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Press Release

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AIG PROVIDES EXPANDED \$1 BILLION CASUALTY CAPACITY FOR NORTH AMERICAN RAIL COMPANIES

NEW YORK, October 9, 2014 –American International Group, Inc. (AIG) today announced that it has expanded excess casualty liability limits for Class 1 railroads in the U.S. and Canada to \$1 billion per occurrence. This coverage for catastrophe losses would be in excess of \$1.5 billion in underlying limits, and is one of the largest capacities offered to the rail industry by a single insurer.

AIG is responding to the demands of North America’s largest rail companies contending with record rail traffic and the growing number of rail cars carrying potentially hazardous materials, such as crude oil. The Association of American Railroads has reported U.S. rail demand is at a 7-year high. The Association also reported U.S. Class 1 railroads (including the U.S. Class 1 subsidiaries of Canadian railroads) transported more than 407,000 carloads of crude oil in 2013, up from 9,500 carloads in 2008, an increase of nearly 4,300%.

“These expanded limits are another way AIG’s scale and innovation is meeting the needs of our critical infrastructure clients and the customers they serve,” said Russ Johnston, President, Casualty Americas. “The Class 1 railroads are seeing strong growth and a resulting increase in risks they need to cover. AIG is one of the few carriers that can provide customers the large limits and risk expertise to meet this need.”

Derailments are the most common type of accident risk faced by Class 1 railroads in the U.S. and Canada, and they can be caused by a wide range of factors.

“Rail companies need additional coverage to help protect their balance sheets,” said Jeremy Johnson, President & Chief Executive Officer, Lexington Insurance Company. “This billion dollar coverage will help Class 1 railroads address expanding risks while continuing to serve the growing needs of transportation customers in North America.”

The excess coverage is provided by Lexington Insurance Company and other affiliated AIG Companies. Lexington is the largest domestic excess and surplus lines carrier in the U.S.

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American International Group, Inc. (AIG) is a leading international insurance organization serving customers in more than 130 countries and jurisdictions. AIG companies serve commercial, institutional, and individual customers through one of the most extensive worldwide property-casualty networks of any insurer. In addition,



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AIG companies are leading providers of life insurance and retirement services in the United States. AIG common stock is listed on the New York Stock Exchange and the Tokyo Stock Exchange.

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