American International Group, Inc.

Resolution Plan

Section 1: Public Section

July 1, 2014

AIG RESOLUTION PLAN – PUBLIC SECTION

INTRODUCTION

Section 165(d) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") and the related joint implementing regulation (the "Dodd-Frank Rule") issued by the Board of Governors of the Federal Reserve System (the "Federal Reserve") and the Federal Deposit Insurance Corporation (the "FDIC") require each nonbank financial company designated as systemically important by the Financial Stability Oversight Council (the "FSOC"), to submit to the Federal Reserve and the FDIC a plan for that organization's rapid and orderly resolution in the event of material financial distress or failure.

On July 8, 2013, the FSOC designated American International Group, Inc. ("AIG, Inc." and together with its subsidiaries and affiliates, "AIG") as a systemically important financial institution pursuant to the Dodd-Frank Act. In compliance with Section 165(d) of the Dodd-Frank Act and the Dodd-Frank Rule, AIG presents this Public Section of its initial resolution plan (the "Resolution Plan").

AIG is a leading global insurance company that principally offers traditional insurance products and services that help businesses and individuals in over 130 countries and jurisdictions protect their assets, manage risks and provide for retirement security. AIG provides a diverse range of property casualty insurance, life insurance, retirement products, mortgage insurance, and related financial services to its customers.

Regulatory and industry efforts have contributed to a more stable financial system since the 2008 financial crisis. AIG actively supports these efforts and has itself undertaken significant initiatives to reduce risk and focus on its core insurance businesses. AIG has simplified and de-risked its business and legal entity structure and demonstrated its ability to execute contingency and recovery actions through multiple divestitures and financings completed since 2008. AIG has also developed capital, liquidity, recovery and resolution contingency plans that would enable it, in the unlikely event it faced an adverse scenario, to effectively mitigate such scenario and, if necessary, engage in a resolution that avoids causing systemic risk to the economy.

SUMMARY OF RESOLUTION PLAN

1. Material Entities

The Resolution Plan identifies AIG, Inc. and certain "Material Entities" for purposes of the Resolution Plan. Material Entities are AIG, Inc. and certain U.S. and foreign subsidiaries of AIG, Inc. that are significant to AIG's "Core Business Lines," which are described below. The Resolution Plan includes a detailed description of each Material Entity and, as contemplated by the Dodd-Frank Rule, an analysis of the resolution regime and strategy applicable to that entity. AIG has identified the following 22 companies as Material Entities for purposes of the Resolution Plan:

Material Entity	Short Name	Country of Domicile	Type
American International Group, Inc.	AIG, Inc.	U.S.	Holding Company
AIG Asset Management (U.S.), LLC	AMG US	U.S.	Asset Management Advisor
AIG Global Services, Inc.	AIGGS	U.S.	Service Company
AIG Markets, Inc.	AIG Markets	U.S.	Derivatives Intermediary
AIG Financial Products Corp.	AIG FP	U.S.	Non-Insurance Company
AIG Life Holdings, Inc.	AIG Life Holdings	U.S.	Holding Company
American General Life Insurance Company	AGL	U.S.	Insurance Company
AGC Life Insurance Company	AGC Life	U.S.	Insurance Company
The United States Life Insurance Company in the City of New York	U.S. Life	U.S.	Insurance Company
The Variable Annuity Life Insurance Company	VALIC	U.S.	Insurance Company
United Guaranty Residential Insurance Company	UGRIC	U.S.	Insurance Company
AIG Property Casualty, Inc.	AIG PC Inc.	U.S.	Holding Company
AIG Global Claims Services, Inc.	AIG Global Claims	U.S.	Service Company
AIG Claims, Inc.	AIG Claims	U.S.	Service Company
AIG PC Global Services, Inc.	AIG PC GS	U.S.	Service Company
Lexington Insurance Company	Lexington	U.S.	Insurance Company
American Home Assurance Company	American Home	U.S.	Insurance Company
National Union Fire Insurance Company of Pittsburgh, PA	NUFIC	U.S.	Insurance Company
AIG Asia Pacific Insurance Pte. Ltd.	AAPI	Singapore	Insurance Company
AIG Europe Limited	AEL	U.K.	Insurance Company
AIU Insurance Company, Ltd.	AIU	Japan	Insurance Company
The Fuji Fire and Marine Insurance Company, Limited	Fuji	Japan	Insurance Company

