

AIG Agrees to Sell Stake in Ascot Lloyd's Syndicate, Maintains Strategic Relationship with Ascot in Bermuda

September 16, 2016 8:15 AM ET

NEW YORK--(BUSINESS WIRE)--Sep. 16, 2016-- American International Group, Inc. (NYSE:AIG) today announced that it has entered into an agreement to sell its interest in Ascot Underwriting Holdings Ltd. (AUHL) and related syndicate-funding subsidiary Ascot Corporate Name Ltd. (ACNL) (together Ascot) to Canada Pension Plan Investment Board (CPPIB), a professional investment management organization that invests the assets of the Canada Pension Plan. The transaction is subject to regulatory approvals.

Total consideration for the deal is \$1.1 billion inclusive of CPPIB's recapitalization of Syndicate 1414's Funds at Lloyd's (FAL) capital requirements. AIG will receive approximately \$240 million in net cash proceeds from the transaction after the FAL recapitalization and release of the AIG-guaranteed Letter of Credit currently supporting the syndicate's FAL. Proceeds reflect AIG's 20 percent stake in AUHL and ownership of ACNL.

Ascot and AIG founded the managing agency and the syndicate in 2001. As a global specialty insurance underwriter, Ascot focuses on property insurance, marine insurance, and reinsurance.

AIG will maintain its strategic partnership with Ascot Underwriting Bermuda Ltd. (AUB). While AUB is a wholly-owned subsidiary of AUHL and part of the sale to CPPIB, AUB will continue to serve as the managing general agent for AIG-Ascot Re, which writes assumed treaty reinsurance business on behalf of AIG's wholly owned subsidiary American International Reinsurance Company Ltd. (AIRCO) in Bermuda.

As part of the agreement, AIG, CPPIB, and Ascot intend to expand a collective commercial relationship in Bermuda, and for AIG to be a preferred reinsurer to Syndicate 1414.

"This deal successfully repositions our strategic focus and underwriting capacity to our relationship with Ascot in Bermuda, while monetizing our position in the syndicate at an attractive value and retaining exposure to the syndicate as a reinsurer," said Robert Schimek, Chief Executive Officer, Commercial Insurance. "We are also pleased to start a collaborative relationship with CPPIB who we see as an ideal partner for Ascot's outstanding management team."

Andrew Brooks, Chief Executive Officer of Ascot Underwriting Ltd. said, "Ascot and AIG have enjoyed a strong and profitable relationship for over 15 years and we value the support that we have received from AIG throughout that time. We are pleased to be continuing our relationship through Ascot Underwriting Bermuda and look forward to building on the success of that platform."

Evercore served as financial advisor to AIG, and Freshfields Bruckhaus Deringer served as legal advisor to AIG on the transaction. Macquarie Capital served as financial advisor to Ascot Underwriting Holdings Limited.

Canada Pension Plan Investment Board is a professional investment management organization that invests the assets of the Canada Pension Plan (CPP) not currently needed to pay benefits on behalf of 19 million contributors and beneficiaries. As of June 30, 2016, the CPP Fund totaled C\$287.3 billion.

This press release contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements, including the closing of the transaction described herein, are not historical facts but instead represent only AIG's belief regarding future events, many of which, by their nature, are inherently uncertain and outside AIG's control. Except for AIG's ongoing obligation to disclose material information as required by federal securities laws, AIG is not under any obligation (and expressly disclaims any obligation) to update or alter any forward-looking statements, whether written or oral, that may be made from time to time, whether as a result of new information, future events or otherwise. Factors that could cause AIG's actual results to differ, possibly materially, from any forward-looking statements include the factors set forth in AIG's filings with the United States Securities and Exchange Commission.

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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.

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