

REGULATORY SETTLEMENT AGREEMENT

Preamble

This Regulatory Settlement Agreement (“Agreement”) is entered into this 17th day of December, 2010, by and between American International Group, Inc., and its affiliated insurers writing workers compensation coverage (the “Company”), and the Department of Insurance of the State of Delaware, the Office of Insurance Regulation of the State of Florida, the Department of Insurance of the State of Indiana, the Division of Insurance of the Commonwealth of Massachusetts, the Department of Commerce of the State of Minnesota, the Insurance Department of the State of New York, the Insurance Department of the Commonwealth of Pennsylvania, the Division of Insurance Regulation of the State of Rhode Island (collectively the “Lead Regulators”) and the insurance regulatory departments, divisions, or offices of each of the remaining States and the District of Columbia that adopt, agree to, and approve this Agreement (the “Participating Regulators”).

A. Recitals

1. The Company maintains its home office in New York, New York, and its affiliated insurance companies are principally domiciled in the State of Delaware, the Commonwealth of Pennsylvania, and the State of New York. At all relevant times, at least one of the Company’s affiliated insurance companies has been licensed to write workers compensation insurance, general liability insurance, and commercial automobile liability insurance in each of those states where such licenses are granted and in the District of Columbia.

2. On January 28, 2008, the Company was notified that a Multistate Targeted Workers Compensation Market Conduct Examination had been initiated concerning the

Company's writing and financial reporting of workers compensation insurance (the "Examination"). The Lead States in the Examination are Delaware, Florida, Indiana, Massachusetts, Minnesota, New York, Pennsylvania, and Rhode Island ("Lead States"). All other forty-two states and the District of Columbia (the "Participating States") participated in the Examination.

3. The Examination built on the work of previous examinations and investigations by other states, including the investigation by the New York Attorney General culminating in the agreement entitled "Agreement Between the Attorney General of the State of New York and American International Group, Inc. and its subsidiaries (collectively "AIG")" dated January 18, 2006 (the "New York Agreement"). The Examination also built on the work of the National Association of Insurance Commissioner's ("NAIC") Market Analysis Working Group and examinations initiated by Indiana, Minnesota and Rhode Island.

4. The Examiner-in-Charge of the Examination has now completed review of the Company's writing and financial reporting of workers compensation insurance and the effect that had on its writing and reporting of other lines of insurance. A draft examination report ("Examination Report") concerning the findings of the Examination has been provided to the Company and the Company has been given an opportunity to comment thereon. The final Examination Report will be released concurrently with the execution of this Agreement by the Company and the Lead Regulators.

5. Following the Examiner-in-Charge's preliminary findings and through the conclusion of the Examination, the Lead States engaged in discussions with the Company with respect to regulatory concerns raised by the Examination, the reallocation of underreported workers compensation premium, the remediation of past premium underreporting, and the need

for an ongoing compliance review to ensure that the Company writes and reports workers compensation insurance in compliance with applicable laws.

6. In September of 2008 the AIG holding company suffered significant losses and the United States responded by providing it with substantial financial assistance; consequently, the United States Treasury controls preferred stock with voting and dividend rights to approximately 79.8% of the Company's common stock. The Company's senior management team has changed dramatically.

7. AIG's current Chief Executive Officer and its Board of Directors have pledged their commitment to the terms and principles expressed in the Compliance Plan attached hereto. Recognition of the events described above, and management's and the Board's commitment to a "culture of compliance" have materially impacted the judgment of the Lead Regulators and Participating Regulators in choosing to enter this Agreement. The Company has cooperated fully with the Examiner-in-Charge throughout the Examination.

8. In view of the foregoing facts and circumstances, the Lead Regulators and the Participating Regulators find it to be in the public interest and are willing to accept this Agreement to settle all insurance regulatory matters within the scope of the Examination as set forth in the January 28, 2008 letter notifying the Company of the Examination (which scope has not changed) and the Examination Report (the "Scope of the Examination"). The Company believes that such a settlement is in its best interest.

B. Location of Definitions

The terms listed below are defined within the Agreement. For convenience, those definitions can be found as referenced below.

1. "Agreement" is defined in the preamble paragraph.
2. "AIG" is defined in paragraph A.3.

