

AMERICAN INTERNATIONAL GROUP, INC.
70 PINE STREET
NEW YORK, N.Y. 10270

EDWARD M. LIDDY
CHAIRMAN AND
CHIEF EXECUTIVE OFFICER



September 26, 2008

To our shareholders:

On September 23, 2008, American International Group, Inc. ("AIG") announced that it had signed a definitive agreement with the Federal Reserve Bank of New York for a two-year, \$85 billion revolving credit facility. Under the agreement, AIG will issue a new series of Convertible Participating Serial Preferred Stock to a trust that will hold the Preferred Stock for the benefit of the United States Treasury. The Preferred Stock will be convertible into Common Stock of AIG following a special shareholders meeting to amend AIG's restated certificate of incorporation. The Preferred Stock will vote with AIG's Common Stock on all matters and will hold approximately, but not in excess of, 79.9% of the aggregate voting power of AIG's shareholders. The substantial share issuance was necessary to AIG's ability to obtain the capital essential to maintaining its financial stability.

The New York Stock Exchange's ("NYSE") Shareholder Approval Policy generally would require shareholder approval prior to AIG's issuance of the Preferred Stock. However, the Shareholder Approval Policy provides an exception in cases where the delay involved in securing shareholder approval would seriously jeopardize the financial viability of the listed company. In accordance with the NYSE rule providing that exception, the Audit Committee of the Board of Directors of AIG determined that the delay necessary in securing shareholder approval prior to the issuance of the Preferred Stock would seriously jeopardize the financial viability of AIG. The Audit Committee has expressly approved AIG's decision not to seek such shareholder approval in reliance on such exception.

AIG, in reliance on the exception described above, hereby notifies you that it will issue shares of Preferred Stock pursuant to the transaction described above without seeking shareholder approval. The Preferred Stock will be issued when AIG has received all material approvals of governmental authorities required for the issuance and no earlier than ten days after the date of mailing of this notice to AIG shareholders.

Very truly yours,

A handwritten signature in black ink that reads "Edward M. Liddy". The signature is written in a cursive style with a large, sweeping flourish at the end.

Edward M. Liddy
Chairman and Chief Executive Officer