



Transactional Solutions

For decades, AIG has helped companies manage risk inherent in mergers and acquisitions (M&A) transactions, so all parties can move forward with confidence. With an unparalleled global network and experts in insurance, legal, tax, and regulatory issues around the globe, AIG brings a unique perspective and expertise to both domestic and cross-border transactions.

Our solutions can address everything from inaccurate representations to cybersecurity; from re-thought tax treatments to distracting pension issues or lingering products liabilities. And every solution is highly customized for the specific transaction.

The success of mergers, acquisitions, and other transactions hinges on certainty. Without it, otherwise promising opportunities quickly unravel.

Representations and Warranties Insurance

Our representations and warranties insurance can be structured to protect buyers and sellers in claims arising from inaccuracies in representations and warranties made by the seller in a merger or acquisition transaction. Such inaccuracies can create costly liabilities, leaving buyers with little or no recourse and/or forcing sellers to hand back a portion of the purchase price. Coverage enables buyers to distinguish a bid, sellers to reduce indemnity obligations, and both parties to close deals with ease and confidence.

For more information, contact Michael Turnbull, Head of M&A for the U.S. and Canada, at michael.turnbull@aig.com.

Tax Liability

The specter of contingent tax exposure—the possibility of future challenge by the IRS, state or federal authorities to the tax treatment of a transaction, investment, or other tax position—can stall a merger and acquisition or derail the transaction altogether. Tax liability insurance enables parties to address specific tax liability issues in M&A transactions when a buyer or seller is concerned about an historic tax position taken by the target company. Coverage addresses exposures arising from federal, state, local, or foreign tax treatments, paying gross-up of taxes payable in the event of a loss and interest and non-criminal fines or penalties related to the determined tax liability. It can also pay the expenses for legal and financial advisors to assist in resolving disputes with the IRS and/or othertaxing authorities.

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Pension Buyout

Often utilized in M&A transactions or corporate restructurings, our pension buyout offering enables a company to essentially exit the pension business by transferring the obligations associated with its defined benefit plan to AIG, so its management can focus on core business operations. Our pension fund buyouts utilize bespoke group annuity contracts that are issued to pension plan sponsors (in return for a single upfront premium) to guarantee the benefits of plan participants. These structures enable the plan sponsor to transfer benefit liabilities in the form of an immediate annuity for retirees or a deferred annuity for each deferred plan member. De-risking with a pension buyout contract can eliminate all future plan risks and expenses, including income and balance sheet volatility, cash flow uncertainty associated with minimum funding/contribution requirements, future PBGC premiums, annual administrative expenses, investment management fees, and actuarial/pension consulting costs.

For more information, contact Ali Vaseghi, Managing Director & COO, Institutional Markets, AIG Investments, at alireza.vaseghi@aig.com.

Discontinued Products Liability Insurance

For over 50 years Lexington Insurance Company, an AIG Company and the leading U.S. based surplus lines insurer, has provided discontinued products policies for a multitude of situations. Manufacturers that buy, sell, merge, or simply close their doors have exposure that a discontinued products policy could address. Policies can be designed for transactions based on assets only, liabilities only, or a combination of both. Lexington provides the creativity, flexibility and experience to tailor policies to satisfy your client's exposure.

Discontinued products liability policies could be for an entire company or for specific products(s). Mergers and acquisitions are the most common scenarios for a discontinued products policy but quite often manufacturers buy a policy for a designated product(s). A product may have been recalled, redesigned, or has adverse loss activity which could be addressed by a discontinued products policy.

Products can remain in the marketplace for a number of years and you want to be certain your clients are protected should a products liability exposure arise in the future. Lexington is here to work with you in solving and addressing your client's exposure to products liability.

For more information, interested brokers may contact Bob Nevin, Vice President, Products Liability, at robert.nevin@aig.com or 617-772-4526, or visit www.lexingtoninsurance.com.



Bring on tomorrow®

American International Group, Inc. (AIG) is a leading global insurance organization. Founded in 1919, today we provide a wide range of property casualty insurance, life insurance, retirement products, mortgage insurance and other financial services to customers in more than 100 countries and jurisdictions. Our 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 and the Tokyo Stock Exchange.

Additional information about AIG can be found at www.aig.com and www.aig.com/strategyupdate | YouTube: www.youtube.com/aig | Twitter: @AIGinsurance | LinkedIn: www.linkedin.com/company/aig.

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