2. Description of Core Business Lines

As defined in the Dodd-Frank Rule, Core Business Lines are business lines of AIG, including associated operations, services, functions and support, the failure of which would result in a material loss of revenue, profit or franchise value for the enterprise as a whole. AIG has identified the following five Core Business Lines for purposes of the Resolution Plan:

- AIG Property Casualty Consumer;
- AIG Property Casualty Commercial;
- AIG Life & Retirement Retail;
- AIG Life & Retirement Institutional; and
- Mortgage Guaranty.

AIG Property Casualty Consumer ("PC Consumer") and AIG Property Casualty Commercial ("PC Commercial") together are referred to as "AIG Property Casualty." AIG Life & Retirement Retail ("L&R Retail") and AIG Life & Retirement Institutional ("L&R Institutional") together are referred to as "AIG Life & Retirement."

PC Consumer

PC Consumer provides insurance products that enable individuals to protect assets and manage risk. Products are distributed primarily through agents and brokers, as well as through direct marketing, partner organizations and the internet. PC Consumer products are divided into two product lines: Accident & Health and Personal, each as described more fully below.

Accident & Health: Includes voluntary and sponsor-paid personal accident and supplemental health products for individuals, employees, associations and other organizations. This product line also includes life insurance products (outside of the U.S. market) as well as a broad range of travel insurance products and services for leisure and business travelers.

Personal: Includes automobile, homeowners and extended warranty insurance. This product line also includes insurance for high-net-worth individuals, including umbrella, yacht and fine art insurance, and consumer specialty products, such as identity theft and credit card protection.

PC Commercial

PC Commercial relies on one of the world's most extensive property and casualty sales networks, including employees, independent retail and wholesale brokers, and independent agents, to provide a range of generally available and specialized insurance products to commercial and institutional customers. PC Commercial products are divided into four major product lines: Casualty, Property, Specialty and Financial, each as described more fully below.

Casualty: Includes general liability, commercial automobile liability, workers' compensation, excess casualty and crisis management insurance. This product line also includes risk management and other customized structured insurance programs for large corporate customers and multinational companies.

Property: Includes industrial, energy-related and commercial property insurance products, which cover exposures, including business interruption, to man-made and natural disasters.

Specialty: Includes aerospace, environmental, political risk, trade credit, surety and marine insurance, and various insurance product offerings for small- and medium-sized enterprises.

Financial: Includes various forms of professional liability insurance, including directors and officers, fidelity, employment practices, fiduciary liability, network security, kidnap and ransom, and errors and omissions insurance.

L&R Retail

L&R Retail offers a comprehensive suite of domestic life and retirement products and services to individuals. L&R Retail offers these products and services through a diverse, multichannel distribution network that includes banks, national, regional and independent broker-dealers, affiliated financial advisors, independent marketing organizations, independent and career insurance agents, benefit consultants and direct-to-consumer platforms. L&R Retail consists of five product lines: Life Insurance and Accident & Health, Fixed Annuities, Retirement Income Solutions, Brokerage Services and Retail Mutual Funds, each as described more fully below.

Life Insurance and Accident & Health: Includes term life insurance, universal life insurance and accident & health products.

Fixed Annuities: Includes single and flexible premium deferred fixed annuities and single premium immediate annuities.

Retirement Income Solutions: Includes variable annuities and fixed index annuities that provide asset accumulation and lifetime income through innovative design and hedging strategies.

Brokerage Services: Includes the operations of Advisor Group, which is one of the largest networks of independent financial advisors in the U.S.

Retail Mutual Funds: Includes mutual fund and related administration and servicing operations.

L&R Institutional

L&R Institutional provides life and retirement products and services to institutional clients, for the benefit of their employees and for their own purposes. L&R Institutional consists of three product lines: Group Retirement, Group Benefits and Institutional Markets.

Group Retirement: Includes fixed and variable group annuities, group mutual funds, and group administrative and compliance services.

