

AIG Partners with PIMCO to Launch a New Global Index

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The PIMCO Global Optima Index™ Combines the Expertise of Two Industry Leaders and Is Available Exclusively in the Power Series of Index Annuities®

NEW YORK--(BUSINESS WIRE)--Nov. 8, 2017-- American International Group, Inc. (NYSE: AIG) today announced the launch of the new PIMCO Global Optima Index, developed exclusively by Pacific Investment Management Company LLC (PIMCO) for AIG's Power Series of Index Annuities. These fixed index annuities are issued by American General Life Insurance Company (AGL) and The Variable Annuity Life Insurance Company (VALIC), both member insurance companies of AIG.

The PIMCO Global Optima Index provides the opportunity for more growth potential than indices that focus solely on the U.S. or a single sector. It seeks to outperform by using quantitative rules to adjust its allocations across a diverse range of U.S. equity, international equity and U.S. fixed income markets.

“We are really excited to partner with PIMCO to bring consumers a new index that combines the expertise of a global leader in asset management with the retirement income knowledge and innovativeness of one of the world's largest insurance organizations,” said Todd Solash, President, Individual Retirement, AIG. “By adding the PIMCO Global Optima Index to our Power Series Index Annuities, individuals can enjoy the same level of principal protection they have today, while potentially benefiting from more growth opportunities.”

To help boost returns, the Index uses an alternative (also known as “smart beta”) approach to equity rebalancing. Equity weightings are rebalanced monthly, using market size or capitalization as a starting point and favoring those sectors that have experienced strong gains (momentum) or appear to be underpriced (value). Allocations between equities and fixed income are then adjusted daily for risk management.

The Index aims for a high equity allocation in up markets and has the ability to allocate up to 100% equities. In down markets, allocations can be quickly shifted to fixed income to help reduce risk. Cash may also be used in times of extreme market volatility.

“We have a history of managing global quantitative strategies and sought to incorporate our investment insights into the construction of this new index,” noted Robert Young, head of PIMCO's U.S. Financial Institutions Group. “The PIMCO Global Optima Index is one of the first global quantitative indices to incorporate momentum and value signals to be made available in this market. We are happy to partner with AIG to introduce it throughout the U.S.”

The PIMCO Global Optima Index is part of AIG's Power Series of Index Annuities. While it is not available for direct investment, the Index offers consumers the potential to earn interest based partly on its performance. The Power Series of Index Annuities combine tax deferral, principal protection against down markets, growth potential through a diverse range of index interest accounts, and guaranteed lifetime income options to help clients prepare for retirement. Guarantees are backed by the claim-paying ability of the issuing insurer.

Index annuities are not a direct investment in the stock market. They are long-term insurance products with guarantees backed by the claims-paying ability of the issuing insurance company. They provide the potential for interest to be credited based in part on the performance of the specified index, without the risk of loss of premium due to market downturns or fluctuations. Index annuities may not be suitable or appropriate for all individuals.

Withdrawals may be subject to federal and/or state income taxes. An additional 10% federal tax may apply if clients make withdrawals or surrender their annuity before age 59½. Clients should consult their tax advisor regarding their specific situation.

The PIMCO Global Optima Index™ (the “Index”) is a comprehensive equity and bond index, offering exposure to global equity and U.S. fixed income markets. The Index is a trademark of Pacific Investment Management Company LLC (“PIMCO”) and has been licensed for use for certain purposes by AGL with the Power Series of Index Annuities (the “Product”). The Index is the exclusive property of PIMCO and is made and compiled without regard to the needs, including, but not limited to, the suitability or appropriateness needs, as applicable, of AGL, the Product, or owners of the Product. The Product is not sold, sponsored, endorsed or promoted by PIMCO or any other party involved in, or related to, making or compiling the Index. PIMCO does not provide investment advice to AGL with respect to the Product or to owners of the Product.

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Index annuities are issued by American General Life Insurance Company (AGL), 2727-A Allen Parkway, Houston, Texas 77019. Contract Numbers for the Power Series of Index Annuities: AG-800 (12/12) and AG-801 (12/12). Rider Form Numbers: AGE-8000 (12/12), AGE-8001 (12/12), AGE-8002 (9/13), AGE-8003 (12/12), AGE-8005 (12/12), AGE-8007 (12/12), AGE-8008 (12/12), AGE-8009 (12/12), AGE-8024 (9/13), AGE-8028 (4/14), AGE-8034 (4/15) and AGE-8053 (8/17).AGL is a member of the American International Group, Inc. (AIG) family of financial services companies. The underwriting risks, financial and contractual obligations and support functions associated with the annuities issued by AGL are its responsibility. AGL does not solicit business in the state of New York. Annuities and riders may vary by state and are not available in all states. AIG and its member companies are not affiliated with PIMCO.

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May Lose Value • No Bank or Credit Union Guarantee

Not a Deposit • Not Insured by any Federal Government Agency

American International Group, Inc. (AIG) is a leading global insurance organization. Founded in 1919, today AIG member companies provide a wide range of property casualty insurance, life insurance, retirement products, and other financial services to customers in more than 80 countries and jurisdictions. These diverse offerings include products and services that help businesses and individuals protect their assets, manage risks and provide for retirement security. AIG’s core businesses include Commercial Insurance and Consumer Insurance, as well as Other Operations. Commercial Insurance comprises two modules – Liability and Financial Lines, and Property and Special Risks. Consumer Insurance comprises of four modules – Individual Retirement, Group Retirement, Life Insurance and Personal Insurance. 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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