loss (other than for office expenses and for the salaries and expenses of employees of the Company or of any subsidiary or related or wholly owned company of the Company) made in connection with the disposition of a claim, loss, or legal proceeding including investigation, negotiation, and legal expenses; court costs; prejudgment interest; and postjudgment interest.

(c) Losses in Excess of Policy Limits and Extra Contractual Obligations

(1) "Loss in Excess of Policy Limits" means a payment made to a third party claimant in excess of the policy limit which the Company is legally obligated to pay resulting from an action taken by the insured or assignee arising from a third party claimant being awarded an amount in excess of the Company's policy limit as a result of the Company's failure to settle within the policy limit or of the Company's alleged or actual negligence or bad faith in rejecting an offer of settlement or in the preparation of the defense or in the trial of any action against its insured or in the preparation or prosecution of an appeal consequent upon such action.

(2) "Extra Contractual Obligation" means a loss which the Company is legally obligated to pay, which is not covered under any other provision of this Agreement and which arises from the Company's handling of any claim on the business reinsured hereunder.

The date on which a Loss in Excess of Policy Limits or an Extra Contractual Obligation is incurred by the Company shall be deemed, in all circumstances, to be the date of the original Occurrence.

There shall be no coverage hereunder where the Loss in Excess of the Policy Limit or the Extra Contractual Obligation has been incurred due to the fraud or criminal conduct of a member of the Board of Directors, a corporate officer of the Company, or any other employee of the Company, acting individually or collectively or in collusion with any individual or corporation or any other organization or party involved in the investigation, defense or settlement of any claim covered hereunder.

Any insurance or reinsurance, whether collectible or not, which indemnifies or protects the Company against claims which are the subject matter of this definition and any contribution, subrogation, or recovery shall inure to the benefit of the Reinsurer and shall be deducted to arrive at the amount of the Company's Net Loss.

(d) **Occurrence** means each accident or occurrence or series of accidents or occurrences arising out of one event regardless of the number of employees or employers involved, except as modified below.

As respects an occupational or other disease or cumulative injury under workers' compensation or employers' liability policies for which the employer is liable:

(1) Which arises from a specific sudden and accidental event limited in time and place, such occupational or other disease suffered by one or more employees of one or more employers shall be deemed to be an Occurrence within the meaning of this Agreement and the date of Occurrence shall be deemed to be the date of the sudden and accidental event.

(2) Which does not arise from a specific sudden and accidental event limited in time and place, such occupational or other disease or cumulative injury shall be deemed to be an Occurrence within the meaning of this Agreement, and the date of Occurrence shall be deemed to be the date of the beginning of the disability for which compensation is payable if the case is compensable under the Workers' Compensation law; or the date that disability due to said disease actually began if the case is not compensable under the Workers' Compensation law.

Each case of an employee contracting such occupational or other disease or cumulative injury for which the employer insured by the Company is held liable shall be considered a separate Occurrence regardless of the date of loss.

(e) **Original Reinsured** means the insurance company or reinsurance company to which the Company issued an Original Reinsurance Contract.

(f) **Original Reinsurance Contract** means all binders, policies, certificates, agreements, treaties, bonds, or contracts or reinsurance or retrocession authorized by the Company to Original Reinsureds under the same Reinsurance Form covering the same liability, whether issued in one layer or more than one layer, and appearing on Schedule A.

(g) **Reinsurance Form** means the type of liability reinsurance afforded by the Company to its cedants and retrocedants.

(h) **Net Retained Liability** means, and this Agreement shall only apply to, that portion of any Original Reinsurance Contract covered by this Agreement which the Company retains net for its own account, and in calculating Ultimate Net Loss only loss or losses in respect of that portion of any insurance or reinsurance which the

Company retains net for its own account shall be included. It is understood and agreed that the amount of the Reinsurer's liability under this Agreement shall not be increased due to the Company's failure to retrocede in accordance with its normal practice, nor by reason of the inability of the Company to collect from any other reinsurer, whether specific or general, any amounts which may have been due from them, whether that inability arises from the insolvency of the other reinsurer or otherwise.

Article VII - EXCLUSIONS

This Agreement shall not apply to any liability excluded by the Original Reinsurance Contracts.

Article VIII - MANAGEMENT OF CLAIMS AND LOSSES

The Company shall investigate and settle or defend all claims and losses. When requested by the Reinsurer, the Company shall permit the Reinsurer, at the expense of the Reinsurer, to be associated with the Company in the defense or control of any claim, loss, or legal proceeding which involves or is likely to involve the Reinsurer. All payments of claims or losses by the Company within the terms and limits of its policies which are within the limits set forth in the applicable Agreement shall be binding on the Reinsurer, subject to the terms of this Agreement.

Article IX - RECOVERIES

The Company shall pay to or credit the Reinsurer with the Reinsurer's portion of any recovery obtained from salvage, subrogation, or other insurance. Allocated Adjustment Expense for recoveries shall be deducted from the amount recovered. However, if the Allocated Adjustment Expense incurred in obtaining recoveries exceeds the amount recovered, if any, the excess Allocated Adjustment Expense shall be apportioned between the parties in proportion to the liability of each party for the loss before the recovery was obtained.

The Reinsurer shall be subrogated to the rights of the Company to the extent of its loss payments to the Company. The Company agrees to enforce its rights of salvage, subrogation, and its rights against insurers or to assign these rights to the Reinsurer.

Recoveries under this Agreement shall be distributed to the parties in an order inverse to this in which their liabilities accrued.

Article X - LOSS TRANSFER PAYMENT AND CONSIDERATION

The Company shall pay to the Reinsurer a loss transfer payment of US $250,000,000 within thirty business days after the execution of this Agreement. Ninety-eight percent (98%) of this sum shall be withheld and retained within an experience account (the "Experience Account") by the Company from which the Company shall make claim payments due from the Reinsurer hereunder.

Article XI - REPORTS AND REMITTANCES

(a) Claims and Losses

Within 90 days of the end of each year the Company shall render to the Reinsurer an annual status report of the Experience Account during the preceding year showing:

Credit Items:

A) Credit balance forward from the previous statement:

B) Withheld premiums equal to 98% of reinsurance premiums due

C) Interest on the positive balance within the account calculated at a rate of 3% per year on the beginning balance brought forward from the previous statement

Debit Items:

A) Ultimate Net Loss payments made by the Company during the year.