Group Benefits: Includes a wide range of insurance and benefits products for employees (both employer-paid and voluntary) and affinity groups. The primary product offerings include life insurance, accidental death, business travel accident, disability income, medical excess (stop loss), dental, vision, worksite universal life, critical illness and accident.

Institutional Markets: Includes traditional insurance products to assist institutions with their own operations or objectives, such as stable value wrap products, structured settlement and terminal funding annuities, high-net-worth products, corporate- and bank-owned life insurance and guaranteed investment contracts.

Mortgage Guaranty

Mortgage Guaranty provides private residential mortgage guaranty insurance, which covers mortgage lenders for first loss from mortgage defaults on high loan-to-value conventional first-lien mortgages. This coverage enables mortgage lenders to remain competitive and enables individuals to purchase a house with a lower down payment.

3. Summary Financial Information

AIG's Annual Report on Form 10-K and Quarterly Report on Form 10-Q include detailed financial reports. The following charts summarize AIG's consolidated balance sheet and income statement as of December 31, 2012 and September 30, 2013.

Consolidated Balance Sheet at December 31, 2012 and September 30, 2013

	As of December 31, 2012 (in millions)	As of September 30, 2013 (unaudited) (in millions)
Assets		
Investments		
Fixed maturity securities		
Bonds available for sale, at fair value	$269,959	$259,901
Bonds trading securities, at fair value	24,584	22,884
Equity securities		
Common and preferred stock available for sale, at fair value	3,212	3,378
Common and preferred stock trading, at fair value	662	807
Mortgage and other loans receivable, net of allowance	19,482	19,707
Other invested assets	29,117	29,168
Short-term investments	28,808	22,457
Total investments	**375,824**	**358,302**
Cash	1,151	2,058
Accrued investment income	3,054	3,008
Premiums and other receivables, net of allowance	13,989	13,715
Reinsurance assets, net of allowance	25,595	26,264
Deferred income taxes	17,466	21,671
Deferred policy acquisition costs	8,182	9,188
Derivative assets, at fair value	3,671	1,723
Other assets	10,399	8,736
Separate account assets, at fair value	57,337	65,959
Assets held for sale	31,965	30,120
Total assets	**$548,633**	**$540,744**

Liabilities		
Liability for unpaid claims and claims adjustment expense	$87,991	$83,228
Unearned premiums	22,537	23,606
Future policy benefits for life and accident and health insurance contracts	40,523	40,111
Policyholder contract deposits	122,980	121,441
Other policyholder funds	6,267	5,115
Derivative liabilities, at fair value	4,061	2,722
Other liabilities	32,068	31,368
Long-term debt	48,500	42,231
Separate account liabilities	57,337	65,959
Liabilities held for sale	27,366	25,448
Total liabilities	**$449,630**	**$441,229**
Redeemable noncontrolling interests	**334**	**66**
AIG shareholders' equity		
Common stock	4,766	4,766
Treasury stock	(13,924)	(14,115)
Additional paid-in capital	80,410	80,497
Retained earnings	14,176	21,136
Accumulated other comprehensive income	12,574	6,509
Total AIG shareholders' equity	**98,002**	**98,793**
Non-redeemable noncontrolling interests	**667**	**656**
Total equity	**98,669**	**99,449**
Total liabilities and equity	**$548,633**	**$540,744**

Consolidated Income Statement for the Year Ended December 31, 2012 and the Nine Months Ended September 30, 2013

	As of December 31, 2012 (in millions)	As of September 30, 2013 (unaudited) (in millions)
Revenues		
Premiums	$38,047	$27,924
Policy fees	2,349	1,883
Net investment income	20,343	11,581
Net realized capital gains (losses)	930	2,143
Aircraft leasing revenue	4,504	-
Other income	4,848	4,498
Total revenues	71,021	48,029
Benefits, claims and expenses		
Policyholder benefits and claims incurred	32,036	22,234
Interest credited to policyholder account balances	4,340	2,913
Amortization of deferred acquisition costs	5,709	3,859
Other acquisition and insurance expenses	9,235	6,734
Interest expense	2,319	1,628
Aircraft leasing expenses	4,138	-
Net loss on extinguishment of debt	32	459
Net loss on sale of properties and divested businesses	6,736	-
Other expenses	3,585	3,044
Total benefits, claims and expenses	68,130	40,871
Income from continuing operations before income tax expense (benefit)	2,891	7,158
Income tax expense (benefit)	(808)	123
Income from continuing operations	3,699	7,035
Income from discontinued operations, net of income tax expense	1	84
Net income	3,700	7,119
Net income attributable to AIG	$3,438	$7,107

