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To: All AIG Commercial Insurance Staff

Re: Structured Settlements

AIG Chairman and CEO Ed Liddy announced AIG's intent to focus the company on its core property and casualty insurance businesses, while entertaining the opportunity to sell several attractive businesses, including possibly AIG American General. These sales will generate the funds needed to repay the outstanding debt taken from the Federal Reserve Bank of New York.

Many of you have asked about the impact of the potential sale of AIG American General on the structured settlement process. We don't anticipate changes to the current process. Our desire to offer a structured settlement as a settlement option has not been altered by recent events. The current approach in which both sides participate in negotiating periodic payments matched to needs promotes a resolution of the basis of fair compensation to the claimant and cost efficiency to the defense and the tort system. AIG American General remains a first option annuity provider and along with the other approved providers is part of a quality offer that is capable of meeting the needs of any claimant that elects to explore a structured settlement option. In essence, it will be business as usual. AIGCI will continue to have a dedicated structured settlements department that will work closely with you in the claims resolution process to maximize benefits to all involved. We will continue to handle large claims volumes (over 455,000 in 2007), make significant claims payments (over \$73 million dollars in claims paid each business day) and offer structured settlement when it is appropriate to do so.

What will happen if there is such a sale? We will continue to attach great importance to our policyholders and to the relationships built in serving them. We will continue to offer premier, value-added service and support and we will continue to identify opportunities in the claims process to offer structured settlement solutions.

Thanks for your support throughout these very challenging times.

Rick