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**LEXINGTON INSURANCE COMPANY ANNOUNCES EXPANSION**  
**OF PROPERTY TERRORISM COVERAGE**

*OpShield<sup>SM</sup> provides business interruption and extra expense coverage  
for terrorism-related losses*

NEW YORK, March 22, 2005 – Lexington Insurance Company, a member company of American International Group, Inc. (AIG), today introduced OpShield, a new property terrorism endorsement that provides coverage for losses incurred when a civil or military order related to a terrorist act or threat impedes business operations. The OpShield endorsement offers a maximum aggregate of \$25 million as a sublimit to the Property Terrorism policy.\*

OpShield coverage is triggered when a civil or military order takes effect within a specified distance around the insured's business, and may be extended to respond when an order is issued for certain areas surrounding non-owned locations, such as shipping ports or railways. The endorsement can be extended to include coverage for the operational impact on an insured's business when a civil or military order impedes their ability to work with third party business relationships such as suppliers or vendors. Additionally, OpShield can be written to cover terrorist attacks or threats involving use of biological and chemical agents at locations owned, operated, or specified as "dependent" by the insured.

"Civil or military orders imposed following a terrorist attack or threat can have serious ramifications for businesses, even those located a significant distance from the area that is directly targeted by the terrorist act," said Kevin Kelley, Chairman and Chief Executive Officer of Lexington Insurance Company. "For example, the closing of major roads, ports, or airways can leave a business inaccessible to customers or unable to receive vital supplies. OpShield responds to this exposure by covering the business interruption losses or extra expenses an insured may suffer when such an order affects its business or that of its key vendors and suppliers."

Traditional property terrorism insurance policies provide limited business interruption coverage, typically responding only when civil or military orders take effect in very close proximity to the insured's business. Such coverage often fails to address losses the insured could suffer when orders impact important third-party supply chain facilities. In contrast, a facility need not suffer direct physical damage or have access directly impeded by a terrorist threat or act in order for OpShield to respond.

OpShield is the newest addition to Lexington's Homeland Protector, a comprehensive portfolio of property and casualty insurance products and services that address terrorism and homeland security-related exposures.

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For more information on OpShield or the Homeland Protector portfolio, please contact Charles Benda, Practice Leader – Lexington Homeland Security Practice, at 212-770-3745 or e-mail [HomelandProtector@aig.com](mailto:HomelandProtector@aig.com).

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American International Group, Inc. (AIG) is the world's leading international insurance and financial services organization, with operations in more than 130 countries and jurisdictions. AIG member companies serve commercial, institutional and individual customers through the most extensive worldwide property-casualty and life insurance networks of any insurer. In the United States, AIG Companies are the largest underwriters of commercial and industrial insurance and AIG American General is a top ranked life insurer. AIG's global businesses also include financial services, retirement services and asset management. AIG's financial services businesses include aircraft leasing, financial products, trading and market making. AIG's growing global consumer finance business is led in the United States by American General Finance. AIG also has one of the largest U.S. retirement services businesses through AIG SunAmerica and AIG VALIC, and is a leader in asset management for the individual and institutional markets, with specialized investment management capabilities in equities, fixed income, alternative investments and real estate. AIG's common stock is listed on the New York Stock Exchange and ArcaEx, as well as the stock exchanges in London, Paris, Switzerland and Tokyo.

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*\*Insurance is underwritten by member companies of American International Group, Inc., and is subject to underwriting review and approval. The description herein is a summary only. It does not include all terms, conditions and exclusions of the policies described. Please refer to the actual policies for complete details of coverage and exclusions. Coverage may not be available in all states. Non-insurance products may be provided through independent third parties.*