

A.M. BEST COMPANY, OLDWICK, NJ • A.M. BEST EUROPE, LONDON

A.M. BEST ASIA-PACIFIC, HONG KONG

<http://www.ambest.com>

FOR IMMEDIATE RELEASE

May 4, 2005

CONTACTS: Public Relations

Jim Peavy
(908) 439-2200, ext. 5644
james.peavy@ambest.com

Analysts

Joyce Sharaf/Karen Horvath - PC
(908) 439-2200, ext. 5046/5371
joyce.sharaf@ambest.com
karen.horvath@ambest.com

Rachelle Striegel
(908) 439-2200, ext. 5378
rachelle.striegel@ambest.com

Marc Steinberg/Andrew Edelsberg - LH
(908) 439-2200, ext. 5225/5182
marc.steinberg@ambest.com
andrew.edelsberg@ambest.com

**A.M. Best Downgrades Ratings of AIG, Inc.'s Insurance Subsidiaries;
All Ratings Remain Under Review**

Ratings Supplement

The financial strength ratings have been downgraded to A+ (Superior) from A++ (Superior) and the issuer credit ratings have been downgraded to "aa-" from "aa+" for the following American International Group, Inc. life/health subsidiaries. The ratings remain under review with negative implications.

- **AGC Life Insurance Company**
- **AIG Annuity Insurance Company**
- **AIG Assurance Canada**
- **AIG Life Insurance Company**
- **AIG Life Insurance Company of Canada**
- **AIG Life Insurance Company of Puerto Rico**
- **AIG SunAmerica Life Assurance Company**
- **American General Assurance Company**
- **American General Life and Accident Insurance Company**
- **American General Life Insurance Company**
- **American International Life Assurance Company of New York**
- **American Life Insurance Company**
- **Delaware American Life Insurance Company**
- **First SunAmerica Life Insurance Company**
- **SunAmerica Life Insurance Company**
- **United States Life Insurance Company in the City of New York**
- **The Variable Annuity Life Insurance Company**

The financial strength rating has been downgraded to A (Excellent) from A+ (Superior) and the issuer credit rating has been downgraded to "a" from "aa-" for **Merit Life Insurance**

A.M. BEST COMPANY, OLDWICK, NJ • A.M. BEST EUROPE, LONDON

A.M. BEST ASIA-PACIFIC, HONG KONG

<http://www.ambest.com>

—2—

Company. The ratings remain under review with negative implications.

The financial strength rating has been downgraded to A- (Excellent) from A+ (Superior) and the issuer credit rating has been downgraded to “a-” from “aa-” for **Pacific Union Assurance**

Company. The ratings remain under review with negative implications.

The financial strength ratings have been downgraded to A+ (Superior) from A++ (Superior) and the issuer credit ratings have been downgraded to “aa-” from “aa+” for the following American International Group, Inc. property/casualty subsidiaries. The ratings remain under review with negative implications.

American International Group (Commercial Pool and Strategic Affiliates):

- **AIG Global Trade & Political Risk Insurance Company**
- **AIU Insurance Company**
- **American Home Assurance Company**
- **American International Insurance Company of Puerto Rico**
- **American International Pacific Insurance Company**
- **American International South Insurance Company**
- **American International Specialty Lines Insurance Company**
- **Audubon Indemnity Company**
- **Audubon Insurance Company**
- **Birmingham Fire Insurance Company of Pennsylvania**
- **China America Insurance Company Limited**
- **Commerce and Industry Insurance Company**
- **Commerce and Industry Insurance Company of Canada**
- **Granite State Insurance Company**
- **Illinois National Insurance Company**
- **Insurance Company of State of Pennsylvania**
- **National Union Fire Insurance Company of Louisiana**
- **National Union Fire Insurance Company of Pittsburgh, Pennsylvania**
- **New Hampshire Insurance Company**

AIG Personal Lines Pool:

- **AIG Centennial Insurance Company**
- **AIG Hawaii Insurance Company Inc.**
- **AIG Indemnity Insurance Company**
- **AIG National Insurance Company Inc.**
- **AIG Preferred Insurance Company**
- **AIG Premier Insurance Company**

—MORE—

A.M. BEST COMPANY, OLDWICK, NJ • A.M. BEST EUROPE, LONDON

A.M. BEST ASIA-PACIFIC, HONG KONG

<http://www.ambest.com>

—3—

- **American International Insurance Company**
- **American International Insurance Company of California, Inc**
- **American International Insurance Company of New Jersey**
- **American Pacific Insurance Company Inc.**
- **Minnesota Insurance Company**
- **New Hampshire Indemnity Company, Inc.**

Lexington Insurance Pool:

- **Landmark Insurance Company**
- **Lexington Insurance Company**
- **Starr Excess Liability Insurance Company, Ltd.**

The financial strength ratings of A++ (Superior) and the issuer credit ratings of “aa+” remain under review with negative implications for the following subsidiaries of American International Group, Inc.:

Hartford Steam Boiler Group:

- **Boiler Inspection and Insurance Company of Canada**
- **Hartford Steam Boiler Inspection and Insurance Company**
- **Hartford Steam Boiler Inspection and Insurance Company of Connecticut**
- **HSB Engineering Insurance Limited**

The financial strength rating of A (Excellent) and the issuer credit rating of “a” remain under review with negative implications for **Yosemite Insurance Company**.

A.M. Best Co., established in 1899, is the world’s oldest and most authoritative insurance rating and information source. For more information, visit A.M. Best’s Web site at <http://www.ambest.com>.

####