Liquidity and Capital Resources

Liquidity

Liquidity refers to the ability to generate sufficient cash resources to meet near term payment obligations, and is generally defined as cash and unencumbered high-quality assets that can be monetized in a short period of time at a reasonable cost even in stress scenarios. AIG manages liquidity prudently through various risk committees, policies and procedures, and a stress testing and liquidity framework established by its Enterprise Risk Management ("ERM") function. AIG's liquidity risk management framework is designed to ensure that both the amount and composition of AIG's liquidity is sufficient to meet financial obligations in both normal and stressed markets.

As of September 30, 2013, AIG, Inc. had approximately $16.9bn in liquidity sources. AIG, Inc.'s primary sources of liquidity are dividends, distributions, loans and other payments from subsidiaries, as well as credit and contingent liquidity facilities. AIG, Inc.'s liquidity sources are held in the form of cash, short-term investments and publicly traded, intermediate-term investment grade fixed maturity securities. Fixed maturity securities consist of U.S. government and government sponsored entity securities, U.S. agency mortgage-backed securities, and corporate and municipal bonds. AIG, Inc. actively manages its assets and liabilities in terms of products, counterparties and maturity.

AIG believes that it has sufficient liquidity and capital resources to satisfy future requirements and meet its obligations to policyholders, customers, creditors and debt-holders, including reasonably foreseeable contingencies. The table below summarizes liquidity sources of AIG, Inc. as of September 30, 2013, as further described in AIG, Inc.'s Quarterly Report on Form 10-Q.

Liquid Assets and Liquidity Resources (in millions)

Type	**Amount**
Cash and short-term investments	$9,776
Unencumbered fixed maturity securities	2,960
Contingent liquidity (e.g., credit facilities)	4,127
Total	**$16,863**

Funding Sources for Liquidity and Other Corporate Purposes

Insurance companies generally receive premiums in advance of the payment of claims or policy benefits. Therefore, insurance premiums represent an important source of liquidity for AIG. In addition, AIG accesses private and public capital markets to issue debt. Debt issuances provide liquidity for general corporate purposes, capital management and repayment of existing maturities. Borrowings include notes and bonds payable, junior subordinated debt, loans and mortgages payable, trust preferred securities and other notes payable structures. Long-term debt represents the largest component of borrowings at AIG, Inc. with a multi-year maturity structure. AIG has significantly reduced its use of short-term funding from the capital markets and is far less dependent on short-term funding than it was prior to the crisis, which reduces its sensitivity to market stresses.

Capital

Capital refers to the long-term financial resources available to support the operation of AIG's businesses, fund business growth, and cover financial and operational needs that arise from adverse circumstances. AIG's primary sources of capital are offerings of securities and the retained earnings of its insurance subsidiaries. AIG's internal capital framework is designed to ensure capital adequacy for both the consolidated company and the individual businesses and is founded upon internally defined risk tolerances, regulatory requirements, rating agency and creditor expectations and business needs. Capital levels are monitored and evaluated on a regular basis using ERM's stress testing methodology. AIG evaluates the capital impact of potential macroeconomic, financial and insurance stresses in relation to the relevant capital constraints of both the consolidated company and insurance subsidiaries.

The tables below show AIG's capitalization and ratios at September 30, 2013.

AIG Capitalization (in millions)

AIG Capitalization	September 30, 2013
Total equity	$99,449
Hybrid – debt securities	6,030
Total equity and hybrid capital	**105,479**
Financial debt	15,264
Total capital	**$120,743**

AIG Ratios

Ratios	September 30, 2013
Hybrid – debt securities / Total capital	5.0%
Financial debt / Total capital	12.6%
Total debt / Total capital	**17.6%**

4. Description of Derivative and Hedging Activities

AIG uses derivatives and other financial instruments as part of its risk management and operations framework. Except for certain legacy instruments, virtually all of the derivatives executed by AIG are used as risk mitigation tools, either by hedging exposures or providing an investment profile that is consistent with market standards. AIG no longer acts as a market-maker for derivatives contracts or engages in derivatives activities that materially contributed to concerns during the financial crisis. AIG closely monitors and evaluates its derivatives portfolio and exposure on a regular basis to ensure that it properly fulfills this risk-mitigation or marketstandard investment purpose and does not impose any material risk to the financial strength of the organization.