(b) Within 90 days of the end of each year the Company shall prepare a report for the Reinsurer showing:

A) Outstanding reserves, including Allocated Adjustment Expenses, at the beginning of the year, plus

B) The sum of reserves, including Allocated Adjustment Expenses, increased or established during the year, minus

C) Claims and Allocated Loss Adjustment Expenses paid during the year, equals

D) Outstanding reserves, including Allocated Adjustment Expenses, at the end of the year.

Upon receipt of this report the Reinsurer shall authorize the Company to draw payment from the experience account for the balance due in respect of claims paid during the year. If the balance in the experience account is insufficient to satisfy the obligation of the Reinsurer, then the Reinsurer shall pay the amount owed in excess of the balance of the experience account within 90 days after receipt of the report. All balances shall be converted to United States Dollars at the exchange rate used in the Reinsurer's books.

(b) **General**

In addition to the reports required by (a) above, the Company shall furnish such other information as may be required by the Reinsurer for the completion of the Reinsurer's quarterly and annual statements and internal records.

All reports shall be rendered on forms or in format acceptable to the Company and the Reinsurer.

Article XII - ERRORS AND OMISSIONS

The Reinsurer shall not be relieved of liability because of an error or accidental omission of the Company in reporting any claim or loss or any business reinsured under this Agreement, provided that the error or omission is rectified promptly after discovery. The Reinsurer shall be obligated only for the return of the premium paid for business reported but not reinsured under this Agreement.

Article XIII - SPECIAL ACCEPTANCES

Business not within the terms of this Agreement may be submitted to the Reinsurer for special acceptance and, if accepted by the Reinsurer, shall be subject to all of the terms of this Agreement except as modified by the special acceptance.

Article XIV - RESERVES AND TAXES

The Reinsurer shall maintain the required reserves as to the Reinsurer's portion of unearned premium, if any, claims, losses, and Allocated Adjustment Expense.

The Company shall be liable for all premium taxes on premium ceded to the Reinsurer under this Agreement. If the Reinsurer is obligated to pay any premium taxes on this premium, the Company shall reimburse the Reinsurer, however, the Company shall not be required to pay taxes twice on the same premium.

Article XV - OFFSET

The Company or the Reinsurer may offset any balance, whether on account of premium, commission, claims or losses, Adjustment Expense, salvage, or otherwise, due from one party to the other under this Agreement or under any other agreement heretofore or hereafter entered into between the Company and the Reinsurer.

Article XVI - INSPECTION OF RECORDS; CONFIDENTIALITY

A) Inspection of records Subject to paragraph B, Confidentiality, the Company shall allow the Reinsurer to inspect, at reasonable times, the records of the Company relevant to the business reinsured under this Agreement, including the Company's files concerning claims, losses, or legal proceedings which involve or are likely to involve the Reinsurer. The inspection may only be conducted by representatives of the Reinsurer who execute a confidentiality agreement in a form satisfactory to the Company.

B) Confidentiality The Reinsurer acknowledges that the Original Reinsurance Contracts and the Company's records with respect to those contracts constitute valuable privileged, commercial and confidential information not generally known about the operations or clientele of the Company ("Company confidential information"). Neither the Reinsurer nor its representatives shall, directly or indirectly, disclose, divulge or make available any Company confidential information whether acquired before or after the date of this Agreement, including but not limited to information relating to investment, financial, accounting, names and addresses of clients, carrier relationships, insurance broker/agent relationships, merchandising, marketing and selling practices, and the services, functions, systems, computer programs, procedures, or work products contemplated by, or produced by the Reinsurer or its representatives pursuant to this Agreement or which they are to use or perform in connection with the Agreement. As used in this Agreement, "Company confidential information" does not include information which (a) is or becomes generally available to the public other than as a result of a disclosure by the Reinsurer or its representatives, (b) was available to the Reinsurer on a non-confidential basis prior to its disclosure by the Reinsurer or its representatives, or (c) becomes available to the Reinsurer on a non-confidential basis from a person other than the Company or its representatives who is not otherwise bound by a confidentiality agreement with the Company or its representatives, or is not otherwise prohibited from transmitting the information to the Reinsurer.

Article XVII - ARBITRATION

All unresolved differences of opinion between the Company and the Reinsurer relating to this Agreement, including its formation and validity, shall be submitted to arbitration consisting of one arbitrator chosen by the Company, one arbitrator chosen by the Reinsurer, and a third arbitrator chosen by the first two arbitrators.

The party demanding arbitration shall communicate its demand for arbitration to the other party by registered or certified mail, identifying the nature of the dispute and the name of its arbitrator, and the other party shall then be bound to name its arbitrator within 30 days after receipt of the demand.

Failure or refusal of the other party to so name its arbitrator shall empower the president of the Insurance Institute of Ireland to name the second arbitrator. If the first two arbitrators are unable to agree upon a third arbitrator after the second arbitrator is named, each arbitrator shall name three candidates, two of whom shall be declined by the other arbitrator, and the choice shall be made between the two remaining candidates by drawing lots. The arbitrators shall be impartial and shall be active or retired officers of property or casualty insurance or reinsurance companies.

The arbitrators shall adopt their own rules and procedures and are relieved from judicial formalities. In addition to considering the rules of equity and the customs and practices of the international insurance and reinsurance business, the arbitrators shall make their award with a view to effecting the intent of this Agreement.

The arbitration shall take place in London and English law shall apply to the conduct of the arbitration.

The decision of the majority of the arbitrators shall be in writing and shall be final and binding upon the parties.

Each party shall bear the cost of its own arbitrator and shall jointly and equally bear with the other party the expense of the third arbitrator and other costs of the arbitration. In the event both arbitrators are chosen by one party, the fees of all arbitrators shall be equally divided between the parties.

The arbitration shall be held at the times and places agreed upon by the arbitrators.

Article XVIII - INSOLVENCY OF THE COMPANY

In the event of the insolvency of the Company, the reinsurance proceeds will be paid to the Company or the liquidator, with reasonable provision for verification, on the basis of the claim allowed in the insolvency proceeding without diminution by reason of the inability of the Company to pay all or part of the claim, except as otherwise specified in the statutes of any state having jurisdiction of the insolvency proceedings or except where the Agreement, or other written agreement, specifically provides another payee of such reinsurance in the event of insolvency.