3. "Applicable Consent Order" is defined in paragraph I.2.a.
4. "Class Action" is defined in paragraph H.1.b.
5. "Company" is defined in the preamble paragraph.
6. "Compliance Plan Examination Report" is defined in paragraph F.1.
7. "Compliance Plan" is defined in paragraph E.1.
8. "Compliance Plan Examination" is defined in paragraph E.2.
9. "Conditional Effective Date" is defined in paragraph C.1.
10. "Conditional Fine Amount" is defined in paragraph F.3.
11. "Error Rate Threshold" is defined in paragraph F.2.
12. "Escrow Agreement" is defined in paragraph C.4.
13. "Examination" is defined in paragraph A.2.
14. "Examination Report" is defined in paragraph A.4.
15. "Final Effective Date" is defined in paragraph H.1.
16. "Fines and Penalties Fund" is defined in paragraph C.4.
17. "Fines and Penalties Schedule" is defined in paragraph C.4.
18. "Lead Regulators" is defined in the preamble paragraph.
19. "Lead States" is defined in paragraph A.2.
20. "Litigations" is defined in paragraph H.1.b.
21. "Market Regulation Handbook" is defined in paragraph E.3.
22. "Monitoring Period" is defined in paragraph E.1.
23. "NAIC" is defined in paragraph A.3.
24. "New York Agreement" is defined in paragraph A.3.
25. "New York Agreement Amendment" is defined in paragraph C.3.
26. "Opt-in Date" is defined in paragraph C.5.
27. "Participating Regulators" is defined in the preamble paragraph.
28. "Participating States" is defined in paragraph A.2.
29. "Premium Reallocation Schedule" is defined in paragraph D.1.
30. "Premium Taxes and Assessments Amount" is defined in paragraph D.2.
31. "Premium Taxes and Assessments Fund" is defined in paragraph D.4.
32. "Premium Taxes and Assessments Schedule" is defined in paragraph D.4.
33. "Regulatory Penalty" is defined in paragraph C.1.

34. "Scope of the Examination" is defined in paragraph A.8.

35. "Termination Date" is defined in paragraph H.3.

C. Regulatory Penalty

1. In consideration of the Examination Report and its findings respecting the Company's practices in the writing and reporting of workers compensation insurance and resulting premium in the period up to the date this Agreement is executed by the Company and all the Lead Regulators (the "Conditional Effective Date"), the Lead Regulators and the Participating Regulators levy, and the Company agrees to pay, a fine and penalty consisting of a cash payment in the amount of One Hundred Million Dollars (\$100,000,000) (the "Regulatory Penalty").

2. The Regulatory Penalty shall be the sole penalty imposed by the Lead Regulators and Participating Regulators on the Company with respect to any matters within the Scope of the Examination -- the Company's writing and financial reporting of workers compensation insurance, prior to the Conditional Effective Date.

3. The parties to the New York Agreement intend to execute an amendment providing that the approximately \$340 million fund established thereunder will be used for the purpose of funding the Fines and Penalties Fund and Premium Taxes and Assessments Fund as required hereunder and for payments to resolve the claims of persons asserting damages against the Company with respect to workers compensation residual market facilities ("New York Agreement Amendment").

4. Within fifteen (15) calendar days of the later to occur of the Conditional Effective Date and the New York Agreement Amendment, the Company shall place the Regulatory Penalty in a mutually acceptable interest-bearing Escrow Account (the "Fines and Penalties Fund") established to hold the Regulatory Penalty until such time as it may be distributed

hereunder to the Lead Regulators and the Participating Regulators, as allocated in the schedule attached hereto as Exhibit A (the "Fines and Penalties Schedule"). The Fines and Penalties Fund shall be administered pursuant to an Escrow Agreement substantially in the form attached hereto as Exhibit B (the "Escrow Agreement").

5. If a Participating State does not adopt, agree to, and approve this Agreement by March 1, 2011 (the "Opt-in Date"), the Fines and Penalties Fund shall be reduced on or after March 1, 2001, by the amount allocated to that Participating State's jurisdiction in the Fines and Penalties Schedule, and the amount by which the Fines and Penalties Fund is so reduced shall be returned to the Company pursuant to the terms of the Escrow Agreement.