AIG's derivatives activities are generally centralized in AIG's Global Capital Markets operations ("GCM"), specifically AIG Markets. The portfolio of AIG Markets consists primarily of interest rate and currency derivatives to mitigate risk, and also includes legacy credit derivatives that have been novated to this entity. Another GCM entity, AIG FP, enters into derivatives to mitigate market risk in exposures (interest rates, currencies, credit, commodities and equities) arising from its transactions. GCM follows a policy of minimizing interest rate, currency, commodity, and equity risks associated with investment securities by entering into offsetting positions, thereby offsetting a significant portion of the unrealized appreciation and depreciation.

AIG's businesses, other than GCM, also use derivatives and other instruments for risk management purposes. Interest rate derivatives (such as interest rate swaps) are used to manage interest rate risk associated with embedded derivatives contained in insurance contract liabilities, fixed maturity securities, outstanding medium and long-term notes as well as other interest rate sensitive assets and liabilities. Foreign exchange derivatives (principally foreign exchange forwards and options) are used to economically mitigate risk associated with non-U.S. dollar denominated debt, net capital exposures, and foreign currency transactions. Equity derivatives are used to mitigate financial risk embedded in certain insurance liabilities. The derivatives are effective economic hedges of the exposures that they are meant to offset.

In addition to hedging activities, AIG also enters into derivatives instruments associated with investment operations, which include, among other things, credit default swaps and investments with embedded derivatives, such as equity-linked notes and convertible bonds. AIG invests in hybrid securities (such as credit-linked notes) with the intent of generating income. These investments are also regularly monitored and evaluated to ensure that they, individually and in the aggregate, do not pose any risk to the financial strength of the organization.

For additional information on AIG's derivatives hedging and investment activities, please see AIG's Annual Report on Form 10-K and AIG's other public filings.

5. Memberships in Material Payment, Clearing, and Settlement Systems

Unlike a banking organization, AIG is generally not a direct member of payment, clearing and settlement ("PCS") systems. Instead, AIG utilizes PCS systems through intermediaries, including banks and futures commission merchants ("FCMs"). For example, AIG Markets clears derivatives transactions through third-party FCMs. In addition, AIG Markets and AIG FP have identification numbers for and utilize the SWIFT system, which is a cooperative that provides a platform for the exchange of standardized financial messages between financial institutions and corporations.

6. Description of Foreign Operations

While AIG Life & Retirement is a domestic business and operates solely in the United States, and Mortgage Guaranty's business is primarily focused domestically, AIG has global operations with approximately 64,000 employees worldwide as of December 31, 2013. AIG Property Casualty maintains an international presence in developed markets and growing economies and provides products and services in three major geographic regions:

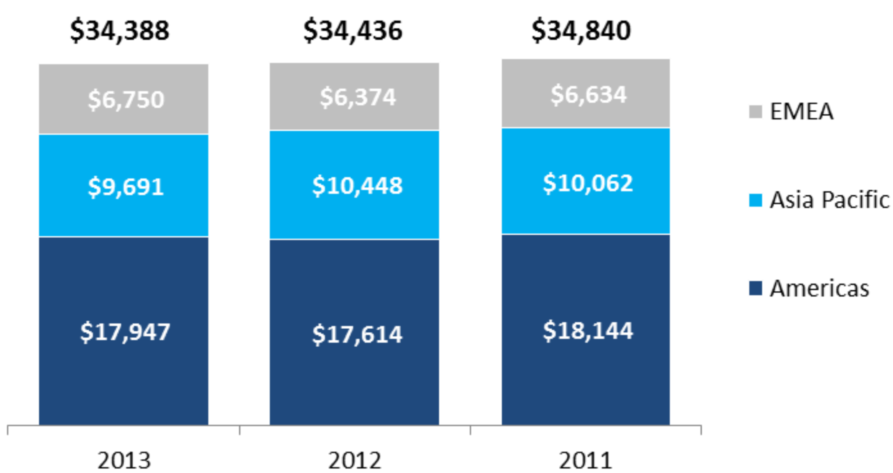
Americas: Includes the United States, Canada, Central America, South America, the Caribbean and Bermuda.

