UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2024

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number 1-8787

American International Group, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**13-2592361**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1271 Avenue of the Americas , New York , New York	**10020**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (212) 770-7000

Securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, Par Value $2.50 Per Share	AIG	New York Stock Exchange
4.875% Series A-3 Junior Subordinated Debentures	AIG 67EU	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☑	Accelerated filer ☐
Non-accelerated filer ☐	Smaller reporting company ☐
	Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

As of April 26, 2024, there were 663,668,009 shares outstanding of the registrant's common stock.

AMERICAN INTERNATIONAL GROUP, INC.
QUARTERLY REPORT ON FORM 10-Q FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2024
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Part I – Financial Information

Item 1. | Financial Statements

American International Group, Inc.
Condensed Consolidated Balance Sheets *(unaudited)*

(in millions, except for share data)	March 31, 2024	December 31, 2023
Assets:		
Investments:		
Fixed maturity securities:		
Bonds available for sale, at fair value, net of allowance for credit losses of $ 125 in 2024 and $ 162 in 2023 (amortized cost: 2024 - $ 255,067 ; 2023 - $ 253,035)*	$ 232,487	$ 231,733
Other bond securities, at fair value (See Note 6)*	5,403	5,241
Equity securities, at fair value (See Note 6)*	797	728
Mortgage and other loans receivable, net of allowance for credit losses of $ 38,501 in 2024 and $ 38,473 in 2023*	52,475	51,553
Other invested assets (portion measured at fair value: 2024 - $ 11,510 ; 2023 - $ 11,733)*	15,977	16,217
Short-term investments, including restricted cash of $ 4 in 2024 and $ 4 in 2023 (portion measured at fair value: 2024 - $ 8,487 ; 2023 - $ 10,772)*	15,077	17,200
Total investments	322,216	322,672
Cash*	1,816	2,155
Accrued investment income*	2,698	2,588
Premiums and other receivables, net of allowance for credit losses and disputes of $ 134 in 2024 and $ 139 in 2023	11,293	10,561
Reinsurance assets - Fortitude Re, net of allowance for credit losses and disputes of $ 0 in 2024 and $ 0 in 2023	29,732	30,612
Reinsurance assets - other, net of allowance for credit losses and disputes of $ 224 in 2024 and $ 236 in 2023	38,833	36,914
Deferred income taxes	14,376	14,445
Deferred policy acquisition costs	12,111	12,085
Market risk benefit assets, at fair value	1,172	912
Other assets, net of allowance for credit losses of $ 49 in 2024 and $ 49 in 2023, including restricted cash of $ 43 in 2024 and $ 45 in 2023 (portion measured at fair value: 2024 - $ 705 ; 2023 - $ 754)*	12,313	13,089
Separate account assets, at fair value	95,173	91,005
Assets held for sale	2,388	2,268
Total assets	$ 544,121	$ 539,306
Liabilities:		
Liability for unpaid losses and loss adjustment expenses, including allowance for credit losses of $ 14 in 2024 and $ 14 in 2023	$ 70,060	$ 70,393
Unearned premiums	17,831	17,387
Future policy benefits for life and accident and health insurance contracts	58,985	58,576
Policyholder contract deposits (portion measured at fair value: 2024 - $ 8,613 ; 2023 - $ 7,997)	163,698	161,979
Market risk benefit liabilities, at fair value	5,167	5,705
Other policyholder funds	3,315	3,356
Fortitude Re funds withheld payable (portion measured at fair value: 2024 - $(1,364); 2023 - $(1,226))	28,789	29,484
Other liabilities (portion measured at fair value: 2024 - $ 493 ; 2023 - $ 624)*	28,245	25,958
Short-term and long-term debt, of which $ 250 and $ 250 is short-term debt in 2024 and 2023 (portion measured at fair value: 2024 - $ 68 ; 2023 - $ 53)	19,318	19,796
Debt of consolidated investment entities*	2,617	2,591
Separate account liabilities	95,173	91,005
Liabilities held for sale	1,813	1,775
Total liabilities	495,011	488,005
Contingencies, commitments and guarantees (See Note 15)		
AIG shareholders' equity:		
Series A non-cumulative preferred stock and additional paid in capital, $ 5.00 par value; 100,000,000 shares authorized; shares issued: 2024 - 0 and 2023 - 20,000 ; liquidation preference $ 500	—	485
Common stock, $ 2.50 par value; 5,000,000,000 shares authorized; shares issued: 2024 - 1,906,671,492 and 2023 - 1,906,671,492	4,766	4,766
Treasury stock, at cost; 2024 - 1,235,652,452 shares; 2023 - 1,217,831,721 shares of common stock	(60,603)	(59,189)
Additional paid-in capital	75,625	75,810
Retained earnings	38,466	37,516
Accumulated other comprehensive loss	(14,869)	(14,037)
Total AIG shareholders' equity	43,385	45,351
Non-redeemable noncontrolling interests	5,725	5,950
Total equity	49,110	51,301
Total liabilities and equity	$ 544,121	$ 539,306