6. The amounts set forth in the Fines and Penalties Schedule shall not be distributed to the therein enumerated Lead Regulators and Participating Regulators who adopted, agreed to, and approved this Agreement until the Final Effective Date.

7. If this Agreement is terminated as set forth in Section H below, all amounts in the Fines and Penalties Fund shall be returned to the Company pursuant to the terms of the Escrow Agreement.

D. Premium Tax and Premium-Based Assessments

1. By March 1, 2011 the Company shall file with the Lead States and the Participating States restated Page 14s on a consolidated basis reallocating approximately \$2.1 billion of workers compensation premiums to each state and the District of Columbia specifically as set forth in the schedule attached hereto as Exhibit C (the "Premium Reallocation Schedule").

2. The reallocation set forth in the preceding paragraph shall serve, subject to the Final Effective Date being achieved, as the basis for the payment of additional premium taxes

and assessments. Specifically, in consideration of the premium tax and premium-based assessments that would have been paid had the Company initially reported workers compensation insurance premium in a manner consistent with the Premium Reallocation Schedule, together with interest thereon, the Company agrees to make a cash payment in the total amount of Forty-Six Million Five Hundred Seven Thousand Three Hundred Eighty-Five Dollars (\$46,507,385) (the "Premium Taxes and Assessments Amount").

3. The Company hereby agrees that the reallocation of premium pursuant to the Premium Reallocation Schedule shall not be used by the Company to assert any credits or offsets or otherwise reduce the Company's tax and assessment obligations, except as already credited in computing the Premium Taxes and Assessments Amount.

4. Within fifteen (15) calendar days of the later to occur of the Conditional Effective Date and the New York Agreement Amendment, the Company shall place the Premium Taxes and Assessments Amount in an interest-bearing Escrow Account (the "Premium Taxes and Assessments Fund") established to administer the distribution of the Premium Taxes and Assessments Amount, as allocated in the schedule attached hereto as Exhibit D (the "Premium Taxes and Assessments Schedule"). The Premium Taxes and Assessments Schedule amounts reflect credit for premium taxes and assessments previously paid pursuant to the New York Agreement. The Premium Taxes and Assessments Fund shall be administered pursuant to the Escrow Agreement.

5. If a Participating State does not adopt, agree to, and approve this Agreement by the Opt-in Date, the Premium Taxes and Assessments Fund shall be reduced on or after March 1, 2011, by the amount allocated to that Participating State's jurisdiction in the Premium Taxes and Assessments Schedule, and the amount by which the Premium Taxes and

Assessments Fund is so reduced shall be returned to the Company pursuant to the terms of the Escrow Agreement.

6. The Premium Taxes and Assessments Fund shall not be distributed to the jurisdictions specified in the Premium Taxes and Assessments Schedule until the Final Effective Date of this Agreement.

7. If this Agreement is terminated as set forth in Section H below, all amounts in the Premium Taxes and Assessments Fund shall be returned to the Company pursuant to the terms of the Escrow Agreement.

E. The Monitoring Period and the Compliance Plan Examination

1. A monitoring period will commence as of the Final Effective Date and last for twenty-four (24) months thereafter (the "Monitoring Period"). During the Monitoring Period, the Company will report to the Lead Regulators' Examiner-in-Charge no less frequently than quarterly the results of its internal audit reviews of performance as fully set forth in the Compliance Plan attached hereto as Exhibit E (the "Compliance Plan"). The Compliance Plan is being provided to the Lead States and Participating States for their review in deciding their participation in this Agreement. However, the Compliance Plan will be maintained as confidential by the Lead Regulators and Participating Regulators to the extent possible pursuant to public record, right-to-know and examination confidentiality statutes, except as otherwise ordered by a court of competent jurisdiction, including that it shall not be publicly disseminated and will be redacted from any versions of the Agreement which are provided to the public. As further detailed in the Compliance Plan, the Examiner-in-Charge will also periodically sample Company accounts.

2. The Lead Regulators, through their Examiner-in-Charge, shall conduct an examination of the Company's writing and financial reporting of workers compensation insurance (the "Compliance Plan Examination") as of the end of the Monitoring Period. The purpose of the Compliance Plan Examination is to evaluate the Company's performance against the Compliance Plan.