The Reinsurer shall be given written notice of the pendency of each claim against the Company on the contract(s) reinsured hereunder within a reasonable time after such claim is filed in the insolvency proceedings. The Reinsurer shall have the right to investigate each such claim and to interpose, at its own expense, in the proceeding where such claim is to be adjudicated, any defenses which it may deem available to the Company or its liquidator. The expense thus incurred by the Reinsurer shall be chargeable, subject to court approval, against the insolvent Company as part of the expense of liquidation to the extent of a proportionate share of the benefit which may accrue to the Company solely as a result of the defense undertaken by the Reinsurer.

Article XIX Cancellation

This Agreement may be immediately cancelled on written notice by either party if:

A). The performance in whole or in part of this Agreement is prohibited or rendered impossible de jure or de facto, in particular, and without prejudice to the generality of the preceding words, in consequence of any law or regulation which is or shall be in force in any country or territory, or if any law or regulation shall directly or indirectly prevent the payment of any or all of the sums due to or from either party;

B) The other party has become insolvent or unable to pay its debts or has lost the whole or any part of its capital;

C) There is any material change in ownership or control of the other party;

D) The country or territory in which the other party resides or has its headquarters or is incorporated is involved in armed hostilities with any other country, whether war is declared or not, or is partly or wholly occupied by another power; or

E) The other party fails to comply with any of the terms and conditions of this Agreement.

This Agreement may be cancelled by the Company at any time on 90 days written notice to the Reinsurer.

Written notices under this article shall be sent by Telex, facsimile or registered mail and shall be deemed received when sent or, where communications between the parties are interrupted, upon the attempt to send. All outstanding losses and other reserves, if any, for business covered by this Agreement shall be commuted as of the date of cancellation upon payment to the Company of the amount equal to the credit balance of the Experience Account as of the date of cancellation. Payment and acceptance of that amount shall constitute a full and final mutual release of all liabilities of the parties under this Agreement.

The Cologne Re of Dublin.
Cologne Reinsurance Company (Dublin) Ltd.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in duplicate,

this ______ day of ________________, 2001,

COLOGNE REINSURANCE COMPANY (DUBLIN) LIMITED

____

John Houldsworth
Chief Executive Officer

Attest: [redacted]

and this ______ day of ________________, 2001.

NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH

____

Attest: ______________________

GR1 0126133

AIG – MRG REQUEST
OCTOBER 31, 2000

Proposal: GCR transfer $200m - $500m of reserves to AIG for a six to nine month period.

Need: Unclear at this time. Speculation is that this is in response to analysts' negative reaction to AIGs reserve reductions at Q3. Chris Milton's description of his conversation with MRG did not add much to our knowledge. MRG indicated it would be desirable to use longer tailed lines to minimize the administration.

Timeframe: By year-end.

REF Thoughts:
- Due diligence is important, make certain we do not create (reporting) problems of our own
- Funds withheld, don't want to convert any investments
- Need to involve [redacted] at a minimum

JPB Thoughts:
- Big numbers, may be a problem to find $500m
- Funds withheld
- May be best to stay away from the US companies to avoid large fluctuations in our reported reserves. Use non-US entities. KR Dublin?
- Any way to give the film finance reserves to AIG on a permanent basis?
- Tax planning opportunities regarding CLR Unicover reserves?
- Ajit reserves?
- Suggested [redacted] as a good resource

[redacted] and I discussed this opportunity this afternoon. He suggested I confirm four points with Chris:

1. Are they indifferent to using reserves related to AIG business or "general purpose reserves"? [Chris thought it would be better using "general purpose reserves". He thought a commutation would be problematic, but did not know for certain.]
2. How much do they really need? [As much as we can put together up to $500m]
3. Any problem with a no funds deal? [Funds withheld is not an issue. They only want reserve impact.]
4. Any issues with currency or original country? [They are indifferent regarding the country or currency of origin.]

During the conversation, Chris said:
- MRG called earlier for a status report.
- Chris confirmed that this is to address the criticism they received from the analysts.
- Chris is also fine with finite reserves and mentioned that he and MRG discussed the idea of using

RCF
11.17.00

1. RCF explained Dublin
2. RCF wants 1% fee ($5M)
3. Two tranches
   $250M 2000
   250M 2001
4. Home & Chase paid premiums.
5. how to perfect lien to get fee back
6. AIG not been real risk.
7. Last night MKG proposed 2½% of CCA back → the WEB said rather have fee
8. MKG said he is going to try to get out 2½% back anyway

[redacted]

11/17/2000 06:19 PM

To: Cmilton@worldnet.att.net
cc: [redacted]/GRN@GRN
Subject: Project A

Chris, below is a very general overview of the structure we propose. Please treat this as a discussion draft. There will likely be changes as we continue to vet the structure.

At this point, the structure appears to meet your needs with a minimum amount of frictional cost. One area we are continuing to investigate is the potential for unforeseen taxes.

As I mentioned this afternoon, Ron's discussions with MRG established the following points:

- The Dublin structure outlined below appears workable.
- You may want to divide the transaction into two parts - one for 2000 and one for 2001.
- The fee to GCR will be 1% or $5m.
- We need to work out a mechanism for GCR to recover the 2% fee advanced to AIG under the agreement.
- You, Howie Smith, [redacted] and I have been appointed to work out the details.

A point that may not be sufficiently clear in the discussion document is the term of the agreement. In accordance with our conversations, we anticipate terminating the agreement at 24 months via a commutation.

[redacted] and I have a 4:00 p.m. appointment with you on Monday. We would like to conduct the meeting via conference call. That way we can involve other Stamford resources as needed.

Regards,
[redacted]

Project A.doc

GR1_0126245

Draft for Discussion Purposes

Reinsured:	**Cologne Reinsurance Company (Dublin) Limited**
Type:	**Loss portfolio transfer Agreement**
Term:	Continuous commencing 12:01a.m., Central European Time, 1/12/2000, until all liability hereunder has been discharged.
Territory:	As detailed under the attached schedule of original Reinsurance contracts.
Business Covered:	Original Reinsurance Contracts or other evidences of liability (whether written or oral) heretofore issued covering in respect of business written as detailed under the attached schedule.
Limit:	The Reinsured obligates itself to cede to the Reinsurer and the Reinsurer obligates itself to accept as reinsurance from the Reinsured a 100% interest in the Net Retained liability of the Reinsured in respect of the Business covered, subject however to an overall limit of liability to the Reinsurer equal to USD 600m.
Reinsurance Premium:	A reinsurance premium of USD 500,000,000 of which 98% shall be retained within an experience account by the Reinsured.
Reporting and Accounts:	Within 90 days of the end of each calendar year, the Reinsured shall prepare an account for the Reinsurer showing:

A) Outstanding reserves, including allocated loss adjustment expenses at the beginning of the year, plus

B) The sum of reserves including allocated loss adjustment expenses increased or established during the year, minus

C) Claims and allocated loss adjustment expenses paid during the year, equals

D) Outstanding reserves, including allocated loss adjustment expenses at the end of the year.