* See Note 10 for details of balances associated with variable interest entities.

See accompanying Notes to Condensed Consolidated Financial Statements.

American International Group, Inc.
Condensed Consolidated Statements of Income (Loss) *(unaudited)*

(dollars in millions, except per common share data)	Three Months Ended March 31, 2024	2023
Revenues:		
Premiums	$ 8,167	$ 8,481
Policy fees	714	698
Net investment income:		
Net investment income - excluding Fortitude Re funds withheld assets	3,535	3,087
Net investment income - Fortitude Re funds withheld assets	369	446
Total net investment income	3,904	3,533
Net realized gains (losses):		
Net realized losses - excluding Fortitude Re funds withheld assets and embedded derivative	(258)	(713)
Net realized losses on Fortitude Re funds withheld assets	(179)	(31)
Net realized gains (losses) on Fortitude Re funds withheld embedded derivative	13	(1,165)
Total net realized losses	(424)	(1,909)
Other income	217	181
Total revenues	12,578	10,984
Benefits, losses and expenses:		
Policyholder benefits and losses incurred (including remeasurement losses of $ 100 and $ 64 for the three months ended March 31, 2024, and 2023, respectively)	6,320	6,397
Change in the fair value of market risk benefits, net	(369)	196
Interest credited to policyholder account balances	1,204	1,040
Amortization of deferred policy acquisition costs	1,104	1,293
General operating and other expenses	2,014	1,980
Interest expense	260	307
Net (gain) loss on divestitures and other	(6)	2
Total benefits, losses and expenses	10,527	11,215
Income (loss) from continuing operations before income tax expense (benefit)	2,051	(231)
Income tax expense (benefit)	451	(144)
Income (loss) from continuing operations	1,600	(87)
Income (loss) from discontinued operations, net of income taxes	—	—
Net income (loss)	1,600	(87)
Less: Net income (loss) from continuing operations attributable to noncontrolling interests	384	(117)
Net income (loss) attributable to AIG	1,216	30
Less: Dividends on preferred stock and preferred stock redemption premiums	22	7
Net income (loss) attributable to AIG common shareholders	$ 1,194	$ 23
Income per common share attributable to AIG common shareholders:		
Basic:		
Income (loss) from continuing operations	$ 1.75	$ 0.03
Income from discontinued operations	$ —	$ —
Net income (loss) attributable to AIG common shareholders	$ 1.75	$ 0.03
Diluted:		
Income (loss) from continuing operations	$ 1.74	$ 0.03
Income from discontinued operations	$ —	$ —
Net income (loss) attributable to AIG common shareholders	$ 1.74	$ 0.03
Weighted average shares outstanding:		
Basic	682,576,848	738,661,428
Diluted	687,961,518	744,099,186

See accompanying Notes to Condensed Consolidated Financial Statements.

American International Group, Inc.
Condensed Consolidated Statements of Comprehensive Income (Loss) *(unaudited)*

	Three Months Ended March 31,	
(in millions)	**2024**	2023
Net income (loss)	$ 1,600	$ (87)
Other comprehensive income (loss), net of tax		
Change in unrealized appreciation (depreciation) of fixed maturity securities on which allowance for credit losses was taken	57	6
Change in unrealized appreciation (depreciation) of all other investments	(1,290)	4,252
Change in fair value of market risk benefits attributable to changes in our own credit risk	(23)	75
Change in the discount rates used to measure traditional and limited payment long-duration insurance contracts	545	(420)
Change in foreign currency translation adjustments	(353)	(28)
Change in retirement plan liabilities adjustment	7	28
Other comprehensive income (loss)	(1,057)	3,913
Comprehensive income (loss)	543	3,826
Comprehensive income (loss) attributable to noncontrolling interests	86	509
Comprehensive income (loss) attributable to AIG	$ 457	$ 3,317

See accompanying Notes to Condensed Consolidated Financial Statements.

