amount of risk taken on. In fact, he