3. The Compliance Plan Examination shall be conducted in accordance with the applicable examination statutes and the NAIC's *Market Regulation Handbook* (2010 Edition)(the "Market Regulation Handbook") and which are specified in the protocols set forth in the Compliance Plan.

4. The reasonable costs of the Lead Regulators in monitoring the Company's compliance with the Agreement, in retaining the Examiner-in-Charge and other consultants, and ultimately conducting the Compliance Plan Examination shall be paid by the Company.

5. The Compliance Plan Examination shall be conducted with respect to the Company's policies in force and premium reported during the twelve months prior to the end of the Monitoring Period.

F. The Compliance Plan Examination Report and Conditional Fine

1. Upon completion of the Compliance Plan Examination, an examination report (the "Compliance Plan Examination Report") will be issued to the Lead Regulators. The Lead Regulators will submit the Compliance Plan Examination Report to the Participating Regulators.

2. The Company will not be found to be noncompliant with the Compliance Plan unless the ten percent (10%) tolerance level (the "Error Rate Threshold") established by the Market Regulation Handbook and as applied in the Compliance Plan is exceeded.

3. If the Error Rate Threshold is exceeded and in the judgment of the Lead Regulators a penalty is warranted, then the Lead Regulators and Participating Regulators will jointly levy on the Company a fine and penalty consisting of a cash payment in the amount of up to One Hundred and Fifty Million Dollars (\$150,000,000) (the “Conditional Fine Amount”).

4. The Conditional Fine Amount shall be the sole penalty imposed by the Lead Regulators and Participating Regulators on the Company with respect to any insurance regulatory violations identified in the Compliance Plan Examination Report.

G. Limitations on Remedies and Fines, Enforcement, and Regulatory Authority

1. Upon disbursement to a Lead Regulator or Participating Regulator of both (a) the portion of the Fines and Penalties Amount to which the regulator’s jurisdiction is entitled pursuant to the Fines and Penalties Schedule, and (b) the portion of the Premium Taxes and Assessments Amount to which the regulator’s jurisdiction is entitled pursuant to the Premium Taxes and Assessments Schedule, the Lead Regulator or Participating Regulator in receipt of such disbursement agrees to the following:

a. During the Monitoring Period and through the Compliance Plan Examination, each Lead Regulator and Participating Regulator and his or her department agrees that it (i) shall not conduct any market conduct examination of the Company relating to the writing or financial reporting of workers compensation insurance; and (ii) shall not, except under the terms set forth in this Agreement, as to events or actions through the Conditional Effective Date, impose a fine or any other sanction on the Company for any of the matters that fall within the Scope of the Examination or are otherwise the subject of this Agreement.

b. The Lead Regulators and Participating Regulators release and discharge the Company with respect to all damages, fines, claims, sanctions, losses, demands or other

liability or redress that each Lead Regulator or Participating Regulator and his or her department could have pursued as a result of the matters falling within the Scope of the Examination.

2. Notwithstanding the foregoing, a Lead Regulator's or Participating Regulator's authority to investigate any assertion of the Company's noncompliance with law applicable to matters not within the Scope of the Examination, and to act thereon, shall not be limited in any way by this Agreement.

3. In addition to the other penalties applicable pursuant to this Agreement, the Lead Regulators and Participating Regulators retain the right (except as provided in paragraphs C.2 and F.4) to impose any regulatory penalty otherwise available by law, including fines, with respect to the Company's willful violation of this Agreement or other violation of law.

4. The Lead Regulators and the Participating Regulators reserve the right to pursue any other remedy or remedies for violations of this Agreement.

5. Except as set forth herein, nothing in this Agreement shall be construed to waive or limit the rights of the Lead Regulators or the Participating Regulators to seek such other remedies or to otherwise waive or limit their continuing regulation of the Company in the normal course.

6. The enforcement of any fine or penalty imposed under this Agreement and findings upon which any such fine or penalty is based shall be subject to judicial review as otherwise provided by law.

