



PRESS RELEASE

AIG

The AIG Building
58 Fenchurch Street
London
EC3M 4AB
www.aig.com

AIG contacts: Nicola Ratchford, +44 20 3217 1789, nicola.ratchford@aig.com |
Hannah Scott, +44 20 7954 7289, hannah.scott@aig.com

AIG Europe Ltd., which restructured last year, publishes full year results for 2018

May 2, 2019 – AIG Europe Limited (AEL), the European entity of American International Group, Inc. that restructured on December 1, 2018, reported a pretax profit of £59.5 million for the twelve months to November 30, 2018, up from a loss of £431.5 million the previous year.

Net Premium Written fell to £3,787.0 million (2017: £3,919.7 million) reflecting a decision to focus on core areas of growth. Financial Lines saw a 7% increase in Net Premiums Written, offset by a decline in Property, where premiums fell by 17%.

The loss ratio improved to 73.1% (2017: 82.5%) driven by a careful focus on risk selection and targeted reinsurance cover. The underwriting result improved to a loss of £131.3 million (2017: loss of £569.9 million). Operating expenses were significantly lower at £1,392.7 million (2017: £1,527.3 million). Positive underwriting performance and strategic risk selection combined with lower catastrophic losses led to an improved combined ratio of 103.4% (2017: 114.6%).

	2018	2017
Net Premiums Written	£3,787.0m	£3,919.7m
Profit/(Loss) before tax	£59.5m	(£431.5m)
Net Loss Ratio	73.1%	82.5%
Combined Ratio COR	103.4%	114.6%
Underwriting Result	(£131.3m)	(£569.9m)

Last year AIG restructured AEL and established two new legal entities – American International Group UK Limited (AIG UK) and AIG Europe SA (AESAs) – in preparation for the UK's exit from the European Union.

The two-entity structure enables AIG to continue to service all of its policyholders and business partners across the UK and Europe, and to guarantee contract certainty to all policyholders, regardless of the future relationship between the UK and the EU. Both companies started writing business, and policyholders transferred from AEL to the relevant new entity, on December 1, 2018.

Anthony Baldwin, Chief Executive Officer, AIG UK, commented: *“I'm proud of the work the team has done to stand up AIG UK as a separate business which has ensured our readiness for Brexit. During 2018 we made good progress in reducing our expenses, growing our profitable lines of business and remediating those areas that are less profitable. Thanks to these efforts we enter 2019 with a clear ambition and renewed focus.”*

AIG UK issued a report and accounts for the twelve months ended November 30, 2018, although as the assets were transferred to this entity and it only started trading on December 1, 2018, the report doesn't reflect the operating performance of the UK business.

AEL's Solvency Ratio for 2018, based on our internal model, was 129.4%.

Ends



Notes to editors

American International Group, Inc. (AIG) is a leading global insurance organization. Building on 100 years of experience, today AIG member companies provide a wide range of property casualty insurance, life insurance, retirement products, and other financial services to customers in more than 80 countries and jurisdictions. These diverse offerings include products and services that help businesses and individuals protect their assets, manage risks and provide for retirement security. AIG common stock is listed on the New York Stock Exchange.

Additional information about AIG can be found at www.aig.com | YouTube: www.youtube.com/aig | Twitter: @AIGinsurance www.twitter.com/AIGinsurance | LinkedIn: www.linkedin.com/company/aig. These references with additional information about AIG have been provided as a convenience, and the information contained on such websites is not incorporated by reference into this press release.

AIG is the marketing name for the worldwide property-casualty, life and retirement, and general insurance operations of American International Group, Inc. For additional information, please visit our website at www.aig.com. All products and services are written or provided by subsidiaries or affiliates of American International Group, Inc. Products or services may not be available in all countries, and coverage is subject to actual policy language. Non-insurance products and services may be provided by independent third parties. Certain property-casualty coverages may be provided by a surplus lines insurer. Surplus lines insurers do not generally participate in state guaranty funds, and insureds are therefore not protected by such funds.