



# NEWS RELEASE

A.M. BEST COMPANY, INC., OLDWICK, NJ • A.M. BEST EUROPE, LTD., LONDON  
A.M. BEST ASIA-PACIFIC, LTD., HONG KONG

**FOR IMMEDIATE RELEASE**

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**A.M. Best Downgrades and Places Under Review  
American International Group, Inc. and Most of Its Subsidiaries**

## **Ratings Supplement**

The FSR has been downgraded to A (Excellent) from A+ (Superior) and the ICRs to “a” from “aa” and all ratings have been placed under review with negative implications for the following domestic life and retirement services subsidiaries of **American International Group, Inc.:**

- **AGC Life Insurance Company**
- **AIG Annuity Insurance Company**
- **AIG Assurance Canada**
- **AIG Life Insurance Company**
- **AIG Life Insurance Company of Canada**
- **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 FSR of A (Excellent) and ICR of “a” are unchanged for **Merit Life Insurance Company** and have been placed under review with negative implications.

The FSR of A- (Excellent) and ICR of “a-” are unchanged for **Pacific Union**

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**Assurance Company** and have been placed under review with negative implications.

The ICR of **American International Group, Inc.** has been downgraded to “bbb” from “a+” and placed under review with negative implications.

The FSRs have been downgraded to A (Excellent) from A+ (Superior) and ICRs to “a” from “aa-” and all ratings have been placed under review with negative implications for the following property/casualty subsidiaries of **American International Group, Inc.:**

**American International Group (Commercial Pool and Strategic Affiliates):**

- **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**
- **AIG Casualty Company**
- **Commerce and Industry Insurance Company**
- **Commerce and Industry Insurance Company of Canada**
- **Granite State Insurance Company**
- **Illinois National Insurance Company**
- **Insurance Company of the State of Pennsylvania**
- **National Union Fire Insurance Company of Louisiana**
- **National Union Fire Insurance Company of Pittsburgh, Pennsylvania**
- **New Hampshire Insurance Company**

**Transatlantic Holdings, Inc. Group:**

- **Putnam Reinsurance Company**
- **Transatlantic Reinsurance Company**
- **Trans Re Zurich**

**Lexington Insurance Pool:**

- **Landmark Insurance Company**
- **Lexington Insurance Company**
- **AIG Excess Liability Insurance Company, Ltd.**
- **AIG Excess Liability Insurance International, Ltd.**

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The FSR has been downgraded to A (Excellent) from A+ (Superior) and ICR to “a” from “aa-” and both ratings have been placed under review with negative implications for **AIU**

**Insurance Company.**

The FSR has been downgraded to A (Excellent) from A+ (Superior) and ICRs to “a” from “aa” and all ratings have been placed under review with negative implications for **Hartford**

**Steam Boiler Group** and its following members:

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

The FSR of B+ (Good) and ICRs of “bbb-” are unchanged and have been placed under review with negative implications for **American General Property Group** and its following members:

- **American General Property Insurance Company**
- **American General Property Insurance Company of Florida**

The FSR of A (Excellent) and ICR of “a” are unchanged and have been placed under review with negative implications for **Yosemite Insurance Company**.

The FSR of B+ (Good) and ICR of “bbb-” are unchanged and have been placed under review with negative implications for **American General Indemnity Company**.

The ICR has been downgraded to “bbb” from “a-” and has been placed under review with negative implications for **Transatlantic Holdings, Inc.**

The following debt rating has been downgraded and placed under review with negative implications:

**Transatlantic Holdings, Inc.—**

-- to “bbb” from “a-” on \$750 million 5.75% senior unsecured notes, due 2015

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The following indicative debt ratings for securities available under shelf registration have been affirmed and placed under review with negative implications:

**Transatlantic Holdings, Inc. —**

- to “bbb” from “a-” on senior unsecured debt
- to “bbb-” from “bbb+” on subordinated debt

The FSR has been downgraded to A (Excellent) from A+ (Superior) and ICRs to “a” from “aa-” and all ratings remain under review with negative implications for the following property/casualty subsidiaries of **American International Group, Inc.:**

**AIG Personal Lines Pool:**

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

**21st Century Insurance Group:**

- **21st Century Insurance Company**
- **21st Century Casualty Company**
- **21st Century Insurance Company of the Southwest**

The ICR has been downgraded to “bbb” from “a-” and remains under review with negative implications for **21st Century Insurance Group.**

The following debt rating has been downgraded and remains under review with negative implications:

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**21st Century Insurance Group—**

-- to “bbb” from “a-” on \$100 million 5.9% senior unsecured notes, due 2013

The FSR of B++ (Good) and ICR of “bbb” are unchanged and have been placed under review with negative implications for **Wuertt und Badische Versicherungs-AG**.

**Founded in 1899, A.M. Best Company is a global full-service credit rating organization dedicated to serving the financial and health care service industries, including insurance companies, banks, hospitals and health care system providers. For more information, visit [www.ambest.com](http://www.ambest.com).**

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