PLAINTIFF'S EXHIBIT 668

rganStanley

Comment Page 1

y Research
America

d States of America

nce - Property & Casualty

American Int'l Grp

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Analysis of Sales/Earnings

April 24, 2003

Maintaining A Steady Course

K RATING	EQUAL-WEIGHT
April 23, 2003)	$58.27
arget	NA
ek Range	$71.60 - 42.92

atings are relative to the analyst's Industry (or team's) coverage universe.

SECTOR	FINANCIALS
ategist Weight	19.9%
00 Weight	20.9%

'S CHANGED	
js (2003)	*Up $0.10*
js (2004)	*Up $0.05*

- **Maintaining Equal-weight rating after 1Q03 earnings**
  While we expect AIG to deliver solid earnings growth over the next several years, we remain Equal-weight given our coverage universe and current valuation at 2.3x book value.
- **Blowout earnings should not be expected**
  Some property casualty stocks have recently produced significant earnings surprises. We expect AIG to follow a much steadier course.
- **Non-life results were strong**
  AIG recorded a combined ratio of 92.7% on premium growth of 30% and a $1.1B addition to reserves. We expect similar results in the future, but upside to margins from here may be limited.
- **Raising estimates mainly to account for 1Q03 upside**
  Our new 2003E increases from $3.65 to $3.75 and our 2004E increases from $4.20 to $4.25. We remain comfortable below management's guidance.
- **Industry View: In-line**
  While we believe margins and book value growth should remain healthy for some time, we now view investing in our industry as more of a stock-picking exercise.

Fiscal Year Ends (Dec 31)	2002	2003e	2004e	2005e
EPS ($)	2.70	3.75	4.25	–
Prior EPS Ests. ($)	–	3.65	4.20	–
First Call Consensus ($)	2.70	3.82	4.35	–
P/E	21.8	15.5	13.7	–
Price/Book	2.6	2.2	1.9	–
Yield (%)	0.3	0.3	0.4	–
Market Cap ($mn)	152,074.6			
Debt/Cap (03/03) (%)	40.5			
Return on Equity (03/03) (%)	15.5			
Shares Outstanding (mn)	2,609.8			

Q'tly EPS	2002 actual	2003e curr	2003e prior	2004e curr	2004e prior
Q1	0.81	0.90	–	–	–
Q2	0.84	0.89e	–	–	–
Q3	0.85	0.94e	–	–	–
Q4	0.20	1.02e	–	–	–

e = Morgan Stanley Research estimates

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ntaining A Steady Course

Description
nternational Group is the leading U.S.-based international surance and financial services organization and the mmercial underwriter in the U.S. AIG has an extensive sence, particularly in Japan and Asia.

y and Investment Conclusion
iterating our Equal-weight rating on AIG and our estimates, essentially to incorporate the e between reported earnings and our estimate. We ng 2004 upwards slightly. Our view on the stock G's diversified earnings stream and strong capital ld allow it to produce growth better than the average for several years as the economy There is still some risk to several lines of business sumer part of the economy in particular does not ck up fairly soon. However, based on this results we expect consensus to move to the lower nagement's guidance range. With that a lot of the een taken out of the stock, in our view.

ve the stock's valuation, at 2.3x reflects a mix of about the economy and recognition of the 's franchise. Some of our pure-play property- tocks have been producing stellar positive in earnings and book value growth. We believe likely to do that, but rather follow a much steadier s such, and at this valuation, we continue to rate Equal-weight.

rted 1Q03 operating EPS of $0.90, $0.01 above Call consensus of $0.89. This was a dime above ate of $0.80, which we had conservatively loaded se scenario in asset management and life . We are revising our 2003 estimate as follows:

E increases from $3.65 to $3.75 after accounting e $0.10 upside earnings this quarter and our E increases $0.05 from $4.20 to $4.25.
ave lowered our non life premium growth nptions slightly (23% to 21%) and our rwriting assumptions remain unchanged — ning AIG can earn a combined ratio of 93-94% the next two years.
ave maintained our somewhat conservative nptions (we are still below management guidance) e life and financial services segments, after ting for better than expected consumer finance ts and lower ILFC income. Life insurance operating results beat our expectations, but we remain conservative due to lower premium deposit growth, lower operating margins, and the potential impact of SARS.

- We have made our largest adjustment in asset management, increasing 2003 operating earnings by approximately $240M, or $0.06/share — approximately $85M due to 1Q03 results above our expectations. We expect prior quarterly results included some DAC charges, and we have forecasted future earnings based upon first quarter margins.
- We continue to increase expected losses from the other income and expense category, as private partnership and alternative investment income remain below prior levels.

