

AIG Secures Approximately \$300 Million Of Indemnity Reinsurance Coverage for Mortgage Insurance Portfolio from 2008 and Earlier

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The transaction transfers risk to investors and is believed to be the first of its kind involving policies from 2008 and prior years

NEW YORK--(BUSINESS WIRE)--May 9, 2016-- American International Group, Inc. (NYSE:AIG) today announced that its mortgage insurance business United Guaranty Corporation (UGC) obtained \$298.6 million of indemnity reinsurance from Bellemeade Re II Ltd., a special purpose insurer, for a portfolio of mortgage insurance (MI) policies issued in 2008 and prior years.

Bellemeade Re II is funding its reinsurance obligations through the issuance of three classes of amortizing notes with 10-year legal final maturities. This insurance-linked securities (ILS) transaction provides United Guaranty with fully collateralized coverage from Bellemeade Re II for potential losses on a portion of its legacy MI portfolio.

United Guaranty President and CEO Donna DeMaio said, “We believe this marks the first time a mortgage insurer has accessed the capital markets for a risk transfer involving a mortgage insurance portfolio made up of policies issued in 2008 and earlier years. The transaction not only helps United Guaranty manage risk, but also demonstrates that investors are willing to assign value to this type of portfolio from the 2008 and earlier period.”

The reinsurance is on a portion of United Guaranty’s first-lien U.S. mortgage insurance portfolio of policies issued in 2008 and prior years. As of March 31, 2016, less than 20 percent of United Guaranty’s gross risk in force was written in 2008 and prior years.

In August 2015, American International Group, Inc. announced a similar agreement in which United Guaranty obtained approximately \$300 million of indemnity reinsurance from Bellemeade Re Ltd., a special purpose insurer, for a portfolio of MI policies from 2009 through the first quarter of 2013.

Forward Looking Statements

Certain statements in this press release constitute forward-looking statements. These statements are not historical facts but instead represent only United Guaranty’s belief regarding future events, many of which, by their nature, are inherently uncertain and outside of United Guaranty’s control. It is possible that actual results will differ, possibly materially, from the anticipated results indicated in these statements.

About United Guaranty¹

United Guaranty and its subsidiaries provide innovative, quality risk solutions that help mortgage lenders remain competitive while generating a profitable and responsible book of business for their stakeholders. Products include first-lien private mortgage insurance—most notably Performance Premium[®], an industry-leading risk-based pricing option. Among United Guaranty's suite of loan analysis and risk management tools are indices that measure loan risk and geographic quality. United Guaranty was established in Greensboro, North Carolina, in 1963 and is a company of American International Group, Inc.

American International Group, Inc. (AIG) is a leading global insurance organization. Founded in 1919, today we provide a wide range of property casualty insurance, life insurance, retirement products, mortgage insurance and other financial services to customers in more than 100 countries and jurisdictions. Our diverse offerings include products and services that help businesses and individuals protect their assets, manage risks and provide for retirement security. AIG common stock is listed on the New York Stock Exchange and the Tokyo Stock Exchange.

Additional information about AIG can be found at www.aig.com and www.aig.com/strategyupdate | YouTube: www.youtube.com/aig | Twitter: @AIGinsurance | LinkedIn: <http://www.linkedin.com/company/aig>. These references with additional information about AIG have been provided as a convenience, and the information contained on such websites is not incorporated by reference into this press release.

AIG is the marketing name for the worldwide property-casualty, life and retirement, and general insurance operations of American International Group, Inc. For additional information, please visit our website at www.aig.com. All products and services are written or provided by subsidiaries or affiliates of American International Group, Inc. Products or services may not be available in all countries, and coverage is subject to actual policy language. Non-insurance products and services may be provided by independent third parties. Certain property-casualty coverages may be provided by a surplus lines insurer. Surplus lines insurers do not generally participate in state guaranty funds, and insureds are therefore not protected by such funds.

¹United Guaranty is a marketing term for United Guaranty Residential Insurance Company and United Guaranty Mortgage Indemnity Company. United Guaranty and Performance Premium are registered marks. Coverage is available through admitted company only.

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