American International Group, Inc.
Condensed Consolidated Statements of Equity *(unaudited)*

(in millions, except per share data)	Preferred Stock and Additional Paid-in Capital	Common Stock	Treasury Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total AIG Share-holders' Equity	Non- redeemable Non-controlling Interests	Total Equity
Three Months Ended March 31, 2024									
Balance, beginning of the year	**$ 485**	**$ 4,766**	**$ (59,189)**	**$ 75,810**	**$ 37,516**	**$ (14,037)**	**$ 45,351**	**$ 5,950**	**$ 51,301**
Common stock issued under stock plans	**—**	**—**	**268**	**(295)**	**—**	**—**	**(27)**	**—**	**(27)**
Redemption of preferred stock	**(485)**	**—**	**—**	**—**	**—**	**—**	**(485)**	**—**	**(485)**
Purchase of common stock	**—**	**—**	**(1,682)**	**—**	**—**	**—**	**(1,682)**	**—**	**(1,682)**
Net income attributable to AIG or noncontrolling interests	**—**	**—**	**—**	**—**	**1,216**	**—**	**1,216**	**384**	**1,600**
Dividends on preferred stock ($ 365.625 per share) and preferred stock redemption premiums	**—**	**—**	**—**	**—**	**(22)**	**—**	**(22)**	**—**	**(22)**
Dividends on common stock ($ 0.36 per share)	**—**	**—**	**—**	**—**	**(243)**	**—**	**(243)**	**—**	**(243)**
Other comprehensive loss	**—**	**—**	**—**	**—**	**—**	**(759)**	**(759)**	**(298)**	**(1,057)**
Net decrease due to divestitures and acquisitions	**—**	**—**	**—**	**(10)**	**—**	**(73)**	**(83)**	**(202)**	**(285)**
Contributions from noncontrolling interests	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**11**	**11**
Distributions to noncontrolling interests	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(70)**	**(70)**
Other	**—**	**—**	**—**	**120**	**(1)**	**—**	**119**	**(50)**	**69**
Balance, end of period	**$ —**	**$ 4,766**	**$ (60,603)**	**$ 75,625**	**$ 38,466**	**$ (14,869)**	**$ 43,385**	**$ 5,725**	**$ 49,110**
Three Months Ended March 31, 2023									
Balance, beginning of year	$ 485	$ 4,766	$ (56,473)	$ 79,915	$ 34,893	$ (22,616)	$ 40,970	$ 2,484	$ 43,454
Common stock issued under stock plans	—	—	219	(366)	—	—	(147)	—	(147)
Purchase of common stock	—	—	(603)	—	—	—	(603)	—	(603)
Net income (loss) attributable to AIG or noncontrolling interests	—	—	—	—	30	—	30	(117)	(87)
Dividends on preferred stock ($ 365.625 per share)	—	—	—	—	(7)	—	(7)	—	(7)
Dividends on common stock ($ 0.32 per share)	—	—	—	—	(234)	—	(234)	—	(234)
Other comprehensive income	—	—	—	—	—	3,287	3,287	626	3,913
Contributions from noncontrolling interests	—	—	—	—	—	—	—	16	16
Distributions to noncontrolling interests	—	—	—	—	—	—	—	(58)	(58)
Other	—	—	—	13	8	—	21	38	59
Balance, end of period	$ 485	$ 4,766	$ (56,857)	$ 79,562	$ 34,690	$ (19,329)	$ 43,317	$ 2,989	$ 46,306

See accompanying Notes to Condensed Consolidated Financial Statements.