SARS Impact: AIG said SARS did not impact its 1Q03 results significantly. This would be as expected, given the timing of the outbreak (late March). AIG did say it expects an impact on 2Q03 but this would be "slight." Management discussed the difficulty of doing face-to-face business in Asia right now. This is consistent with our view that the short-term earnings impact should be modest. We are more concerned about the possible impact on growth rates in certain lines but for now, consider SARS a short-term problem.

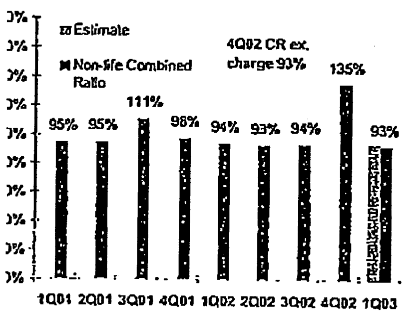
Market conditions: **"Yes, there's been some more competition in the property area. Some companies are acting more aggressively than they probably should.** AIG continues to get price increases. On average, I would say that for the quarter, almost every one of our divisions are getting price increases, including property. And we're probably in the area of 30, 40 percent overall for the company in the first quarter, obviously higher for some divisions than for others."

What we liked:
Earnings grew 11.1%, "we didn't think it was a bad quarter" according to management. We agree; the gloomiest scenarios on AIG appear too pessimistic. This quarter was also much better than own cautious estimate contemplated. **Earnings guidance was reiterated at $3.78 to 3.92.** Management said "at least at this point in time" this is the range; we believe given the potential modest SARS impact and other factors, consensus will move down somewhat.

rwriting looked good: AIG booked a combined ratio 7% vs. our expectation of 93.5%; we consider this in ormal range. Earnings quality appears good, which we I expect given the low level of catastrophes and light ler in the quarter and a limited number of other line" events. AIG added $1.3B to reserves from last ter. One negative was that AIG's reinsurer atlantic appeared to "miss" on underwriting in a r where other reinsurers have reported stellar results. ombined ratio at Transatlantic was in line with last r and apparently the street was looking for a better er.

I

ral Insurance Combined Ratio



Company data, Morgan Stanley Research

xpense ratio, at 18.5%, dropped from the 19.3% of last year and suggested AIG is on track to meet our 6 assumption for the full year. Management was ed about whether lower expenses meant the combined could continue to come down much more. Although Hank Greenberg allowed that was possible, he did so aveats, and we aren't assuming it.

idded $1.17 billion to nonlife insurance reserves in uarter, 3.9% of reserves and 12% of earned premium. s a much greater amount than the company has been g into reserves the past few quarters and years, ding the 4Q02 reserve charge. The company appears ck to meet its stated goal of adding $4-5 billion to es this year.

points of reserve redundancy baked in? It rs that AIG is building some cushion into its current numbers—five points or so. Management acknowledged as much on the call by saying that last year's extra $1.3 billion of reserving in the first half of the year (above and beyond the $2.8 billion charge in 4Q) was normal and "calendar year 2002, that accident year is probably going to run very redundant as of 2003." We interpret this to mean that some adverse development that was taken in calendar 2002 was done for the sake of conservatism (and may or may not have been concentrated in a particular accident year).

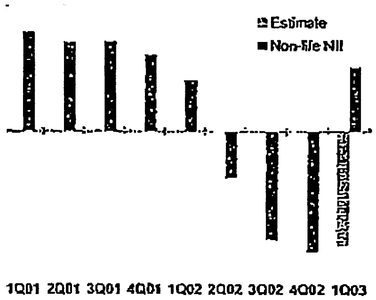
The current calendar year also may be about five points redundant. AIG's total loss ratio of 74.2% was in line with its recent trend excluding last quarter's reserve charge. We believe our full year combined ratio assumption in the 92-94% range is still reasonable. Last year AIG reported a full year accident year combined ratio of 88% and this year could even be better. The difference of five points or so appears to be a "cushion." Investors should not expect this to show up someday in a positive earnings surprise, however. But, it is improving the quality of earnings today. When we think of reserve "strengthening," this, rather than charges that should have been recognized earlier, is what comes to our minds.

Foreign and reinsurance growth better than expected. Foreign general brokerage growth was better than we expected, at 25% in original currency vs. our 18% estimate. Management noted this came from all lines of business globally and there were no specific large transactions. Transatlantic also beat our assumption of 25% growth in what appears to be a continuing market share shift toward better-capitalized companies. This helped to partly offset the domestic general brokerage numbers (see below).