H. Effective Dates, and Termination

1. The "Final Effective Date" shall be the first date on which all of the following have occurred:

a. The chief insurance regulators from at least forty-three (43) of the fifty-one (51) jurisdictions that are Lead States or Participating States adopt, agree to, and approve the Agreement by means of appropriate documentation forwarded to the Lead Regulators, except that a lesser number of adopting jurisdictions may suffice under this paragraph if agreed to in writing by the Lead States and the Company;

b. The United States District Court for the Northern District of Illinois approves a settlement and a dismissal with prejudice of the putative class action captioned *Safeco Insurance Company of America, et al. v. American International Group, Inc., et al.*, No. 09-cv-2026 (the "Putative Class Action"), and the parties to the Putative Class Action and the related civil action captioned *American International Group, Inc., et al. v. ACE INA Holdings, Inc., et al.*, No. 07-cv-2989 (the "Civil Action" and together with the Putative Class Action, the "Litigations") have exchanged releases pursuant to a settlement agreement and the Civil Action is dismissed with prejudice;

c. The Company has executed a settlement agreement with the state insurance guaranty funds represented collectively by Joseph C. Tanski, Esq., of Nixon Peabody; and

d. Execution of the New York Agreement Amendment.

2. The Lead Regulators shall arrange to deliver this Agreement to each of the Participating States within seven (7) calendar days after the Conditional Effective Date.

3. If the Final Effective Date does not take place on or before June 30, 2011, then this Agreement shall be deemed terminated as of July 1, 2011 (the "Termination Date") unless prior thereto the Lead Regulators and the Company agree in writing to an extension of both the Final Effective Date and the Termination Date. The Lead Regulators will promptly advise the

Participating Regulators of such an extension. A Participating Regulator may thereupon choose whether to participate hereunder on or before the date of the extended Final Effective Date.

I. Miscellaneous Provisions

1. Decision of Lead Regulators. Any decision of the Lead Regulators under the terms of this Agreement means a decision that has been agreed to by all of the Lead Regulators under this Agreement.

2. Representations of Authority.

a. Lead Regulators and Participating Regulators. Each person signing on behalf of a Lead Regulator or Participating Regulator gives his or her express assurance that under applicable state laws, regulations, and judicial rulings, he or she has authority to enter into this Agreement. If a Lead Regulator or Participating Regulator finds that, under applicable state law, regulation, judicial ruling, or procedure, the preparation and execution of a consent order or other document is necessary to carry out the terms of this Agreement (the “Applicable Consent Order”), such Applicable Consent Order shall be prepared by the Lead Regulator or Participating Regulator. For purpose of this Agreement, an Applicable Consent Order shall be satisfactory to the Company if it: (i) incorporates by reference and attaches via exhibit a copy of this Agreement, (ii) expressly adopts and agrees to the provisions of this Agreement, and (iii) includes only those other terms that may be legally required in the state of the applicable Lead Regulator or Participating Regulator.

b. Company. The Company expressly represents and warrants as of the date of its execution of this Agreement that: (i) it is duly organized and validly existing and subsisting under the laws of the state of its organization, it is in good standing in such jurisdiction, and neither the execution, delivery, nor performance of this Agreement will violate any law binding

on the Company; (ii) it has the full right and power to enter into this Agreement on behalf of the Company and to perform all obligations hereunder; and (iii) it has obtained all necessary authorizations, approvals, or consents of any governmental entity required in connection with the execution, delivery, or performance by it of this Agreement.

3. Governing Law and Forum. This Agreement, any disputes which may arise in connection with the interpretation or enforcement of the Agreement, and the rights and obligations of the Parties generally shall be governed by the laws of the Commonwealth of Massachusetts without regard or reference to choice or conflict of law rules. The Company and the Participating Regulators consent to the exclusive jurisdiction of the United States District Court for the District of Massachusetts or, if such jurisdiction is lacking, the Superior Court for Suffolk County, Massachusetts, solely for the purposes of interpreting or enforcing this Agreement and for no other purposes.

4. Interpretation. The section headings herein are intended for reference and shall not by themselves determine the construction or interpretation of this Agreement. Unless the context of this Agreement clearly requires otherwise: (a) references to the plural include the singular, the singular the plural, and the part the whole, (b) references to one gender include all genders, (c) “or” has the inclusive meaning frequently identified with the phrase “and/or,” (d) “including” has the inclusive meaning frequently identified with the phrase “but not limited to” or “without limitation,” (e) references to “hereunder,” “herein”, or “hereof” relate to this Agreement as a whole, and (f) the terms “dollars” and “\$” refer to United States dollars. Any reference herein to any statute, rule, regulation, or agreement, including this Agreement, shall be deemed to include such statute, rule, regulation, or agreement as it may be modified, varied, amended, or supplemented from time to time.