American International Group, Inc.
Condensed Consolidated Statements of Cash Flows *(unaudited)*

	Three Months Ended March 31,	
(in millions)	**2024**	2023
Cash flows from operating activities:		
Net income (loss)	**$ 1,600**	$ (87)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Noncash revenues, expenses, gains and losses included in income (loss):		
Net losses on sales of securities available for sale and other assets	**452**	450
Net (gain) loss on divestitures and other	**(6)**	2
Unrealized (gains) losses in earnings - net	**403**	(112)
Change in the fair value of market risk benefits in earnings, net	**(891)**	316
Equity in (income) loss from equity method investments, net of dividends or distributions	**13**	(12)
Depreciation and other amortization	**913**	1,186
Impairments of assets	**26**	11
Changes in operating assets and liabilities:		
Insurance reserves	**1,352**	3,015
Premiums and other receivables and payables - net	**29**	641
Reinsurance assets, net	**(1,710)**	(2,561)
Capitalization of deferred policy acquisition costs	**(1,221)**	(1,689)
Current and deferred income taxes - net	**367**	(200)
Other, net	**(808)**	(463)
Total adjustments	**(1,081)**	584
Net cash provided by operating activities	**519**	497
Cash flows from investing activities:		
Proceeds from (payments for)		
Sales or distributions of:		
Available for sale securities	**5,595**	10,676
Other securities	**207**	313
Other invested assets	**561**	413
Divestitures, net	**—**	32
Maturities of fixed maturity securities available for sale	**4,957**	4,130
Principal payments received on and sales of mortgage and other loans receivable	**1,095**	957
Purchases of:		
Available for sale securities	**(11,287)**	(13,607)
Other securities	**(308)**	(481)
Other invested assets	**(317)**	(443)
Mortgage and other loans receivable	**(2,239)**	(2,009)
Net change in short-term investments	**2,135**	(1,152)
Other, net	**(91)**	(303)
Net cash provided by (used in) investing activities	**308**	(1,474)
Cash flows from financing activities:		
Proceeds from (payments for)		
Policyholder contract deposits	**8,504**	8,226
Policyholder contract withdrawals	**(7,150)**	(6,468)
Issuance of long-term debt	**—**	743
Issuance of debt of consolidated investment entities	**57**	36
Repayments of long-term debt	**(461)**	(1)
Repayments of debt of consolidated investment entities	**(121)**	(127)
Purchase of common stock	**(1,640)**	(577)
Redemption of preferred stock	**(485)**	—

Dividends on preferred stock and preferred stock redemption premiums	**(22)**	(7)
Dividends on common stock	**(243)**	(234)
Other, net	**420**	(774)
Net cash provided by (used in) financing activities	**(1,141)**	817
Effect of exchange rate changes on cash and restricted cash	**(29)**	2
Net decrease in cash and restricted cash	**(343)**	(158)
Cash and restricted cash at beginning of year	**2,204**	2,216
Cash and restricted cash of held for sale assets	**2**	—
Cash and restricted cash at end of period	**$ 1,863**	$ 2,058

American International Group, Inc.
Condensed Consolidated Statements of Cash Flows *(unaudited)(continued)*

Supplementary Disclosure of Condensed Consolidated Cash Flow Information

	Three Months Ended March 31,	
(in millions)	**2024**	2023
Cash	**$ 1,816**	$ 1,923
Restricted cash included in Short-term investments*	**4**	105
Restricted cash included in Other assets*	**43**	30
Total cash and restricted cash shown in the Condensed Consolidated Statements of Cash Flows	**$ 1,863**	$ 2,058
Cash paid during the period for:		
Interest	**$ 181**	$ 165
Taxes	**$ 84**	$ 56
Non-cash investing activities:		
Fixed maturity securities available for sale received in connection with pension risk transfer transactions	**$ 1,316**	$ 1,424
Fixed maturity securities and other invested assets received in connection with reinsurance transactions	**$ 40**	$ —
Fixed maturity securities and other invested assets transferred in connection with reinsurance transactions	**$ (163)**	$ (680)
Non-cash financing activities:		
Interest credited to policyholder contract deposits included in financing activities	**$ 1,146**	$ 1,107
Fee income debited to policyholder contract deposits included in financing activities	**$ (529)**	$ (524)

* Includes funds held for tax sharing payments to AIG Parent, security deposits, and replacement reserve deposits related to real estate.

See accompanying Notes to Condensed Consolidated Financial Statements.

1. Basis of Presentation

American International Group, Inc. (AIG) is a leading global insurance organization. AIG provides insurance solutions that help businesses and individuals in approximately 190 countries and jurisdictions protect their assets and manage risks through AIG operations and network partners. Unless the context indicates otherwise, the terms “AIG,” “we,” “us,” “our” or "the Company" mean American International Group, Inc. and its consolidated subsidiaries, and the term “AIG Parent” means American International Group, Inc. and not any of its consolidated subsidiaries.

