

SIDE-A DIRECTORS AND OFFICERS LIABILITY



Today's directors and officers face ever greater risks of personal liability in executing their corporate responsibilities. Increased regulatory scrutiny, public demands for individual accountability, more frequent shareholder litigation, rising defense and settlement costs, and expanding bankruptcy exposure all contribute to a very challenging environment for both public and private company executives. Traditional D&O insurance may fall short of providing full protection.

AIG's new Side-A SelectSM policy fills the gaps in coverage with numerous market-leading enhancements. Highlights include:

Innovative Per Claim Limit Structure: The new per claim limit structure provides a superior alternative to reinstated policy limits. Unrelated claims within the same policy period now get fresh limits without having to exhaust the remainder of the tower to trigger reinstatement. As a result, insureds can rely on AIG's best in class claims handling for additional claims once the policy has been triggered.

Additional Dedicated Individual Limit: Optional coverage is available for additional limit of liability provided on an individual basis even after the per claim limit and policy cap have been exhausted. Typically available at \$1 million per individual (additional premium applies).

Expanded Dropdown Coverage: When corporate indemnification and/or underlying insurance is unavailable "for any reason," Side-A Select drops down to provide broad DIC (difference-in-conditions) coverage.

One Exclusion, Further Narrowed: Now only claims "for" specified misconduct fall within the scope of the conduct exclusion – no more "arises out of, based upon, or attributable to" language to worry about. The conduct exclusion is also subject to full severability so individual coverage is not affected by the conduct of others. In addition, the conduct exclusion no longer applies to independent directors or defense costs of any insured person.

Separate Defense Counsel: Individual insureds may now retain separate counsel regardless of whether there is a conflict of interest.

Broader Fines and Penalties Coverage:

All civil fines and penalties are covered unless prohibited by law or the assessment. Criminal fines and penalties assessed outside of the U.S. for violations that are not treated as criminal in the U.S. are covered. Fines and penalties are also presumed civil where the basis for the assessment is indeterminate.

Explicit Coverage for Plaintiff Attorneys' Fees:

Loss under the policy now specifically includes plaintiff attorneys' fees when awarded solely against insured persons, or when the parent company is financially insolvent and plaintiff attorneys' fees are awarded against insured persons as a result of a judicial award or a court-approved settlement.

Updated Pre-Claim Inquiry Coverage:

Side-A Select provides coverage for pre-claim inquiries first reported during the policy period – regardless of when they were first received. In addition, pre-claim inquiries now include bankruptcy-related inquiries, and coverage limitations with respect to organization inquiries have been eliminated.

Optional Enhancements include:

- Passport Master Policy Program for multinational protection
- Side-A Match Edge[®] (SAME) endorsement for AIG primary D&O policies

Side-A Match Edge® (SAME) Endorsement

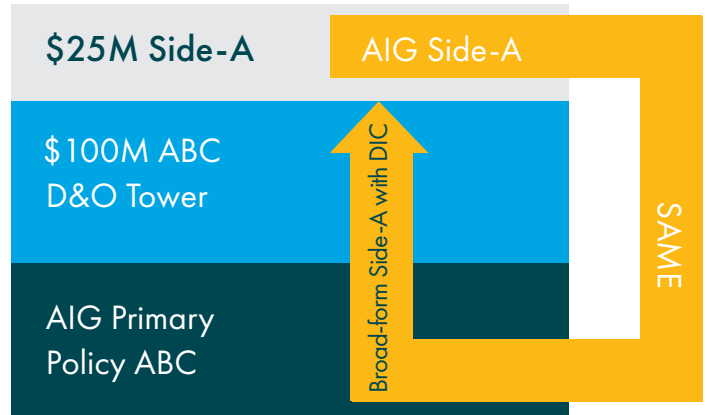


SAME can be offered to clients who purchase primary D&O cover and Side-A capacity (lead or excess) from AIG – even if another carrier provides the lead Side-A policy. By endorsing the primary AIG D&O policy with the SAME endorsement, the Side-A coverage provided by the primary D&O policy will match the breadth of coverage previously only available within the dedicated Side-A policy limits. Companies who take advantage of this innovative solution benefit from broad-form Side-A DIC coverage throughout the entire D&O tower.

SAME delivers:

- The same best-in-class Side-A Select coverage from the first dollar primary throughout the entire tower. By following SAME, the first excess ABC carrier now also serves as the lead Side-A DIC layer and this DIC coverage continues up through all the follow form layers.

D&O Tower with SAME



By virtue of follow-form ABC coverage, with SAME the entire \$125M of D&O purchase is inclusive of Side-A DIC.

- Consistency of coverage for non-indemnifiable loss of individuals throughout the D&O tower, which can minimize claim conflicts that may result from multiple carriers and different Side-A terms.

WHY AIG

Claims Expertise:

Our seasoned claims professionals provide direct access to some of the nation's most experienced attorneys who offer valuable strategic assistance in litigating with even the most formidable plaintiffs' attorneys. These partnerships, coupled with our experience and expertise, facilitate prompt case resolution and the best possible claim outcome.

Multinational Capabilities:

AIG's Passport Master Policy Program extends to Side-A Select. AIG Multinational insureds can obtain Side-A underlyers without incurring additional issuance fees if they already buy a foreign underlyer on an AIG Primary D&O policy. Alternatively, they can procure foreign underlyers at Side-A attachment points without a primary D&O purchase (subject to issuance fees).

Cross-border Issuance:

Clients can choose to purchase through our U.S. or Bermuda platforms.

\$100M Side-A Capacity available, regardless of AIG's participation on the ABC tower.

Market Leadership:

For more than 40 years, AIG has been a leader in insuring management liability risks and protecting the leaders organizations of all types. This gives us a unique perspective and thorough understanding of D&O risks to help our clients defend against claims that can impact them directly and personally.



American International Group, Inc. (AIG) is a leading global insurance organization. Founded in 1919, today AIG member companies provide a wide range of property casualty insurance, life insurance, retirement products, and other financial services to customers in more than 80 countries and jurisdictions. These diverse offerings include products and services that help businesses and individuals protect their assets, manage risks and provide for retirement security. 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 www.twitter.com/AIGinsurance | LinkedIn: www.linkedin.com/company/aig. These references with additional information about AIG have been provided as a convenience, and the information contained on such websites is not incorporated by reference into this press release.

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For more information and policy forms:
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