Financial services operating income beat our estimate mostly due to consumer finance and AIGFP. ILFC reported earnings up 0.7%—an improvement from last quarter's 2.3% decline, but still showing the pressure in that business. ILFC revenues were up 12.7%, better than last quarter's 10%. Management noted it is deferring a small portion of lease payments for some Asian customers due to SARS, which will affect cash flows but not reported revenues. This will affect cash flows beginning in 2Q. Consumer finance earnings grew 19% while sales grew 4%, indicating loan loss provisioning was the driver. Management noted loan losses were down on the conference call. While a positive, we note this is not a sustainable growth source. Trading earnings were up to $15M but still less than the $20M or so we were hoping for.

-casualty pretax net investment income was gher than expected. It grew 5.2% in the quarter, ur estimate by $0.02 per share after-tax. It appears e investments played a part after sorting out some on the conference call as to the impact of this sh flows. We note that AIG securitized its e investments last quarter in order to remove some atility from this line, but given the timing that t have been the most significant factor in the Life investment income also was more than up 12% vs. our 10% assumption, which added a penny. In total investment income was $0.04 in we expected.

Insurance Net Investment Income

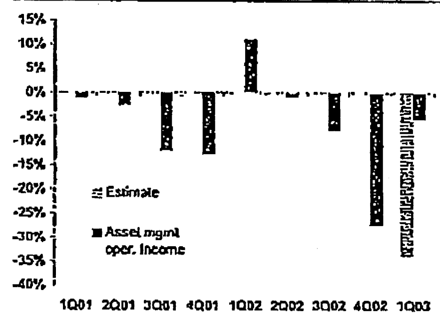


ipany data, Morgan Stanley Research

nagement earnings recovered, but on easy son. We learned that AIG took a DAC writeoff er at VALIC, depressing results. Nevertheless, the nent was more than suggested by a recovery to the d pre-writeoff. Variably annuity net sales 4% for the quarter on lower surrenders and sales 1%.

Exhibit 3

Asset Management Operating Income

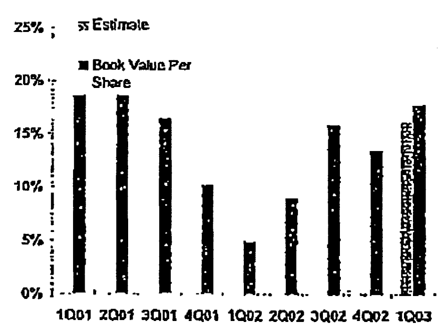


Source: Company data, Morgan Stanley Research

Book value per share rose more than earnings, 6.1%, to $23.72 after being depressed by last quarter's reserve writeoff.

Exhibit 4

Book Value Per Share



Source: Company data, Morgan Stanley Research

What we did not like:

Domestic insurance premium growth was lower than we were expecting. Earlier we used the term "disappointing," which we should acknowledge is not appropriate in property-casualty insurance for a 25% original currency growth rate. Any growth is a positive in this industry. However, we believe investors had *expected* a higher rate

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on management's comment, on its fourth quarter call: e first month in the domestic property casualty tions domestic growth was up about 60%. So if you to add 11 months to that, that is up to you. But we are ing to forecast that. We had a very strong January and ary is off to a very strong start." Domestic brokerage ums instead grew 32% this quarter, implying that 1 and possibly February ran below the full quarter h rate. We are also awaiting the gross premiums n figure from AIG's supplement to determine whether were any changes in retention levels. Personal lines h also was slightly off our 25% estimate at 22%, igh we do not consider this particularly significant that it may be a blip and rate increases in personal have generally been moderating.

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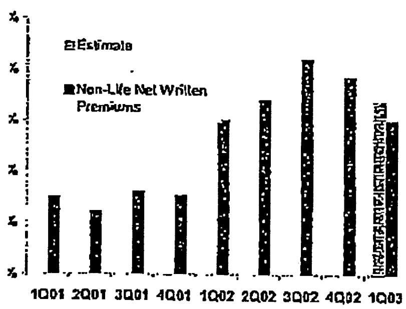
remiums Written



Company data, Morgan Stanley Research

ased competition, a recurring theme this quarter. gement cited increased competition in the press e and on the call. Increased competition has been ht up several times this quarter by other companies, with high profit margins on current business. That is ral combination—but also signals a need to adjust mptions going forward. We do not believe many of the anies we follow will be reporting better margins than re currently, and estimated growth rates for some anies may be optimistic.

stic life insurance results were not great; operating e grew 5.1% compared to 10% last quarter. The ity of that change came from about a $30M decline on ge pretax earnings from GICs, where sales have been slowing and margins have been declining over the past year. We believe the GIC product's spread compression may continue. In addition, a slowdown in the earnings growth rate of domestic life insurance contributed about 2.5%. This was partially offset by better results in pensions, home service and fixed annuities, which continues to grow around 20%.