Asia Pacific: Includes Japan and other Asia Pacific nations, including China, Korea, Singapore, Vietnam, Thailand, Australia and Indonesia.

EMEA (Europe, Middle East and Africa): Includes the United Kingdom, Continental Europe, Russia, India, the Middle East and Africa.

For AIG Property Casualty in 2013, the Americas accounted for 52% of net premiums written, Asia Pacific accounted for 28% of net premiums written, and EMEA accounted for 20% of net premiums written.

AIG Property Casualty Worldwide Net Premiums Written by Region (dollars in millions)



7. Material Supervisory Authorities

AIG is subject to regulation under U.S. federal and state laws, as well as applicable law in other jurisdictions where it does business. Material regulatory authorities for AIG's Material Entities are described below.

U.S. Supervisory Authorities

AIG, Inc. has been designated as a nonbank systemically important financial institution by the FSOC and as a result is subject to the supervision and regulation of the Federal Reserve.

AMG US is an SEC-registered investment advisor subject to the supervision and regulation of the SEC.

AIG's U.S. insurance subsidiaries are subject to regulation and supervision in the states in which they are domiciled and in the other states in which they conduct business. The primary regulatory authority for each of AIG's U.S. insurance Material Entities (based on its domicile) is set forth below.

Domestic Insurance Entity	Supervisory Authority
AGC Life	Missouri Department of Insurance
AGL	Texas Department of Insurance
American Home	New York State Department of Financial Services
Lexington	Delaware Department of Insurance
NUFIC	Pennsylvania Insurance Department
UGRIC	North Carolina Department of Insurance
U.S. Life	New York State Department of Financial Services
VALIC	Texas Department of Insurance

Foreign Supervisory Authorities

Certain financial services firms with regulated entities in the European Union, such as AIG, are subject to supplementary supervision, the objective of which is to detect, monitor, manage and control group risks. The Prudential Regulation Authority (the "PRA") is AIG's European Union supervisory coordinator. In addition, AIG's foreign Material Entities are subject to regulation and supervision in the jurisdictions in which they are domiciled and the other jurisdictions in which they operate. The primary regulatory authority for each foreign Material Entity is identified below.

United Kingdom

AEL, a UK-domiciled pan-European insurance company, is subject to the supervision and regulation of the UK Financial Conduct Authority ("FCA") and the PRA.

Singapore

AAPI is regulated by the Monetary Authority of Singapore.

Japan

Fuji and AIU are regulated by the Japan Financial Services Agency.

Additional information is available in the "Regulation" section of AIG's Annual Report on Form 10-K.

8. Executive Officers

The table below provides a summary of AIG, Inc.'s executive officers as of February 20, 2014.

Name	Position
Robert H. Benmosche	President and Chief Executive Officer
Michael R. Cowan	Executive Vice President and Chief Administrative Officer
William N. Dooley	Executive Vice President—Investments
John Q. Doyle	Executive Vice President—Commercial Property and Casualty Insurance
Peter D. Hancock	Executive Vice President—Property and Casualty Insurance[1]
David L. Herzog	Executive Vice President and Chief Financial Officer
Kevin T. Hogan	Executive Vice President—Consumer Insurance
Jeffrey J. Hurd	Executive Vice President—Human Resources and Communications
Thomas A. Russo	Executive Vice President and General Counsel
Siddhartha Sankaran	Executive Vice President and Chief Risk Officer
Brian T. Schreiber	Executive Vice President and Deputy AIG Chief Investment Officer
Jay S. Wintrob	Executive Vice President—Life and Retirement
Charles S. Shamieh	Senior Vice President and Chief Corporate Actuary

9. Resolution Planning Corporate Governance Structure

AIG has developed a robust framework for contingency and recovery planning. As part of that framework, AIG has created the Global Office of Recovery and Resolution Planning (the "GORRP"), which is responsible for preparing, managing, coordinating, implementing, testing, integrating, updating and revising the Resolution Plan. To achieve its objectives, the GORRP works closely with the management teams of AIG's business units and certain corporate functions to develop, manage and maintain the Resolution Plan. The GORRP also serves as the central point for communications with regulatory bodies concerning the Resolution Plan.