These unaudited Condensed Consolidated Financial Statements do not include all disclosures that are normally included in annual financial statements prepared in accordance with accounting principles generally accepted in the United States (GAAP) and should be read in conjunction with the audited Consolidated Financial Statements and the related notes included in our Annual Report on Form 10-K for the year ended December 31, 2023 (the 2023 Annual Report). The condensed consolidated financial information as of December 31, 2023 included herein has been derived from the audited Consolidated Financial Statements in the 2023 Annual Report.

In the opinion of management, these Condensed Consolidated Financial Statements contain normal recurring adjustments, including eliminations of material intercompany accounts and transactions, necessary for a fair statement of the results presented herein. Operating results for the three months ended March 31, 2024, are not necessarily indicative of the results that may be expected for the year ending December 31, 2024.

We evaluated the need to recognize or disclose events that occurred subsequent to March 31, 2024 and prior to the issuance of these Condensed Consolidated Financial Statements.

SALES/DISPOSALS OF ASSETS AND BUSINESSES

AIG Life Limited

On April 8, 2024, Corebridge Financial, Inc. (Corebridge) completed the sale of AIG Life Limited (AIG Life) to Aviva plc and received gross proceeds of £ 453 million ($ 569 million). *For further details on this transaction, see Note 4.*

Separation of Life and Retirement Business and Relationship with Blackstone Inc.

AIG owns 52.7 percent of the outstanding common stock of Corebridge as of March 31, 2024. Corebridge is the holding company for AIG’s Life and Retirement business. AIG continues to consolidate Corebridge in AIG’s Condensed Consolidated Financial Statements. The portion of equity interest of Corebridge that AIG does not own is reflected as noncontrolling interest in AIG’s Condensed Consolidated Financial Statements.

In the three months ended March 31, 2024, Corebridge repurchased 9.5 million shares of Corebridge common stock for an aggregate purchase price of $ 243 million. As a result, AIG recorded a decrease of $ 83 million in Total AIG shareholders' equity.

Blackstone Inc. (Blackstone) owns a 10.1 percent equity stake in Corebridge as of March 31, 2024. Blackstone is required to hold its ownership interest in Corebridge, subject to exceptions currently permitting Blackstone to sell 67 percent and 75 percent of its ownership interest after September 19, 2024 and 2025, respectively, with the transfer restrictions terminating in full on September 19, 2027.

USE OF ESTIMATES

The preparation of financial statements in accordance with U.S. GAAP requires the application of accounting policies that often involve a significant degree of judgment. Accounting policies that we believe are most dependent on the application of estimates and assumptions are considered our critical accounting estimates and are related to the determination of:

- loss reserves;
- valuation of future policy benefit liabilities and recognition of measurement gains and losses;
- valuation of market risk benefits (MRBs) related to guaranteed benefit features of variable annuity, fixed annuity and fixed index annuity products;
- valuation of embedded derivative liabilities for fixed index annuity and index universal life products;
- reinsurance assets, including the allowance for credit losses and disputes;
- goodwill impairment;
- allowance for credit losses on certain investments, primarily on loans and available for sale fixed maturity securities;
- fair value measurements of certain financial assets and financial liabilities; and
- income taxes, in particular the recoverability of our deferred tax asset and establishment of provisions for uncertain tax positions.

These accounting estimates require the use of assumptions about matters, some of which are highly uncertain at the time of estimation. To the extent actual experience differs from the assumptions used, our consolidated financial condition, results of operations and cash flows could be materially affected.

2. Summary of Significant Accounting Policies

ACCOUNTING STANDARDS ADOPTED DURING 2024

Fair Value Measurement

On June 30, 2022, the Financial Accounting Standards Board (FASB) issued an accounting standards update to address diversity in practice by clarifying that a contractual sale restriction should not be considered in the measurement of the fair value of an equity security. It also requires entities with investments in equity securities subject to contractual sale restrictions to disclose certain qualitative and quantitative information about such securities. The Company adopted the standard on January 1, 2024, prospectively for entities other than investment companies. The adoption of the standard did not have a material impact to AIG consolidated financial statements.