Management noted that earnings have been benefiting from surrender charges at AIG Star Life in Japan, a trend which ended this quarter. The company would not quantify the impact on the quarter or past year. However, we believe this would not have been disclosed if it were a non-material item. Therefore, we believe growth rates for foreign life sales will decline beginning next quarter.

Quality of earnings in life insurance reflects the impact of costs and investment income on results. In the past year, margin expansion has been the earnings driver, both from higher investment income and from other factors, such as potential DAC assumption changes. Meanwhile sales has been challenging in several lines of business. While this is in one sense positive (AIG has been able to sustain earnings growth even in challenging times), investors should be understand that sales growth must pick up in the future simply in order to sustain earnings at the current rate.

AIG bought back about 1 million shares in the quarter. We would have liked to see a higher rate of repurchase. However, the company was in discussion with rating agencies (including what management described as "endless" discussions with Moody's) and we believe was somewhat constrained in its ability to use capital until these discussions' outcome was clear.

ILFC canceled or deferred delivery on some new aircraft, which did not have a financial impact to AIG. It does not appear that anything changed from what was disclosed at year end. However, the company said that "in this environment, it's better to reduce our capital expenditures in 2004, and we have eliminated about a billion dollars worth of commitments in 2004, which will help our leverage." We infer that AIG's capital and rating management strategy may be influencing this action in an environment of relatively weak demand.

Transparency not there yet: Management is providing more specific details about its business than before and was relatively specific (by AIG standards) in answering questions. Nevertheless, there was still some tension on the conference call, for example, at the number of questions o be asked to get at the relatively simple issue of ip income and alternative investments. There also mally a mention of an item that affects earnings quantified (change in loan losses in consumer mpact of surrenders at AIG Starr Life. The issue, ew, is that the "Where's Waldo" aspect of AIG's release now tends to dominate the conference call at the expense of more substantive issues. We have seen other companies go through this process before. We believe that, when management's frustration at the inquisitorial tone of the calls becomes high enough, companies usually decide to put this kind of information in their investor package or give more precise answers as soon as asked.

