

AIG Secures Approximately \$300 Million of Indemnity Reinsurance Coverage for Mortgage Insurance Risks

August 6, 2015 8:00 AM ET

Transaction Expands Use of Insurance Linked Securities (ILS) to Mortgage Insurance Business

NEW YORK--(BUSINESS WIRE)--Aug. 6, 2015-- American International Group, Inc. (NYSE:AIG) today announced that its mortgage insurance business United Guaranty Corporation (UGC) obtained \$298.9 million of indemnity reinsurance from Bellemeade Re Ltd., a Bermuda-domiciled special purpose insurer, for a portfolio of mortgage insurance (MI) policies issued from 2009 through the first quarter of 2013.

Bellemeade Re is funding its reinsurance obligations through the issuance to investors of three classes of 10 year notes. This insurance-linked securities (ILS) transaction closed July 29, 2015 and provides UGC with fully collateralized coverage from Bellemeade Re for potential losses on its MI portfolio.

AIG is one of the largest buyers of reinsurance protection backed by the capital markets through insurance-linked securities. Over the last several years, AIG has used the ILS market to successfully transfer over \$3 billion of risk to the capital markets from its property portfolio through natural catastrophe bonds, or CAT bonds. The Bellemeade Re transaction expands the scope of risk AIG has brought to investors to include mortgage insurance.

“I am very pleased to see the overwhelming support investors have shown to this transaction and in general to our strategy to expand the ILS market,” said Peter Hancock, President and Chief Executive Officer of AIG. “A robust ILS market allows AIG to have a more flexible and efficient capital structure for the benefit of our customers and shareholders.”

United Guaranty President and CEO Donna DeMaio added, “United Guaranty’s financial strength and depth of knowledge have enabled us to successfully tap the capital markets for risk transfer, a differentiator for us in the mortgage insurance space. This makes the MI industry financially stronger, while demonstrating the advanced financial capabilities that make United Guaranty uniquely qualified to be an important partner to mortgage lenders.”

Certain statements in this press release constitute forward-looking statements. These statements 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. It is possible that actual results will differ, possibly materially, from the anticipated results indicated in these statements. Factors that could cause actual results to differ, possibly materially, from those in the forward-looking statements are discussed throughout AIG’s periodic filings with the SEC pursuant to the Securities Exchange Act of 1934.

American International Group, Inc. (AIG) is a leading global insurance organization serving customers in more than 100 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, 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.

Additional information about AIG can be found at www.aig.com | YouTube: www.youtube.com/aig | Twitter: @AIGinsurance | LinkedIn: <http://www.linkedin.com/company/aig>

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not protected by such funds.

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