5. Recitals and Schedules. The Preamble, Recitals, and any Schedules to this Agreement are a part of this Agreement as if set forth in full herein.

6. Waiver. Any agreement on the part of any party hereto to any extension or waiver shall be valid only if in writing signed by the party granting such waiver or extension and shall be a one-time waiver or extension only, and any such waiver or extension or any other failure to insist on strict compliance with any duty or obligation herein shall not operate as a waiver or extension of, or estoppel with respect to, any continuing, subsequent, or other failure to comply with this Agreement.

7. Rights and Remedies. Except as otherwise provided in this Agreement, the rights, powers, remedies, and privileges provided in this Agreement are cumulative and not exclusive of any rights, powers, remedies, and privileges provided by applicable law.

8. Entire Understanding; Modification. This Agreement represents the entire understanding between the parties with respect to the subject matter hereof and supersedes any and all prior understandings, agreements, plans, and negotiations, whether written or oral, with respect to the subject matter hereof. All modifications to this Agreement must be in writing and signed by each of the parties hereto.

9. Time of the Essence. The parties hereto hereby agree that time shall be of the essence with respect to the performance of this Agreement.

10. Execution in Counterparts. This Agreement may be executed in one or more counterparts, any of which shall be deemed an original and all of which taken together shall constitute one and the same Agreement. Execution and delivery of this Agreement may be evidenced by facsimile transmission.

SIGNATURES FOLLOW ON THE SUBSEQUENT PAGES

**AMERICAN INTERNATIONAL GROUP, INC.,
and its Affiliated Insurers Writing Workers Compensation Insurance**

By: 
Name: Thomas A. Russo
Title: EVP, General Counsel
Date: December 14, 2010

DEPARTMENT OF INSURANCE OF THE STATE OF DELAWARE

By: _____
Name:
Title:
Date: December __, 2010

OFFICE OF INSURANCE REGULATION OF THE STATE OF FLORIDA

By: _____
Name:
Title:
Date: December __, 2010

DEPARTMENT OF INSURANCE OF THE STATE OF INDIANA

By: _____
Name:
Title:
Date: December __, 2010

DIVISION OF INSURANCE OF THE COMMONWEALTH OF MASSACHUSETTS

By: _____
Name:
Title:
Date: December __, 2010

AMERICAN INTERNATIONAL GROUP, INC.,
and its Affiliated Insurers Writing Workers Compensation Insurance

By: _____
Name:
Title:
Date: December ____, 2010

DEPARTMENT OF INSURANCE OF THE STATE OF DELAWARE

By: _____
Name: *Karen Woldin Stewart, CIR-02*
Title: *Insurance Commissioner*
Date: December *8*, 2010

OFFICE OF INSURANCE REGULATION OF THE STATE OF FLORIDA

By: _____
Name:
Title:
Date: December ____, 2010

DEPARTMENT OF INSURANCE OF THE STATE OF INDIANA

By: _____
Name:
Title:
Date: December ____, 2010

DIVISION OF INSURANCE OF THE COMMONWEALTH OF MASSACHUSETTS

By: _____
Name:
Title:
Date: December ____, 2010

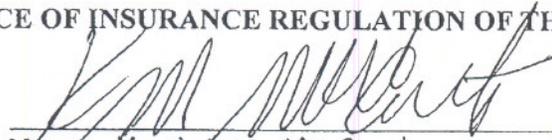
AMERICAN INTERNATIONAL GROUP, INC.,
and its Affiliated Insurers Writing Workers Compensation Insurance

By: _____
Name:
Title:
Date: December __, 2010

DEPARTMENT OF INSURANCE OF THE STATE OF DELAWARE

By: _____
Name:
Title:
Date: December __, 2010

OFFICE OF INSURANCE REGULATION OF THE STATE OF FLORIDA

By: 
Name: Kevin M. McCarty
Title: Insurance Commissioner
Date: December 17th, 2010