The Reinsurer shall upon receipt of the account, authorise the Reinsured to draw payment from the experience account for the balance due in respect of claims paid during the year. In the event that the balance within the experience account is insufficient to satisfy the obligation of the Reinsurer, then payment shall be made within 90 days by the Reinsurer of the amount owed in excess of the balance in the experience account.

Definition:

A) The term "Ultimate Net Loss" as used in this Agreement shall be understood to mean the sum actually paid or payable by the Reinsured in settlement of losses for which it is liable, such losses to include expenses of litigation and any and all other loss expenses of the Reinsured except for office expenses and salaries of the Reinsured's officials. Any salvages and recoveries, including recoveries under any reinsurances which inure to the benefit of this Agreement, whether collected or not, are to be first deducted from such loss to arrive at the amount of liability, if any, attaching hereunder.

Nothing in this definition shall be construed as meaning that losses are not recoverable hereunder until the Ultimate Net Loss to the Reinsured has been finally ascertained.

B) The term "Net Retained Liability" as used in this Agreement shall be understood to mean, and this Agreement shall only apply to, that portion of any insurance or reinsurance covered by this Agreement which the Reinsured retains net for its own account and in calculating the amounts of loss hereunder, only loss or losses in respect of that portion of any insurance or reinsurance which the Reinsured retains net for its own account shall be included.

It is understood and agreed that the amount of the Reinsurer's liability hereunder in respect of loss or losses shall not be increased due to the Reinsured's failure to retrocede in accordance with its normal practice, nor by reason of the inability of the Reinsured to collect from any other Reinsured, whether specific or general, any amounts which may have become due from them, whether such inability arises from the insolvency of such other Reinsurer or otherwise.

C) The term "Original Reassured", as used in this Agreement shall be understood to mean the insurance or reinsurance company to which the Reinsured issued an Original Reinsurance Contract.

D) The term "Original Reinsurance Contract" as used in this Agreement shall be understood to mean all binders, policies, certificates, agreements, treaties, bonds or contracts of reinsurance or retrocession authorised by the Reinsured to Original Reassured's under the same Reinsurance Form covering the same liability (whether issued in one layer or more than one layer).

E) The term "Reinsurance Form" as used herein shall be understood to mean the type of Liability reinsurance afforded.

Exclusions: As contained in the Reinsured's Original Reinsurance, without additional limitations hereunder.

Experience Account:

At inception, the Reinsured shall establish a funds withheld experience account into which shall initially be placed the withheld portion of the reinsurance premium and from which the Reinsured shall make claim payments hereunder. Annually the Reinsured shall prepare a status report on the experience account. showing:

Credit Items

A) Credit balance brought forward from the previous statement.

B) Withheld premiums equal to 98% of reinsurance premiums due.

C) Interest on the positive balance within the account calculated at a rate of 3% per annum on the beginning balance brought forward from the previous statement.

Debit Items

A) Claims paid during the year.

B) Any settlements made as commutation of claims, loss adjustment expenses or other liabilities hereunder.

Cancellation:

This Agreement may be cancelled by the parties hereto:

1) Immediately by giving the other party notice:

A) If the performance of the whole or any part of this Agreement be prohibited or rendered impossible de jure or de facto in particular and without prejudice to the generality of the preceding words in consequence or any law or regulation which is or shall be in force in any country or territory, or if any law or regulation shall prevent directly or indirectly the remittance of any or all or any part of the balance of payments due to or from either party.

B) If the other party has become insolvent or unable to pay its debts or has lost the whole or any part of its capital.

C) If there is any material change in the ownership or control of the other party.

D) If the country or territory in which the other party resides or has its head office or is incorporated shall be involved in armed hostilities with any other country whether war be declared or not or is partly or wholly occupied by another power.

E) If the other party shall have failed to comply with any of the terms and condition so this Agreement.

All notices of termination which the Reinsured shall have the right to issue in accordance with any of the provisions of this paragraph shall be by Telex, Facsimile or Registered Mail and shall be deemed to be served upon dispatch, or, where communications between the parties are interrupted, upon attempted dispatch.

2) By the Reinsured giving 90 days notice at any time in writing of its intention to cancel this Agreement.

All outstanding losses and other reserves, if any, for business covered under this Agreement, shall be commuted on the date of cancellation upon payment to the Reinsured of the amount equal to the credit balance under the experience account at the date of cancellation.. Such payment shall constitute full and final release of all liabilities of the Reinsurer under this agreement.

Administration Fee: TBA payable on TBA and annually on 1st January thereafter until termination.

General Conditions: Currency Conversion: All balances shall be converted to USD at the rate of exchange used in the Reinsurer's books.
Offset Clause
Errors and Omissions Clause
Access to Records Clause
Insolvency Clause
Arbitration Clause (English law).
Inspection of Records: *The Reinsured retains the right to protect the confidentiality of the underlying reinsurance covers and reserves the right to inspection of records. However inspection by an independent third party as approved by the Reinsured will be arranged if requested.*
Change in underlying reinsurance contracts: *The Reinsured retains the right to manage the run off of the underlying reinsurance contracts without detailed disclosure to the Reinsurer. The Reinsured will however act in good faith at all times.*
Ultimate net loss clause: This reinsurance shall have the benefit of all underlying reinsurances inuring to the benefit of the underlying reinsurance contracts.

Wording: To be agreed.