[1] On June 10, 2014, AIG announced that Mr. Hancock was named as President and Chief Executive Officer, effective September 1, 2014, succeeding Mr. Benmosche.

The GORRP acts under the direction and with the support of a recovery and resolution executive steering committee (the "Steering Committee"). The Steering Committee consists of AIG, Inc.'s Treasurer, Chief Financial Officer, Deputy Chief Financial Officer, General Counsel and Chief Risk Officer.

Although prepared under the auspices of the GORRP, the Resolution Plan also was reviewed by senior leadership groups and various business units, and updates on progress were made regularly to the Steering Committee. The Resolution Plan has been approved, upon the recommendation of the AIG Finance and Risk Management Committee, by AIG, Inc.'s Board of Directors.

10. Material Management Information Systems

Management Information Systems ("MIS") are defined as the systems, applications and infrastructure that enable AIG to conduct its operations and generate reporting. AIG has undergone significant operational and governance enhancements, including continuous improvement of AIG's MIS. These enhancements enable AIG to conduct its day-to-day operations in a secure manner, and to develop, refine and execute its recovery and resolution planning.

The functional owners of key MIS repositories provide a variety of services to AIG that support the business operations of AIG's Material Entities in the United States and abroad. This ownership and related services are described in greater detail in the Resolution Plan.

AIG has developed policies to govern its infrastructure and systems through management of people, processes and technology to meet its responsibilities to all stakeholders. These policies evaluate the impact of events that may adversely affect AIG services to customers and the value of its assets.

AIG recognizes that the integrity of its MIS operations and governance is dependent, in part, on the planning it has made in preparation for contingencies, such as disasters. AIG's disaster recovery plans focus on critical business operation continuity, which includes AIG's Technology Infrastructure Group and Application Systems Group. In case of a disaster, a recovery to a predefined level of performance is the goal. AIG's disaster recovery plans include technology incident response, mobilization and restoration of systems, data and user access to an alternate data center and the testing of these components to ensure plans are effective.

11. High-Level Description of Resolution Strategy

The Resolution Plan proposes two strategies for the orderly resolution of AIG's Material Entities and Core Business Lines within a reasonable period of time. The strategies are based on supervisory assumptions and the hypothetical idiosyncratic stress event that AIG has assumed for purposes of developing the Resolution Plan. AIG believes that each resolution strategy is feasible and would not give rise to adverse effects on the financial stability of the United States.

The first strategy would involve the sale of certain of AIG's insurance Material Entities (either as operating entities or as large blocks of business and infrastructure) through a coordinated process, the "run-off" (which generally entails handling and resolving claims on existing policies, but not writing new business) and eventual liquidation of the remaining insurance Material Entities, and, separately, the wind-down and liquidation of the non-insurance Material Entities in an orderly manner under a chapter 11 plan in accordance with the Bankruptcy Code.

In the event that the first strategy could not be implemented, under an alternative strategy, all of AIG's insurance Material Entities would enter into run-off while in U.S. state receivership proceedings or the foreign equivalent and would eventually be liquidated on an individual basis. Similar to the first resolution strategy, AIG's non-insurance Material Entities would generally be liquidated in an orderly manner under a chapter 11 plan in accordance with the Bankruptcy Code.

12. Conclusion

The Resolution Plan provides for an orderly resolution of AIG within a reasonable time period in the event of material financial distress or failure without posing systemic risk to the larger financial system and without the need for any government or taxpayer support. In addition to the strategies proposed in the Resolution Plan, AIG believes that there are multiple alternatives for the orderly resolution of AIG's Material Entities and Core Business Lines that also would not pose systemic risk to the larger financial system. Additionally, in an actual resolution scenario, the optimal resolution outcome may differ from the strategies proposed in the Resolution Plan. Nonetheless, AIG believes that it has developed an effective and feasible Resolution Plan.