Exhibit 8

Earnings Model

($ in millions, except per share data)	1998	1999	2000	2001	2002	2003E	2004E	4Q01	1Q02	2Q02	3Q02	4Q02	1Q03	2Q03E
Property - Casualty														
Gross written premium	20,684.3	22,569.4	25,048.6	29,839.8	37,537.4	46,023.1	55,803.5	8,113.8	8,976.9	8,717.8	9,258.2	10,588.8	11,221.1	10,461.3
change yr/yr	10.4%	9.1%	11.0%	18.3%	26.6%	22.8%	21.3%	24.9%	28.8%	23.7%	25.2%	30.5%	25.0%	20.0%
Net written premium	14,588.1	16,223.9	17,626.3	20,100.9	27,414.2	33,210.6	37,543.6	5,197.7	6,334.3	6,782.7	7,084.8	7,212.5	8,243.1	8,304.5
change yr/yr	8.6%	11.2%	8.0%	14.7%	36.4%	21.1%	13.0%	15.4%	30.2%	34.2%	42.2%	38.8%	30.1%	22.4%
Earned premium	14,098.0	15,543.8	17,406.9	19,364.9	24,269.6	30,856.1	35,437.8	5,055.8	5,506.5	5,659.2	6,185.8	6,708.0	7,286.8	7,521.0
change yr/yr	13.5%	10.3%	12.0%	11.2%	25.3%	27.1%	14.8%	5.6%	18.6%	23.6%	27.9%	32.7%	32.3%	28.4%
Paid losses	10,144.3	11,756.7	12,987.8	14,481.7	16,359.4	18,870.6	24,076.0	3,843.8	4,016.3	3,961.4	3,987.2	4,414.5	4,233.7	4,587.7
Reserve change (related to incurred claims)	512.4	(19.2)	116.6	543.9	4,454.4	4,440.5	2,633.8	140.9	126.8	378.0	641.1	3,308.5	1,189.6	1,146.9
Incurred losses	10,656.7	11,737.5	13,104.4	14,638.6	20,813.7	23,311.1	26,709.8	3,984.7	4,143.1	4,339.4	4,608.3	7,723.0	5,403.1	5,734.7
Other underwriting expenses	2,910.5	3,137.1	3,517.5	3,871.1	4,689.8	5,638.0	6,524.7	955.8	1,053.7	1,103.6	1,198.8	1,335.7	1,351.1	1,357.0
Pretax underwriting results	530.7	669.2	785.0	857.2	(1,234.0)	1,809.0	2,203.3	115.4	309.7	416.2	390.7	(2,350.6)	532.5	429.3
Loss ratio	75.6%	75.5%	75.3%	75.6%	85.8%	75.5%	75.4%	78.8%	75.2%	74.1%	74.4%	115.1%	74.2%	76.2%
Expense ratio	20.6%	20.2%	20.2%	20.0%	19.3%	18.3%	18.4%	18.9%	19.1%	18.8%	19.3%	19.9%	18.5%	18.0%
Combined ratio	96.2%	95.7%	95.5%	95.6%	105.1%	93.8%	93.8%	97.7%	94.4%	92.9%	93.7%	135.0%	92.7%	94.3%
Accident year CR	98.2%	98.2%	96.9%	93.3%	88.3%									
Net Investment Income (pretax)	2,191.8	2,516.7	2,700.8	2,892.6	2,759.6	3,183.3	4,018.5	745.4	745.4	680.0	661.0	673.2	783.8	720.9
change yr/yr	18.3%	14.8%	7.3%	7.1%	-4.6%	15.4%	26.2%	6.1%	4.1%	-3.8%	-8.7%	-9.7%	6.2%	6.0%
Corporate pretax Income	(437.4)	82.2	172.1	3.3	(129.2)	(294.4)	(150.0)	(52.4)	6.5	(49.7)	(25.2)	(60.8)	(114.4)	(60.0)
General Insurance	2,722.6	3,185.9	3,485.8	3,749.9	1,525.6	5,092.3	8,221.8	860.8	1,055.1	1,098.3	1,051.7	(1,677.4)	1,316.3	1,150.1
Life Insurance	3,323.5	3,758.6	4,219.7	5,060.2	5,992.5	6,550.5	7,111.2	1,321.8	1,355.4	1,528.4	1,516.8	1,581.8	1,539.5	1,635.7
Financial Services	1,172.2	1,418.9	1,665.8	1,981.0	2,188.7	2,307.4	2,427.8	587.0	473.9	542.0	552.5	620.3	530.5	565.4
Asset Management	673.4	872.8	1,103.2	1,087.7	1,015.9	1,100.4	1,181.7	287.2	299.7	280.2	228.2	207.8	282.8	269.1
Other	(437.4)	82.2	(143.3)	(2,913.2)	(129.2)	(294.4)	(150.0)	(52.4)	6.5	(49.7)	(25.2)	(60.8)	(114.4)	(60.0)
Realized Gains (Losses)	130.029	103.078	-312.73	-835.34	-2440.963	-531.5	0	-287.1	-231.8	-628.5	-595.6	-984.1	-831.5	0.0
Total pretax Income	7,584.3	9,399.5	10,023.4	8,139.2	8,142.8	14,124.7	16,772.6	2,717.3	2,958.8	2,767.6	2,728.4	(312.4)	2,923.3	3,560.3
Taxes	(2,190.5)	(2,832.6)	(2,970.8)	(2,339.1)	(2,328.0)	(4,352.8)	(5,216.3)	(804.0)	(891.8)	(871.8)	(817.4)	253.1	(876.4)	(1,103.7)
After-tax Income	5,393.8	6,566.9	7,052.6	5,800.0	5,814.6	9,772.0	11,556.3	1,913.3	2,066.9	1,895.9	1,911.0	(59.3)	2,046.9	2,456.6
Minority Interest, net of tax	347.8	380.6	413.7	301.0	295.5	334.2	384.3	47.4	86.6	94.7	69.7	44.5	94.0	108.9
Cum. Effect Chg. Accting, net of tax	-	-	-	136.2	-	-	-	-	-	-	-	-	-	-
Net Income	5,046.0	6,186.3	6,638.9	5,362.8	5,519.1	9,437.7	11,172.0	1,865.9	1,980.4	1,801.3	1,841.3	(103.7)	1,952.9	2,347.7
change yr/yr	18.6%	22.6%	7.3%	-19.2%	2.9%	71.0%	18.4%	3.5%	6.7%	37.0%	483.4%	-105.6%	-1.4%	30.3%
Net EPS	$1.92	$2.34	$2.52	$2.02	$2.10	$3.59	$4.25	$0.70	$0.75	$0.68	$0.70	($0.03)	$0.74	$0.89
Realized gains/losses	$0.02	$0.02	($0.08)	($0.20)	($0.61)	($0.16)	$0.00	($0.07)	($0.06)	($0.16)	($0.15)	($0.24)	($0.16)	$0.00
Special items	$0.00	$0.00	($0.08)	($0.56)	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Operating EPS	$1.90	$2.32	$2.68	$2.80	$2.70	$3.75	$4.25	$0.77	$0.81	$0.84	$0.85	$0.20	$0.90	$0.89
change yr/yr	18.1%	22.2%	15.7%	4.6%	-3.6%	38.8%	13.4%	9.4%	12.5%	10.2%	55.5%	-73.6%	11.2%	6.5%
Fully diluted shares	2,633.5	2,650.3	2,637.8	2,849.9	2,634.0	2,628.1	2,628.1	2,645.4	2,641.0	2,639.9	2,634.0	2,632.5	2,628.1	2,628.1
Shareholders Equity	38,994.3	39,725.4	47,437.6	52,150.0	59,103.0	68,045.3	79,725.4	52,150.0	52,675.0	54,963.0	58,783.1	59,103.0	62,000.0	64,223.9