Draft for Discussion Purposes

Reinsurer:

Ref: ______________ **By:** ____________________

Dated: ____________________________________

Placement Agreed

Reinsured: Cologne Reinsurance Company (Dublin) Limited

Ref: ______________ **By:** ____________________

Dated: ____________________________________

Draft for Discussion Purposes

Appendis A:

Schedule of underlying reinsurance contracts

Contract	Country of Origin	Current reserves in USD
Contract A	USA	254,000,000
Contract B	Germany	63,243,000
Contract C	USA	69,323,000
Contract D	Norway	25,734,000
Contract E	USA	36,728,000
Contract F	Australia	60,416,000

[redacted]

12/07/2000 11:59 AM

To: [redacted]/GRN@GRN, John B. Houldsworth/CRD/CologneRe/GRN@GRN, [redacted]/GRC/GRN@GRN

cc: Ronald E. Ferguson/GRN@GRN, [redacted]GRN@GRN, [redacted]/GRC/GRN@GRN, [redacted]/GRN@GRN

Subject: AIG Project

Chris called this morning to say they want to proceed as outlined in John's slip and in accordance with REF's conversation with MRG. Two installments, $250m each, one for '00, the other in '01.

We need to get together to discuss next steps. [redacted] looks to be available tomorrow around 8:00. Chris, John, how does that look for you.

[redacted]

[redacted]

11/07/2000 07:24 AM

To: Ronald E. Ferguson/GRN@GRN
cc: [redacted]/GRC/GRN@GRN, [redacted]/GRN@GRN, [redacted]/GRN@GRN, [redacted]/GRN@GRN, [redacted]/GRC/GRN@GRN, [redacted]/GRN@GRN
Subject: Re: MRG Request 10/31/00 - Update

Understood.

[redacted] and I met with [redacted] and [redacted] to move the process forward. [redacted] is working to identify reserves that may be most attractive from our standpoint. [redacted] has agreed to be our Group Finance point person. We are pushing to meet Chris' commitment to MRG that we will have general ideas by the end of the week. The next step will be to meet with AIG representatives to discuss the details of the structures. To fashion a final solution we need a better understanding of the impact they are seeking and the financial costs they are prepared to bear (aside from the cost of our product).

[redacted]

Ronald E. Ferguson

Ronald E. Ferguson
11/07/2000 07:08 AM

To: [redacted]/GRC/GRN
cc: [redacted]/GRC/GRN@GRN, [redacted]/GRN@GRN, [redacted]/GRN@GRN, Lee R. Steeneck/GRN@GRN, Tad [redacted]/GRC/GRN@GRN, [redacted]/GRN@GRN
Subject: Re: MRG Request 10/31/00 - Update

Thanks,

Please keep me posted.

Please do not make any pricing commitments or even pricing suggestions without talking to me.

ref

[redacted]

11/06/00 10:09 AM

To: Ronald E. Ferguson/GRN@GRN, [redacted]/GRN@GRN, [redacted]/GRN@GRN, [redacted]/GRC/GRN@GRN
cc: [redacted]/GRN@GRN, [redacted]/GRN@GRN, [redacted]/GRC/GRN@GRN
Subject: MRG Request 10/31/00 - Update

I spoke with Chris Friday evening. The deal has changed a little. Instead of a 6 to 9 month duration, they are seeking a 24 month term with a declining balance. We do not have any details regarding the "amortization" schedule AIG is seeking.

[redacted] and I met with [redacted] this morning and will hopefully meet with [redacted] later today.

[redacted]

—— Forwarded by [redacted]GRC/GRN on 11/06/2000 09:58 AM ——

[redacted]

11/01/2000 05:02 PM

To: Ronald E. Ferguson/GRN@GRN, [redacted]/GRN@GRN, [redacted]/GRN@GRN, [redacted]/GRN@GRN

AIG

<< Back

AIG'S THIRD QUARTER 2000 INCOME EXCLUDING REALIZED CAPITAL GAINS (LOSSES) ROSE 14.6 PERCENT TO $1.41 BILLION

NEW YORK, NY, October 26, 2000 - American International Group, Inc. (AIG) today reported that its income excluding net realized capital gains (losses) increased 14.6 percent to $1.41 billion in the third quarter and 14.4 percent to $4.21 billion for the first nine months of 2000.

Net income for the third quarter of 2000, including net realized capital gains (losses), increased 9.3 percent to $1.39 billion, compared to $1.27 billion in the third quarter of 1999. For the first nine months of 2000, net income totaled $4.14 billion, an increase of 10.6 percent, compared to $3.74 billion in the same period of 1999. Following is a summary table of third quarter and nine months information (in millions, except per share amounts).

	THIRD QUARTER			NINE MONTHS		
	2000	1999	Change	2000	1999	Change
Net income, as reported	$1,385.6	$1,267.4	9.3%	$4,138.7	$3,743.2	10.6%
Income, as adjusted*	$1,413.6	$1,233.6	14.6%	$4,208.4	$3,680.1	14.4%
PER SHARE RESULTS:**						
Net income, as reported	$ 0.60	$ 0.54	11.1%	$ 1.77	$ 1.59	11.3%
Income, as adjusted*	$ 0.61	$ 0.53	15.1%	$ 1.80	$ 1.57	14.6%
Average shares outstanding	2,339.9	2,351.3		2,341.5	2,350.7	

*Adjusted to exclude realized capital gains (losses), net of taxes.
**Share information reflects the three-for-two split in the form of a 50 percent common stock dividend, paid July 28, 2000.

Income before income taxes, minority interest and realized capital gains (losses) for the third quarter of 2000 amounted to $2.10 billion, an increase of 15.8 percent over the $1.81 billion reported in 1999. For the first nine months of 2000, income before income taxes, minority interest and realized capital gains (losses) increased 14.5 percent to $6.24 billion from $5.45 billion reported last year.

Revenues in the third quarter of 2000 rose 15.6 percent to $11.14 billion from $9.64 billion in the year-earlier quarter. For the first nine months, revenues totaled $33.46 billion, an increase of 12.8 percent over $29.66 billion in 1999.

At September 30, 2000, AIG's consolidated assets and shareholders' equity approximated $295 billion and $36.5 billion, respectively.

Commenting on the third quarter results, AIG Chairman M.R. Greenberg said, "AIG had a very good quarter, with increased momentum on the domestic commercial insurance pricing front, strong results from our overseas general insurance business, an excellent quarter for life insurance, and outstanding results in our financial services and asset management businesses.

"Worldwide general insurance net premiums written increased 8.1 percent to $4.29 billion, our largest quarterly percentage increase of the year, and we achieved an adjusted underwriting profit of $192.7 million. Our combined ratio was 96.25, compared to 96.56 in last year's third quarter. General insurance operating income for the quarter posted a 14.0 percent increase over last year. Overall, our general insurance business is in very strong shape around the world and our underwriting results continue to be satisfactory.