FUTURE APPLICATION OF ACCOUNTING STANDARDS

Income Tax

In December 2023, the FASB issued an accounting standard update to address improvements to income tax disclosures. The standard requires disaggregated information about a company's effective tax rate reconciliation as well as information on income taxes paid. The standard is effective for public companies for annual periods beginning after December 15, 2024, with early adoption permitted. The standard will be applied on a prospective basis with the option to apply the standard retrospectively. We are assessing the impact of this standard.

Segment Reporting

In November 2023, the FASB issued an accounting standard update to address improvements to reportable segment disclosures. The standard primarily requires the following disclosure on an annual and interim basis: (i) significant segment expenses that are regularly provided to the chief operating decision maker (CODM) and included within each reported measure of segment profit or loss; and (ii) other segment items and description of its composition. The standard also requires current annual disclosures about a reportable segment's profits or losses and assets to be disclosed in interim periods and the title and position of the CODM with an explanation of how the CODM uses the reported measure(s) of segment profits or losses in assessing segment performance. The guidance is effective for public companies for fiscal years beginning after December 15, 2023 and interim periods in fiscal years within fiscal years beginning after December 15, 2024, with early adoption permitted. The amendment is applied retrospectively to all prior periods presented. We are assessing the impact of this standard.

3. Segment Information

We report our results of operations consistent with the manner in which our chief operating decision makers review the business to assess performance and allocate resources, as follows:

GENERAL INSURANCE

General Insurance business is presented as two operating segments:

- **North America –** consists of insurance businesses in the United States, Canada and Bermuda.
- **International –** consists of regional insurance businesses in Japan, the United Kingdom, Europe, Middle East and Africa (EMEA region), Asia Pacific, Latin America and Caribbean, and China. International also includes the results of Talbot Underwriting Ltd. as well as AIG's Global Specialty business.

North America and International operating segments consist of the following products:

- – Commercial Lines – consists of Property, Liability, Financial Lines and Specialty.
- – Personal Insurance – consists of Accident & Health and Personal Lines.

For further discussion on recent activity in the General Insurance business, see Note 1 to the Consolidated Financial Statements in the 2023 Annual Report.

LIFE AND RETIREMENT

Life and Retirement business is presented as four operating segments:

- **Individual Retirement –** consists of fixed annuities, fixed index annuities and variable annuities.
- **Group Retirement –** consists of recordkeeping, plan administration and compliance services, financial planning and advisory solutions offered to employer-defined contribution plan participants, along with proprietary and limited non-proprietary annuities and advisory and brokerage products offered outside of plans.
- **Life Insurance –** primary products in the U.S. include term life and universal life insurance. Corebridge previously announced agreements to sell Laya Healthcare Limited (Laya) and AIG Life. The sale of Laya closed on October 31, 2023 and the AIG Life sale closed on April 8, 2024.
- **Institutional Markets –** consists of stable value wrap products, structured settlement and pension risk transfer annuities, corporate- and bank-owned life insurance, high net worth products and guaranteed investment contracts (GICs).

For further discussion on the ongoing separation of the Life and Retirement business from AIG and other recent activity, see Note 1.

OTHER OPERATIONS

Other Operations primarily consists of income from assets held by AIG Parent and other corporate subsidiaries, deferred tax assets related to tax attributes, corporate expenses and intercompany eliminations, our institutional asset management business and results of our consolidated investment entities, General Insurance portfolios in run-off as well as the historical results of our legacy insurance lines ceded to Fortitude Re.

SEGMENT RESULTS

We evaluate segment performance based on adjusted revenues and adjusted pre-tax income (loss). Adjusted revenues and adjusted pre-tax income (loss) are derived by excluding certain items from total revenues and pre-tax income (loss), respectively. These items generally fall into one or more of the following broad categories: legacy matters having no relevance to our current businesses or operating performance; adjustments to enhance transparency to the underlying economics of transactions; and measures that we believe to be common to the industry. Legal entities are attributed to each segment based upon the predominance of activity in that legal entity. *For the items excluded from adjusted revenues and adjusted pre-tax income (loss), see the table below.*

The following table presents AIG's continuing operations by operating segment:

Three Months Ended March 31,	2024		2023	
(in millions)	Adjusted Revenues	Adjusted Pre-tax Income (Loss)	Adjusted Revenues	Adjusted Pre-tax Income (Loss)
General Insurance				
North America	$ 2,502	$ 224 [(a)]	$ 2,980	$ 299 [(a)]
International	3,284	372 [(a)]	3,279	203 [(a)]
Net investment income	762	762	746	746
Total General Insurance	6,548	1,358	7,005	1,248
Life and Retirement				
Individual Retirement	1,686	622	1,484	533
Group Retirement	689	199	683	187
Life Insurance	1,214	58	1,249	82
Institutional Markets	2,332	112	1,955	84
Total Life and Retirement	5,921	991	5,371	886
Other Operations				
Other Operations before consolidation and eliminations	57	(438)	132	(434)
AIG consolidation and eliminations	39	30	(64)	(57)
Total Other Operations	96	(408)	68	(491)
Total	12,565	1,941	12,444	1,643
Reconciling items:				
Changes in fair value of securities used to hedge guaranteed living benefits	17	(2)	13	(3)
Change in the fair value of market risk benefits, net[(b)]	—	369	—	(196)
Changes in benefit reserves related to net realized gains (losses)	—	2	—	6
Changes in the fair value of equity securities	99	99	51	51
Other income (expense) - net	7	—	(7)	—
Net investment income on Fortitude Re funds withheld assets	369	369	446	446
Net realized losses on Fortitude Re funds withheld assets	(179)	(179)	(31)	(31)
Net realized gains (losses) on Fortitude Re funds withheld embedded derivative	13	13	(1,165)	(1,165)
Net realized losses[(c)]	(313)	(307)	(772)	(766)
Net gain (loss) on divestitures and other	—	6	—	(2)
Non-operating litigation reserves and settlements	—	—	1	1
(Unfavorable) favorable prior year development and related amortization changes ceded under retroactive reinsurance agreements	—	(2)	—	19
Net loss reserve discount benefit (charge)	—	(76)	—	(64)
Integration and transaction costs associated with acquiring or divesting businesses	—	(64)	—	(52)
Restructuring and other costs	—	(114)	—	(117)
Non-recurring costs related to regulatory or accounting changes	—	(4)	—	(13)
Net impact from elimination of international reporting lag[(d)]	—	—	4	12
Revenues and pre-tax income (loss)	$ 12,578	$ 2,051	$ 10,984	$ (231)

(a) General Insurance North America's and General Insurance International's Adjusted pre-tax income does not include Net investment income as the investment portfolio results are managed at the General Insurance level. Net investment income is shown separately as a component of General Insurance's total Adjusted pre-tax income results.

(b) Includes realized gains and losses on certain derivative instruments used for non-qualifying (economic) hedging.

(c) Includes all net realized gains and losses except earned income (periodic settlements and changes in settlement accruals) on derivative instruments used for non-qualifying (economic) hedging or for asset replication and net realized gains and losses on Fortitude Re funds withheld assets held by AIG in support of Fortitude Re's reinsurance obligations to AIG (Fortitude Re funds withheld assets).

(d) *For additional information, see Note 1 to the Consolidated Financial Statements in the 2023 Annual Report.*

4. Held-For-Sale Classification

HELD-FOR-SALE CLASSIFICATION

We report and classify a business as held-for-sale (Held-For-Sale Business) when management has approved the sale or received approval to sell the business and is committed to a formal plan, the business is available for immediate sale, the business is being actively marketed, the sale is anticipated to occur during the next 12 months and certain other specified criteria are met. A Held-For-Sale Business is recorded at the lower of its carrying amount or estimated fair value less cost to sell. If the carrying amount of the business exceeds its estimated fair value, a loss is recognized.

Assets and liabilities related to a Held-For-Sale Business are reported in Assets held for sale and Liabilities held for sale, respectively, in our Condensed Consolidated Balance Sheets beginning in the period in which the business is classified as held-for-sale. At March 31, 2024, the following businesses and assets were reported and classified as held-for-sale:

AIG Life Limited

On April 8, 2024, Corebridge completed the sale of AIG Life to Aviva plc and received gross proceeds of £ 453 million ($ 569 million). The results of AIG Life are reported in Life and Retirement.

Other

Other primarily consists of real estate.