Source: Company data, Morgan Stanley Research

American Int'l Grp - April 24, 2003

Please see analyst certification and important disclosures starting on page 10.

Exhibit 7

Operating Statistics

($ in millions, except per share data)	1998	1999	2000	2001	2002	2003E	2004E	4Q01	1Q02	2Q02	3Q02	4Q02	1Q03	2Q03E
Operating/Capital Statistics														
Dividend	$0.11	$0.13	$0.14	$0.16	$0.18	$0.19	$0.21	$0.04	$0.04	$0.05	$0.05	$0.05	$0.05	$0.05
Operating Payout ratio	6.0%	6.6%	5.2%	5.6%	6.8%	5.1%	5.0%	5.4%	5.2%	5.6%	5.5%	23.0%	6.3%	5.3%
Net written premiums: surplus	118.7%	121.5%	125.2%	142.5%	213.5%			147.4%	176.2%	191.2%	207.0%	224.6%		
Net reserves: surplus	200.3%	184.2%	178.2%	183.6%	236.3%			183.6%	181.0%	186.0%	197.5%	236.3%		
Operating ROE	13.6%	15.6%	16.2%	14.9%	12.8%	15.5%	15.0%	15.8%	18.3%	16.5%	15.7%	3.6%	15.6%	14.9%
Total ROE	13.6%	15.7%	15.2%	10.6%	9.9%	14.8%	15.0%	14.6%	16.1%	13.4%	12.9%	-0.7%	12.9%	14.9%
Debt/Capital	31.7%	32.5%	36.8%	41.6%	42.6%	40.5%	40.1%	41.8%	42.8%	43.2%	42.7%	42.6%	38.6%	40.9%
Book value per share	$15.08	$15.25	$18.09	$19.94	$22.65	$26.46	$30.55	$19.64	$20.16	$21.05	$22.53	$22.65	$23.76	$24.61
Operating ROE (Ex. FAS 115)	13.7%	16.2%	15.4%	14.3%	12.7%	15.5%	15.2%	15.5%	15.6%	15.7%	15.5%	3.7%	15.6%	15.0%
Total ROE (Ex. FAS 115)	13.6%	15.3%	14.5%	10.3%	9.8%	14.9%	15.2%	14.1%	14.5%	12.8%	12.7%	-0.7%	13.0%	15.0%
Debt/Capital (Ex. FAS 115)	31.7%	31.4%	35.7%	41.0%	42.9%	40.4%	40.3%	41.0%	41.5%	42.3%	42.8%	42.9%	38.9%	41.1%
Book value per share (Ex. FAS 115)	$15.03	$16.16	$18.01	$20.60	$22.38	$26.22	$30.29	$20.60	$21.24	$21.84	$22.47	$22.38	$23.49	$24.35
Reserve Analysis (Net)														
Beginning reserve balance	21,171.5	24,618.9	24,599.7	24,951.6	25,895.5	30,350.0	34,790.6	25,754.6	25,895.5	26,022.5	26,400.5	27,041.6	30,350.0	31,519.5
Incurred losses	10,656.7	11,737.5	13,104.4	15,405.6	20,813.7	23,311.1	26,709.6	3,984.7	4,143.1	4,339.4	4,608.3	7,723.0	5,400.1	5,734.7
Paid losses	(10,144.3)	(11,756.7)	(12,987.8)	(14,461.7)	(16,359.4)	(18,870.6)	(24,076.0)	(3,843.6)	(4,016.3)	(3,961.4)	(3,967.2)	(4,414.5)	(4,233.7)	(4,587.7)
Other changes	2,835.0	0.0	235.3	0.0	0.2	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0
Ending net reserve balance	24,618.8	24,599.7	24,951.8	25,895.5	30,350.0	34,790.5	37,424.0	25,895.5	26,022.5	26,400.5	27,041.6	30,350.0	31,519.5	32,666.5
Paid Incurred	95.2%	100.2%	99.1%	93.9%	78.6%	81.0%	90.1%	96.5%	96.9%	91.3%	86.1%	57.2%	78.4%	80.0%
Paid earned	72.0%	75.8%	74.6%	74.7%	67.4%	61.2%	87.9%	76.0%	72.9%	67.6%	64.0%	65.8%	58.1%	61.0%
Calendar year loss ratio	75.6%	75.5%	75.3%	75.6%	85.8%	75.8%	75.4%	78.8%	75.2%	74.1%	74.4%	115.1%	74.2%	76.2%
Pts of dev. favorable/ (unfavorable)	2.0%	2.5%	1.4%	-2.3%	-18.8%									
Accident year loss ratio	77.6%	78.0%	76.7%	73.3%	69.0%									
Each point =	$0.03	$0.04	$0.04	$0.05	$0.06	$0.08	$0.09	$0.01	$0.01	$0.01	$0.02	$0.02	$0.02	$0.02
Investment Income Analysis - Gen. Insur.														
Amortized cost Investment balance	36,687.2	39,810.1	43,037.2	40,355.7	45,960.3	58,378.9	73,855.3	40,355.7	43,358.4	42,785.0	43,578.3	45,960.3	44,034.7	52,078.8
change yr/yr	23.4%	8.5%	8.1%	-6.2%	13.9%	27.0%	26.5%	-6.2%	4.4%	1.5%	8.8%	13.9%	1.6%	21.7%
Calculated pretax yield	6.6%	6.6%	6.5%	6.9%	6.4%	6.1%	6.1%	7.4%	7.1%	6.3%	6.1%	6.0%	6.0%	6.0%
Calculated after-tax yield	5.3%	5.1%	5.0%	5.2%	4.9%	4.7%	4.7%	5.6%	5.4%	4.8%	4.7%	4.6%	5.3%	4.6%
Invested assets at market	39,858.2	39,281.1	43,412.2	43,158.7	55,478.3	67,896.9	83,373.3	43,158.7	44,604.4	45,904.0	51,958.0	55,478.3	53,552.7	61,597.8
change yr/yr	20.9%	-1.5%	10.6%	-0.6%	28.5%	22.4%	22.8%	-0.6%	2.9%	5.8%	17.7%	28.5%	20.1%	34.2%