"In the domestic commercial property-casualty marketplace, we are seeing a continuation of rate increases for many classes of business. We have every reason to believe that this momentum will continue into future quarters, as the need for adequate pricing is clearly understood by all underwriting companies. It bears repeating, however, that while rates are clearly strengthening, rates had declined for nearly a decade, and hence the industry needs considerable improvement in pricing to get back to reasonable levels. AIG remains extremely disciplined in underwriting selectivity, and we continue to shed or non-renew business where rates and underwriting conditions are still inadequate. In this environment, AIG's Domestic Brokerage Group had a solid quarter.

"AIG's domestic personal lines business did reasonably well, but we are aggressively pursuing increased pricing in all of our automobile operations and feel confident that a firmer market will develop. In the meantime, our recently announced Private Client Group is making good progress, and our direct auto business continues to expand.

"United Guaranty Corporation (UGC), AIG's mortgage guaranty insurance subsidiary, reported outstanding results for the quarter, with a strong 19.5 percent gain in operating income.

"The Foreign General Insurance Group had a good quarter, with a 6.9 percent increase in net premiums written and a combined ratio of 95.77. In particular, our property-casualty business in Asia, the United Kingdom and Continental Europe continued to report good underwriting results. Rates are also increasing in many classes and many regions of the world.

"Transatlantic Holdings, Inc., whose results are reported through both AIG's domestic and foreign general insurance segments, had improved results in the quarter. The worldwide reinsurance market is tightening, which should benefit future quarters' results for Transatlantic. Claims resulting from prior periods' catastrophes are being paid currently, resulting in a reduction in outstanding losses. Transatlantic reported an increase in both net premiums written and operating income in the quarter, as well as an improved combined ratio to below 100.

"AIG's worldwide Life business was quite strong in the third quarter, with excellent results across all of our life subsidiaries. Operating income increased 16.3 percent to $886.6 million, including the life operations of SunAmerica. Results throughout Asia, as well as in the United States, Continental and Central Europe, and the United Kingdom were very good. SunAmerica itself had an excellent quarter in both its life and asset management business segments. Earlier in the year, we announced that AIG member company American International Assurance Company (Bermuda), Ltd. had received a license from the government of Vietnam to operate a wholly owned life company there. We commenced recruiting agents some months ago, and AIA Vietnam is now officially opened and doing business.

"Recently, AIG and the Tata Group filed applications with the Indian Insurance Regulatory Development Authority to establish joint venture general and life insurance companies in India, and we expect to begin operations there early next year.

"The poor underwriting environment that existed for a number of years in the non-life sector in many parts of the world, as well as the failure to meet investment guarantees to policyholders in the life sector, must lead to a continuing consolidation in the industry. We view this as an opportunity given our strong financial position and global network. AIG is well positioned to evaluate such opportunities.

"The Financial Services Group reported an outstanding quarter, with particularly strong results from International Lease Finance Corporation and AIG Financial Products Corp. Overall operating income rose 23.3 percent to $308.4 million. AIG Trading Group Inc. reported a profitable quarter, though moderately lower than last year. The Consumer Finance Group did very well in the quarter, and its credit card operations in Asian markets continue to gain share.

"The Asset Management Group also continued its strong growth and performance, including the asset management operations of SunAmerica. Operating income for the Group rose 27.0 percent to $110.2 million."

GENERAL INSURANCE

General insurance pretax income before realized capital gains for the third quarter of 2000 was $868.3 million, 14.0 percent above the $761.4 million last year. For the first nine months of 2000, general insurance pretax income before realized capital gains was $2.63 billion, an increase of 8.9 percent, compared to $2.42 billion in 1999.

Worldwide general insurance net premiums written in the third quarter of 2000 amounted to $4.29 billion, 8.1 percent ahead of the $3.97 billion in 1999. For the first nine months of 2000, general insurance net premiums written were $13.02 billion, an increase of 6.6 percent, compared to $12.22 billion last year.

General insurance net investment income rose 6.9 percent to $675.6 million in the third quarter and 6.9 percent to $2.00 billion in the nine months of 2000.

LIFE INSURANCE

AIG's worldwide life insurance operations reported third quarter 2000 pretax income before realized capital losses of $886.6 million, an increase of 16.3 percent, compared to $762.5 million in 1999. For the first nine months of 2000, life insurance pretax income before realized capital losses increased 18.0 percent to $2.59 billion, compared to $2.20 billion last year.

Life insurance premium income increased 18.5 percent in the third quarter to $3.28 billion from $2.77 billion in 1999. For the first nine months, premium income amounted to $9.94 billion, a gain of 15.3 percent, compared to $8.62 billion in 1999.

Life insurance net investment income rose 17.3 percent to $1.77 billion in the third quarter of 2000, compared to $1.51 billion for the same period last year. For the first nine months, net investment income amounted to $5.18 billion, an increase of 14.0 percent, compared to $4.55 billion in 1999.

FINANCIAL SERVICES

Financial services pretax operating income during the third quarter of 2000 increased 23.3 percent to $308.4 million, compared to $250.2 million in 1999. For the first nine months of 2000, financial services operating income was $893.8 million, an 18.2 percent increase, compared to $755.8 million in 1999.

ASSET MANAGEMENT

Asset management pretax operating income during the third quarter of 2000 amounted to $110.2 million, an increase of 27.0 percent, compared to $86.8 million in 1999. For the first nine months of 2000, pretax operating income increased 47.1 percent to $320.5 million, compared to $217.9 million in 1999. At September 30, 2000, third party assets under management, including retail mutual funds and institutional accounts, totaled approximately $36 billion.

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AIG is the leading U.S.-based international insurance and financial services organization and the largest underwriter of commercial and industrial insurance in the United States. Its member companies write a wide range of commercial and personal insurance products through a variety of distribution channels in approximately 130 countries and jurisdictions throughout the world. AIG's global businesses also include financial services and asset management, including aircraft leasing, financial products, trading and market making, consumer finance, institutional, retail and direct investment fund asset management, real estate investment management, and retirement savings products. American International Group, Inc.'s common stock is listed on the New York Stock Exchange, as well as the stock exchanges in London, Paris, Switzerland and Tokyo.

