



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 Removes Ratings of AIG's Property/Casualty and Life Subsidiaries From Under Review; Affirms, Assigns Negative Outlook

Ratings Supplement

The FSR has been affirmed at A++ (Superior) and ICRs at “aa+”, and all ratings have been removed from under review with negative implications and assigned a negative outlook 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” have been affirmed for **Merit Life Insurance Company**, and both ratings have been removed from under review with negative implications and assigned a negative outlook.

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The FSR of A- (Excellent) and ICR of “a-” have been affirmed for **Pacific Union Assurance Company**, and both ratings have been removed from under review with negative implications and assigned a negative outlook.

The ICR of **American International Group, Inc.** has been downgraded to “aa-” from “aa”, removed from under review with negative implications and assigned a negative outlook.

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

American International Group (Commercial Pool and Strategic Affiliates): The assigned outlook is negative.

- **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: The assigned outlook is stable.

- **Putnam Reinsurance Company**
- **Transatlantic Reinsurance Company**

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- **Trans Re Zurich**

Lexington Insurance Pool: The assigned outlook is negative.

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

The FSR of A+ (Excellent) and ICR of “aa-” have been affirmed for **AIU Insurance Company**, and both ratings have been removed from under review with negative implications and assigned a negative outlook.

The FSR of A++ (Superior) and ICRs of “aa+” have been affirmed with a stable outlook 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-” have been affirmed with a stable outlook 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” have been affirmed with a stable outlook for **Yosemite Insurance Company**.

The FSR has been downgraded to B+ (Good) from A- (Excellent) and the ICR has been downgraded to “bbb-” from “a-” with a stable outlook for **American General Indemnity Company**.

The ICR of “a-” has been affirmed, removed from under review with negative implications and assigned a stable outlook for **Transatlantic Holdings, Inc.**

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The following debt rating has been removed from under review with negative implications and assigned a stable outlook:

Transatlantic Holdings, Inc.—

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

The following indicative debt ratings for securities available under shelf registration have been removed from under review with negative implications and assigned a stable outlook:

Transatlantic Holdings, Inc. —

-- “a-” on senior unsecured debt

-- “bbb+” on subordinated debt

The FSR of A+ (Superior) and ICRs of “aa-” 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**

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The ICR of “a-” remains under review with negative implications for **21st Century Insurance Group**.

The following debt rating remains under review with negative implications:

21st Century Insurance Group—

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

All remaining ratings for the property/casualty entities of AIG are unchanged.

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