

Lexington Insurance Company

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David A. Jordan
Senior Vice President
Program Division Executive

March 16, 2005

TO: Our Program Administrators
FR: David A. Jordan
RE: "AIG Board Implements Succession Plan"
Press release dated 3/15/05

By now you will have received the announcement we circulated yesterday. I want to take a moment to share with you my thoughts on the subject as it relates to "our little corner of the world."

I view this as an orderly, well thought out transition. It does credit to our management and to our board that this plan has been in place for some time, and puts talented senior executives in charge of the company who have the industry experience and AIG tenure to be successful.

Some of the senior officers of the Program Division and I had the privilege of giving Martin Sullivan a briefing last summer on our division's business. He was incredibly bright, asked good questions, and we got a favorable review.

Should you receive inquiries from retail brokers or customers about these changes, I know I can count on you to be honest and objective. Should you receive an inquiry that you are uncomfortable addressing, please refer the caller to me.

My message to our entire staff yesterday was a simple one: In the midst of change, which is something that AIG excels at, let's not forget that we have a business to run. As employees, and as shareholders, we have a responsibility to our brokers and our clients to continue doing the best possible job we can.

Let me know if I can answer any questions. Thank you.