Source: Company data, Morgan Stanley Research

Please see analyst certification and important disclosures starting on page 10.

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:t Certification

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ıl Stock Ratings Distribution

ıar 31, 2003)

	Coverage Universe		Investment Banking Clients (IBC)		
ating Category	Count	% of Total	Count	% of Total IBC	% of Rating Category
eight	593	32%	237	39%	40%
-weight	861	47%	270	44%	31%
weight	395	21%	108	18%	27%
	1,849		616		

include common stock and ADRs currently assigned ratings. For sure purposes (in accordance with NASD and NYSE ·ements), we note that Overweight, our most positive stock rating, :losely corresponds to a buy recommendation; Equal-weight and ·weight most closely correspond to neutral and sell ımendations, respectively. However, Overweight, Equal-weight, 'nderweight are not the equivalent of buy, neutral, and sell but ·ent recommended relative weightings (see definitions below). An or's decision to buy or sell a stock should depend on individual nstances (such as the investor's existing holdings) and other lerations. Investment Banking Clients are companies from whom ın Stanley or an affiliate received investment banking ·nsation in the last 12 months.

·st Stock Ratings

veight (O). The stock's total return is expected to exceed the average total return of the analyst's industry (or industry :) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

-weight (E). The stocks's total return is expected to be in line with the average total return of the analyst's industry (or ıry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

·weight (U). The stock's total return is expected to be below the average total return of the analyst's industry (or industry :) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

volatile (V). We estimate that this stock has more than a 25% chance of a price move (up or down) of more than 25% in a ı, based on a quantitative assessment of historical data, or in the analyst's view, it is likely to become materially more le over the next 1-12 months compared with the past three years. Stocks with less than one year of trading history are ıatically rated as more volatile (unless otherwise noted). We note that securities that we do not currently consider "more le" can still perform in that manner.

s otherwise specified, the time frame for price targets included in this report is 12 to 18 months. Ratings prior to March ı02: SB=Strong Buy; OP=Outperform; N=Neutral; UP=Underperform. For definitions, please go to morganstanley.com/companycharts.

·st Industry Views

:tive (A). The analyst expects the performance of his or her industry coverage universe to be attractive vs. the relevant market benchmark over the next 12-18 months.