DEPARTMENT OF INSURANCE OF THE STATE OF INDIANA

By: _____
Name:
Title:
Date: December __, 2010

DIVISION OF INSURANCE OF THE COMMONWEALTH OF MASSACHUSETTS

By: _____
Name:
Title:
Date: December __, 2010

AMERICAN INTERNATIONAL GROUP, INC.,
and its Affiliated Insurers Writing Workers Compensation Insurance

By: _____
Name:
Title:
Date: December __, 2010

DEPARTMENT OF INSURANCE OF THE STATE OF DELAWARE

By: _____
Name:
Title:
Date: December __, 2010

OFFICE OF INSURANCE REGULATION OF THE STATE OF FLORIDA

By: _____
Name:
Title:
Date: December __, 2010

DEPARTMENT OF INSURANCE OF THE STATE OF INDIANA

By: Stephen W. Robertson
Name: Stephen W. Robertson
Title: Commissioner
Date: December 10, 2010

DIVISION OF INSURANCE OF THE COMMONWEALTH OF MASSACHUSETTS

By: _____
Name:
Title:
Date: December __, 2010

AMERICAN INTERNATIONAL GROUP, INC.,
and its Affiliated Insurers Writing Workers Compensation Insurance

By: _____
Name:
Title:
Date: December __, 2010

DEPARTMENT OF INSURANCE OF THE STATE OF DELAWARE

By: _____
Name:
Title:
Date: December __, 2010

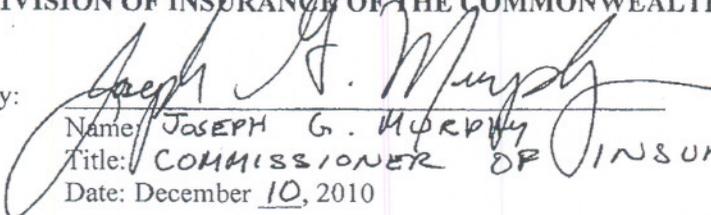
OFFICE OF INSURANCE REGULATION OF THE STATE OF FLORIDA

By: _____
Name:
Title:
Date: December __, 2010

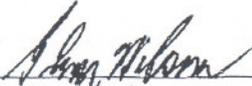
DEPARTMENT OF INSURANCE OF THE STATE OF INDIANA

By: _____
Name:
Title:
Date: December __, 2010

DIVISION OF INSURANCE OF THE COMMONWEALTH OF MASSACHUSETTS

By: 
Name: JOSEPH G. MURPHY
Title: COMMISSIONER OF INSURANCE
Date: December 10, 2010

DEPARTMENT OF COMMERCE OF THE STATE OF MINNESOTA

By: 
Name: Glenn Wilson
Title: Commissioner
Date: December 9, 2010

INSURANCE DEPARTMENT OF THE STATE OF NEW YORK

By: _____
Name:
Title:
Date: December __, 2010

INSURANCE DEPARTMENT OF THE COMMONWEALTH OF PENNSYLVANIA

By: _____
Name:
Title:
Date: December __, 2010

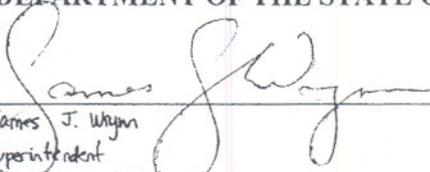
DIVISION OF INSURANCE REGULATION OF THE STATE OF RHODE ISLAND

By: _____
Name:
Title:
Date: December __, 2010

DEPARTMENT OF COMMERCE OF THE STATE OF MINNESOTA

By: _____
Name:
Title:
Date: December __, 2010

INSURANCE DEPARTMENT OF THE STATE OF NEW YORK

By:  _____
Name: James J. Whelan
Title: Superintendent
Date: December 9, 2010

INSURANCE DEPARTMENT OF THE COMMONWEALTH OF PENNSYLVANIA

By: _____
Name:
Title:
Date: December __, 2010

DIVISION OF INSURANCE REGULATION OF THE STATE OF RHODE ISLAND

By: _____
Name:
Title:
Date: December __, 2010

DEPARTMENT OF COMMERCE OF THE STATE OF MINNESOTA

By: _____
Name:
Title:
Date: December __, 2010

INSURANCE DEPARTMENT OF THE STATE OF NEW YORK

By: _____
Name:
Title:
Date: December __, 2010

INSURANCE DEPARTMENT OF THE COMMONWEALTH OF PENNSYLVANIA

By: *Robert L. Pratter*
Name: Robert L. Pratter
Title: Acting Insurance Commissioner
Date: December 8, 2010