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Caution concerning forward-looking statements

This press release may contain forward-looking statements. Please refer to AIG's Annual Report on Form 10-K for the year ended December 31, 1999 for a description of the business environment in which AIG operates and the important factors that may affect its business. AIG is not under any obligation to (and expressly disclaims any such obligations to) update or alter its forward-looking statements whether as a result of new information, future events or otherwise.

American International Group, Inc.
Financial Highlights
(in thousands, except per share amounts)

	Nine Months Ended September 30, 2000	Nine Months Ended September 30, 1999	Change	Three Months Ended September 30, 2000	Three Months Ended September 30, 1999	Change
General Insurance Operations						
Net Premiums Written	$ 13,029,420	$ 12,217,909	6.6 %	$ 4,293,706	$ 3,972,422	8.1 %
Net Premiums Earned	12,621,338	11,378,191	10.9	4,112,496	3,625,187	13.4
Adjusted Underwriting Profit	632,118	546,996	15.6	192,792	129,158	49.3
Net Investment Income	1,998,477	1,869,425	6.9	675,566	632,238	6.9
Income before Realized Capital Gains	2,630,595	2,416,421	8.9	868,290	761,368	14.0
Realized Capital Gains	42,321	210,984	-	33,289	71,841	-
Operating Income	$ 2,672,916	$ 2,627,405	1.7 %	$ 901,581	$ 833,204	8.2 %
Loss Ratio	74.95	75.08		74.56	76.02	
Expense Ratio	21.03	20.37		21.69	20.54	
Combined Ratio	95.98	95.45		96.25	96.56	
Life Insurance Operations						
Premium Income (a)	$ 9,942,157	$ 8,623,679	15.3 %	$ 3,277,289	$ 2,766,423	18.5 %
Net Investment Income	5,184,465	4,548,611	14.0	1,773,060	1,511,581	17.3
Income before Realized Capital Losses	2,593,270	2,198,082	18.0	886,681	762,486	16.3
Realized Capital Losses	(123,370)	(61,593)	-	(65,187)	(12,437)	-
Operating Income	2,469,900	2,136,489	15.6	821,394	750,049	9.5
Financial Services Operating Income	893,780	758,846	18.2	308,390	250,192	23.3
Asset Management Operating Income	320,545	217,913	47.1	110,288	86,580	27.8
Other Realized Capital Losses	(10,542)	(18,298)	-	(4,431)	(5,988)	-
Other Income (Deductions) - net	(189,332)	(129,514)	-	(73,127)	(44,590)	-
Foreign Exchange Losses	(6,635)	(5,645)	-	(1,240)	(3,043)	-
Income before Income Taxes and Minority Interest	6,150,613	5,584,208	10.1	2,062,773	1,867,811	10.5
Income Taxes	1,823,546	1,640,171	-	610,231	548,781	-
Income before Minority Interest	4,327,067	3,944,034	9.7	1,452,542	1,319,230	10.2
Minority Interest, after tax: (b)						
Operating Income	(178,228)	(178,464)	-	(63,980)	(49,482)	-
Capital Gains	(10,091)	(22,375)	-	(2,940)	(1,539)	-
Net Income, as reported	4,138,756	3,743,195	10.6	1,385,622	1,267,409	9.3
Per Common Share (c) - Basic	1.79	1.61	11.2	0.60	0.55	9.1
- Diluted	1.77	1.59	11.3	0.60	0.54	11.1
Income, as adjusted (d)	4,208,419	3,680,120	14.4	1,415,646	1,233,682	14.6
Per Common Share (c) - Diluted	$ 1.80	$ 1.57	14.6 %	$ 0.61	$ 0.53	15.1 %
Average Common Shares Outstanding (c)						
- Basic	2,316,297	2,322,198		2,314,426	2,321,906	
- Diluted	2,341,402	2,350,669		2,339,807	2,351,532	

(a) Inclusive of full policy universal life and interest sensitive whole life premium, the growth rate would have been 18.5 percent and 17.0 percent for the third quarter and nine months 2000, respectively.
(b) Represents minority shareholders' equity in operating income and capital gains of certain consolidated subsidiaries, including Transatlantic Holdings, Inc. and 21st Century Insurance Group.
(c) Share information reflects the three-for-two split in the form of a 50 percent common stock dividend, paid July 28, 2000.
(d) Adjusted to exclude realized capital gains (losses), net of taxes.

American International Group, Inc.
Supplementary Data
(in thousands)

