

AIG Agrees to Sell Certain Latin America, Central and Eastern Europe Operations to Fairfax Financial; Enters into Strategic Partnership with Fairfax to Support Multinational Clients

October 18, 2016 8:11 AM ET

AIG Committed to Focusing on Multinational Capabilities and Investments in Countries with Strong Growth Prospects, Opportunity for Scale

NEW YORK--(BUSINESS WIRE)--Oct. 18, 2016-- American International Group, Inc. (NYSE:AIG) today announced that it has entered into several agreements with Fairfax Financial Holdings Limited, a leading global property and casualty insurer and reinsurer, as part of a strategic partnership that will further focus and streamline AIG's global insurance operations.

As part of these agreements, AIG will sell to Fairfax its local commercial and consumer insurance operations in Argentina, Chile, Colombia, Uruguay, Venezuela, and Turkey. Fairfax will also acquire renewal rights for the portfolio of local business written by AIG's Central and Eastern European (CEE) operations in Bulgaria, Czech Republic, Hungary, Poland, Romania, and Slovakia, and assume AIG's CEE operating assets and employees. Total cash consideration is approximately \$240 million. Each transaction is subject to relevant regulatory approvals.

Fairfax will become the main strategic multinational network partner that will serve AIG's global clients in these countries, backed by AIG's expertise, claims handling, and reinsurance capabilities.

The divestiture furthers AIG's strategic goal of focusing its geographic footprint and investment in major economies that offer the greatest potential for profitable growth and the opportunity for AIG's commercial or consumer insurance divisions to achieve and maintain scale. At the same time, AIG is committed to maintaining and enhancing multinational capabilities for individuals and companies that operate globally.

"This partnership marks a significant step forward in achieving the strategic priorities of AIG, as well as Fairfax," said Peter Hancock, President and Chief Executive Officer, AIG. "We look forward to expanding our multinational network partner relationship with Fairfax to provide seamless world-class capabilities and outstanding service to our global clients in these key countries. We also remain committed to those markets that hold the greatest potential for AIG to sell its insurance products competitively and where we can profitably serve our clients."

"We are very excited to partner with AIG and to have the LATAM group of companies and operations in CEE and Turkey join the Fairfax family," said Prem Watsa, Chairman and Chief Executive Officer, Fairfax. "The LATAM companies are well established in their respective markets with experienced management teams and a disciplined approach to underwriting, and they will significantly expand Fairfax's footprint in Latin America. The acquisition of the CEE operations follows on our recent expansion in Eastern Europe through our previously announced QBE transaction and will accelerate our plans for long-term growth in the region."

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.

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, mortgage insurance

and other financial services to customers in more than 100 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 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.

View source version on businesswire.com: <http://www.businesswire.com/news/home/20161018005930/en/>

Source: American International Group, Inc.

American International Group, Inc.

Media:

Matt Gallagher, 212-458-3247

matthew.gallagher2@aig.com

or

Investors:

Liz Werner, 212-770-7074

elizabeth.werner@aig.com