DIVISION OF INSURANCE REGULATION OF THE STATE OF RHODE ISLAND

By: _____
Name:
Title:
Date: December __, 2010

DEPARTMENT OF COMMERCE OF THE STATE OF MINNESOTA

By: _____
Name:
Title:
Date: December __, 2010

INSURANCE DEPARTMENT OF THE STATE OF NEW YORK

By: _____
Name:
Title:
Date: December __, 2010

INSURANCE DEPARTMENT OF THE COMMONWEALTH OF PENNSYLVANIA

By: _____
Name:
Title:
Date: December __, 2010

DIVISION OF INSURANCE REGULATION OF THE STATE OF RHODE ISLAND

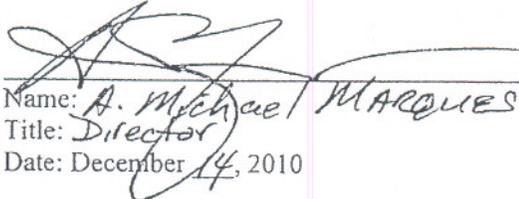
By: 
Name: *A. Michael Marques*
Title: *Director*
Date: December *14*, 2010

Table of Exhibits

Exhibit A	Fines and Penalties Schedule
Exhibit B	Escrow Agreement
Exhibit C	Premium Reallocation Schedule
Exhibit D	Premium Taxes and Assessments Schedule
Exhibit E	Compliance Plan

Exhibit A
Fines and Penalties Schedule

State	Fine
AK	\$500,000
AL	\$1,603,506
AR	\$1,039,912
AZ	\$2,143,829
CA	\$15,636,008
CO	\$954,691
CT	\$1,063,481
DC	\$500,000
DE	\$1,406,715
FL	\$5,580,894
GA	\$1,719,377
HI	\$500,000
IA	\$859,943
ID	\$563,365
IL	\$3,760,657
IN	\$2,005,217
KS	\$560,263
KY	\$755,896
LA	\$2,278,504
MA	\$3,439,177
MD	\$2,022,805
ME	\$500,000
MI	\$3,246,901
MN	\$2,178,391
MO	\$1,039,309
MS	\$605,869
MT	\$500,000
NC	\$1,329,650
ND	\$500,000
NE	\$500,000
NH	\$500,000
NJ	\$3,334,261
NM	\$632,539
NV	\$500,000
NY	\$1,000,000
OH	\$500,000
OK	\$2,608,379
OR	\$1,123,113
PA	\$8,690,354
RI	\$2,130,703
SC	\$538,507
SD	\$500,000
TN	\$1,280,684
TX	\$12,804,656
UT	\$500,000
VA	\$1,139,060
VT	\$500,000
WA	\$500,000
WI	\$923,388
WV	\$500,000
WY	\$500,000
Total	\$100,000,000

Multistate Targeted Market Conduct Examination
of
American International Group, Inc.
December 17, 2010 Regulatory Settlement Agreement

PARTICIPATING REGULATOR ADOPTION

Exhibit B
Escrow Agreement

[This exhibit is omitted here because it does not apply to Oregon.]

Exhibit D
Premium Taxes and Assessments Schedule

State	Additional Taxes and Assessments
AK	\$20,415
AL	\$1,795,442
AR	\$1,903,364
AZ	\$2,228,222
CO	\$1,585,866
DE	\$413,582
FL	\$3,834,711
GA	\$18,452
IA	\$394,092
ID	\$778,768
KY	\$297,647
LA	\$3,842,988
ME	\$194,884
MS	\$332,676
MT	\$685,691
NC	\$59,263
NE	\$50,285
NJ	\$1,797,139
NM	\$234,594
OK	\$3,216,153
OR	\$2,564,984
PA	\$4,633,500
RI	\$1,721,830
SC	\$1,109,427
TN	\$2,008,673
TX	\$10,784,737
Total	\$46,507,385

Multistate Targeted Market Conduct Examination
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Exhibit E
Compliance Plan

[This exhibit is omitted here because it is confidential.]