	Nine Months Ended September 30, 2000	Nine Months Ended September 30, 1999	Change	Three Months Ended September 30, 2000	Three Months Ended September 30, 1999	Change
General Insurance Operations:						
Net Premiums Written						
Brokerage Division (a) (b)	$ 6,409,449	$ 6,272,979	2.2 %	$ 2,120,030	$ 1,987,028	6.7 %
Personal Lines	1,867,798	1,611,314	15.9	634,876	555,081	14.4
Mortgage Guaranty	335,327	290,598	16.4	116,999	100,498	16.4
Total Domestic General (a)	8,612,568	8,174,888	5.4	2,871,905	2,642,549	8.7
Foreign General (a)	4,410,862	4,042,128	9.1	1,421,801	1,329,873	6.9
Total	13,023,428	12,217,009	6.6	4,293,706	3,972,422	8.1
Operating Income (c)						
Brokerage Division (a)	1,498,732	1,283,306	16.8	624,347	435,982	28.2
Personal Lines	82,298	171,809	(52.1)	17,680	44,961	(60.8)
Mortgage Guaranty	273,640	219,878	24.5	93,718	78,430	19.4
Intercompany Adjustments	63,588	49,447	-	22,372	17,312	-
Total Domestic General (a)	1,918,258	1,724,430	11.2	658,018	576,684	14.1
Foreign General (a)	712,348	691,986	2.9	210,280	184,672	13.9
Total	$ 2,630,596	$ 2,416,421	8.9 %	$ 868,298	$ 761,360	14.0 %
Combined Ratios						
Brokerage Division (a)	99.58	100.46		98.86	99.90	
Personal Lines	99.10	94.20		101.50	96.88	
Mortgage Guaranty	39.62	44.20		40.82	40.30	
Total Domestic General (a)	97.00	97.11		96.46	96.71	
Foreign General (a)	93.83	92.64		95.77	96.20	
Losses & Loss Expenses Paid	$ 9,449,483	$ 8,466,466	11.6 %	$ 3,126,031	$ 2,743,591	13.9 %
Change in Loss and LAE Reserve (d)	10,247	76,200	(86.6)	(58,939)	12,090	-
Losses and Loss Expenses Incurred	9,459,730	8,542,666	10.7	3,066,092	2,755,681	11.3
Net Loss and LAE Reserve	24,609,919	24,696,080	(0.3)			
GAAP Underwriting Profit	632,118	546,996	15.6	192,728	129,120	49.3
Life Insurance Operations: (e)						
Premium Income (f)						
Domestic	880,630	675,115	30.4	310,837	243,941	27.4
Foreign	9,061,527	7,948,568	14.0	2,966,452	2,522,482	17.6
Total	9,942,157	8,623,676	15.3	3,277,289	2,766,423	18.5
Net Investment Income						
Domestic	2,854,728	2,600,290	9.8	975,397	878,019	11.1
Foreign	2,529,737	1,948,321	29.8	797,669	633,562	25.9
Total	5,384,465	4,548,611	18.4	1,773,066	1,511,581	17.3
Operating Income (c)						
Domestic	947,862	777,076	22.0	322,724	273,128	18.2
Foreign	1,645,416	1,421,006	15.8	563,857	489,361	15.2
Total	2,593,278	2,198,082	18.0	886,581	762,489	16.3
Financial Services						
Revenues						
International Lease Finance Corp.	1,784,132	1,634,974	9.1	629,348	558,228	12.7
AIG Financial Products Corp.	711,250	495,460	43.6	260,326	189,190	37.6
AIG Trading Group Inc.	190,199	153,448	24.0	55,360	25,502	117.1
Other	206,693	118,430	74.5	79,249	26,661	197.2
Total	2,894,274	2,402,312	20.5	1,024,284	799,578	28.1
Operating Income						
International Lease Finance Corp.	476,406	429,730	10.9	166,474	145,712	14.2
AIG Financial Products Corp.	432,790	316,160	36.9	164,210	120,362	36.4
AIG Trading Group Inc.	40,577	76,761	(47.1)	5,361	10,267	(47.8)
Other	(197)	3,978	-	2,605	(2,578)	-
Intercompany Reclassifications	(55,880)	(70,774)	-	(20,328)	(23,471)	-
Total	893,789	755,845	18.2	308,350	250,192	23.2
SunAmerica						
Operating Income (e)	1,017,672	812,987	25.2	347,362	293,996	18.1
Total Sales	$ 10,224,836	$ 8,191,361	24.8 %	$ 3,551,216	$ 2,408,820	47.4 %
Effective Tax Rates						
Excluding Capital Gains (Losses)	29.79%	29.24%		29.61%	29.23%	
Capital Gains (Losses) Alone	34.97%	34.82%		30.97%	36.04%	
As Reported	29.65%	29.37%		29.58%	29.39%	

(a) Restated for WorldSource Division.
(b) Net premiums written in the Domestic Brokerage Group grew approximately ten and six percent in the third quarter and nine months 2000, respectively, after adjusting for non-renewed premiums.
(c) Operating income excludes realized capital gains (losses).
(d) The reduction in loss and loss adjustment expense reserve is primarily attributed to Transatlantic Holdings, Inc., as discussed above.
(e) Results for SunAmerica Inc. are included in Life Insurance and Asset Management Operations.
(f) Inclusive of full policy universal life and interest sensitive whole life premiums, the growth rates for Life Insurance premium income would have been 26.9 percent for Domestic, 17.7 percent for Foreign and 18.5 percent for Total in the third quarter, and 28.5 percent for Domestic, 15.9 percent for Foreign and 17.0 percent for Total in the nine months 2000.

American International Group, Inc.
Supplementary Data
(in thousands)

	Nine Months Ended September 30, 2000	1999	Change	Three Months Ended September 30, 2000	1999	Change
General Insurance Operations						
Net Premiums Written						
Brokerage Division (a) (b)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Personal Lines	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Mortgage Guaranty	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total Domestic General (a)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Foreign General (a)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Operating Income (c)						
Brokerage Division (a)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Personal Lines	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Mortgage Guaranty	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Intercompany Adjustments	[illegible]	[illegible]	-	[illegible]	[illegible]	-
Total Domestic General (a)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Foreign General (a)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Combined Ratios						
Brokerage Division (a)	[illegible]	[illegible]		[illegible]	[illegible]	
Personal Lines	[illegible]	[illegible]		[illegible]	[illegible]	
Mortgage Guaranty	[illegible]	[illegible]		[illegible]	[illegible]	
Total Domestic General (a)	[illegible]	[illegible]		[illegible]	[illegible]	
Foreign General (a)	[illegible]	[illegible]		[illegible]	[illegible]	
Losses & Loss Expenses Paid	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Change in Loss and LAE Reserve (d)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-
Losses and Loss Expenses Incurred	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Net Loss and LAE Reserve	[illegible]	[illegible]	[illegible]			
GAAP Underwriting Profit	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Life Insurance Operations (e)						
Premium Income (f)						
Domestic	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Foreign	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Net Investment Income						
Domestic	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Foreign	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Operating Income (c)						
Domestic	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Foreign	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Financial Services						
Revenues						
International Lease Finance Corp.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
AIG Financial Products Corp.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
AIG Trading Group Inc.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Other	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Operating Income						
International Lease Finance Corp.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
AIG Financial Products Corp.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
AIG Trading Group Inc.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Other	[illegible]	[illegible]	-	[illegible]	[illegible]	-
Intercompany Reclassification	[illegible]	[illegible]	-	[illegible]	[illegible]	-
Total	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
SunAmerica						
Operating Income (c)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total Sales	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Effective Tax Rates						
Excluding Capital Gains (Losses)	[illegible]	[illegible]		[illegible]	[illegible]	
Capital Gains (Losses) Alone	[illegible]	[illegible]		[illegible]	[illegible]	
As Reported	[illegible]	[illegible]		[illegible]	[illegible]	

(a) Restated for WorldSource Division.
(b) Net premiums written in the Domestic Brokerage Group grew approximately [illegible] in the third quarter and nine months 2000, respectively, after adjusting for [illegible] premiums.
(c) Operating income excludes realized capital gains (losses).
(d) The reduction in loss and loss adjustment expense reserve is primarily attributed to Transatlantic Holdings, Inc., as discussed above.
(e) Results for SunAmerica Inc. are included in Life Insurance and Asset Management Operations.