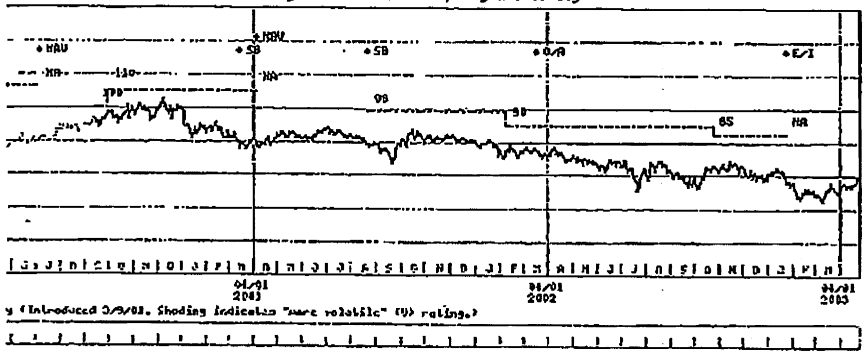
ıe (I). The analyst expects the performance of his or her industry coverage universe to be in line with the relevant broad :t benchmark over the next 12-18 months.

ıus (C). The analyst views the performance of his or her industry coverage universe with caution vs. the relevant broad :t benchmark over the next 12-18 months.

price charts and rating histories for companies discussed in this report are available at ·morganstanley.com/companycharts. You may also request this information by writing to Morgan Stanley at 1585 lway, 14th Floor (Attention: Research Disclosures), New York, NY. 10036 USA.

ice, Price Target and Rating History (See Rating Definitions)

American Int'l Grp (AIG.N) - As of 4/24/03 in USD
Industry : Insurance - Property & Casualty



y (Introduced 3/9/01. Shading indicates "more volatile" (V) rating.)

ing History: 2/28/00 : SB; 7/6/00 : NAV; 3/14/01 : SB; 4/4/01 : NAV; 8/21/01 : SB; 3/13/02 : O/A;
E/I

get History: 2/28/00 : 112; 7/6/00 : NA; 9/14/00 : 100; 9/29/00 : 110; 4/4/01 : NA; 8/21/01 : 93;
90; 10/25/02 : 85; 1/24/03 : NA

urce: Morgan Stanley Research Date Format : MM/DD/YY Price Target -- No Price Target Assigned (NA)
ock Price (Not Covered by Current Analyst) --- Stock Price (Covered by Current Analyst) —
ock Ratings abbreviated as below (Effective 3/18/02, ratings appear as Stock Ratings/Industry View) ♦
ock Ratings as of 3/18/02: Overweight (O) Equal-weight (E) Underweight (U) More Volatile (V) No Rating Available (NAV)
ock Ratings prior to 3/18/02: Strong Buy (SB) Outperform (OP) Neutral (N) Underperform (UP) No Rating Available (NAV)
lustry View: Attractive (A) In-line (I) Cautious (C) No Rating (NR)

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:r Important Disclosures

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Y COVERAGE: INSURANCE - PROPERTY & CASUALTY

	Ticker	Rating as of		Price at 4/23/03
	ACE.N	E	7/31/02	$34.57
oration	ALL.N	E	1/24/03	$38.41
	ABK.N	U	3/18/02	$58.01
.l Grp	AIG.N	E	1/24/03	$58.27
ıtion	AOC.N	E	3/18/02	$23.26
ıagher & Co.	AJG.N	U	3/18/02	$26.80
ıthaway Inc.	BRKa.N	O	3/18/02	$72,700.00
Group, Ltd.	RE.N	O	1/24/03	$73.07
s, Ltd.	IPCR.O	O	7/24/02	$33.50
Lennan	MMC.N	E	1/24/03	$47.70
ıtal Limited	MXRE.O	E	1/24/03	$13.59
	MBI.N	U	1/24/03	$44.62
:o Holdings, Ltd.	MRH.N	E	11/20/02	$31.39

Company	Ticker	Rating as of		Price at 4/23/03
PartnerRe Ltd.	PRE.N	U	1/24/03	$58.62
RenaissanceRe Holdings Ltd.	RNR.N	E	3/18/02	$45.36
SAFECO Corporation	SAFC.O	O	7/23/02	$37.80
St. Paul Companies, Inc.	SPC.N	E	5/24/02	$36.95
The Chubb Corporation	CB.N	U	5/24/02	$52.91
The Progressive Corporation	PGR.N	E	1/24/03	$68.98
Travelers Property Casualty	TAPa.N	O	1/24/03	$16.41
W.R. Berkley Corp.	BER.N	O	3/18/02	$47.00
Willis Group Holdings	WSH.N	E	3/18/02	$31.84
XL Capital Ltd.	XL.N	E	1/24/03	$84.86

Stock ratings are subject to change. Please see latest research for each company.