The following table summarizes the components of assets and liabilities held-for-sale on the Condensed Consolidated Balance Sheets at March 31, 2024 and December 31, 2023 after elimination of intercompany balances:

	March 31, 2024			December 31, 2023		
(in millions)	AIG Life	Other	Total	AIG Life	Other	Total
Assets:						
Bonds available for sale	$ 160	$ 15	$ 175	$ 167	$ 14	$ 181
Other invested assets	—	167	167	—	67	67
Short-term investments	24	1	25	11	1	12
Cash	—	1	1	3	—	3
Accrued investment income	3	1	4	3	—	3
Premiums and other receivables, net of allowance for credit losses and disputes	131	14	145	116	9	125
Reinsurance assets - other, net of allowance for credit losses and disputes	882	5	887	899	3	902
Deferred income taxes	47	—	47	47	—	47
Deferred policy acquisition costs	841	1	842	814	—	814
Other assets, net of allowance for credit losses[(a)]	82	13	95	83	31	114
Total assets held for sale	$ 2,170	$ 218	$ 2,388	$ 2,143	$ 125	$ 2,268
Liabilities:						
Liability for unpaid losses and loss adjustment expenses, including allowance for credit losses	$ —	$ 24	$ 24	$ —	$ 19	$ 19
Unearned premiums	62	11	73	54	7	61
Future policy benefits for life and accident and health insurance contracts	842	—	842	838	—	838
Other liabilities	869	5	874	854	3	857
Total liabilities held for sale	$ 1,773	$ 40	$ 1,813	$ 1,746	$ 29	$ 1,775

(a) Other assets, net of allowance for credit losses includes goodwill and other intangibles of $ 23 million and $ 3 million, respectively, for AIG Life at March 31, 2024 and $ 23 million and $ 3 million, respectively, at December 31, 2023.

5. Fair Value Measurements

FAIR VALUE MEASUREMENTS ON A RECURRING BASIS

Assets and liabilities recorded at fair value in the Condensed Consolidated Balance Sheets are measured and classified in accordance with a fair value hierarchy consisting of three “levels” based on the observability of valuation inputs:

- **Level 1:** Fair value measurements based on quoted prices (unadjusted) in active markets that we have the ability to access for identical assets or liabilities. Market price data generally is obtained from exchange or dealer markets. We do not adjust the quoted price for such instruments.
- **Level 2:** Fair value measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals.
- **Level 3:** Fair value measurements based on valuation techniques that use significant inputs that are unobservable. Both observable and unobservable inputs may be used to determine the fair values of positions classified in Level 3. The circumstances for using these measurements include those in which there is little, if any, market activity for the asset or liability. Therefore, we must make certain assumptions about the inputs a hypothetical market participant would use to value that asset or liability.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

ASSETS AND LIABILITIES MEASURED AT FAIR VALUE ON A RECURRING BASIS

The following table presents information about assets and liabilities measured at fair value on a recurring basis and indicates the level of the fair value measurement based on the observability of the inputs used:

March 31, 2024 (in millions)	Level 1	Level 2	Level 3	Counterparty Netting[(a)]	Cash Collateral	Total
Assets:						
Bonds available for sale:						
U.S. government and government sponsored entities	$ 25	$ 5,764	$ —	$ —	$ —	$ 5,789
Obligations of states, municipalities and political subdivisions	—	9,260	833	—	—	10,093
Non-U.S. governments	163	11,798	7	—	—	11,968
Corporate debt	—	133,861	1,957	—	—	135,818
RMBS	—	13,308	8,113	—	—	21,421
CMBS	—	13,898	590	—	—	14,488
CLO/ABS	—	14,864	18,046	—	—	32,910
Total bonds available for sale	188	202,753	29,546	—	—	232,487
Other bond securities:						
Obligations of states, municipalities and political subdivisions	—	89	1	—	—	90
Non-U.S. governments	—	39	—	—	—	39
Corporate debt	—	2,775	222	—	—	2,997
RMBS	—	113	160	—	—	273
CMBS	—	266	17	—	—	283
CLO/ABS	—	560	1,161	—	—	1,721
Total other bond securities	—	3,842	1,561	—	—	5,403
Equity securities	727	12	58	—	—	797
Other invested assets[(b)]	—	134	1,854	—	—	1,988
Derivative assets[(c)]:						
Interest rate contracts	—	3,074	410	—	—	3,484
Foreign exchange contracts	—	1,235	1	—	—	1,236
Equity contracts	—	1,805	1,073	—	—	2,878
Credit contracts	—	78	33	—	—	111
Other contracts	—	—	13	—	—	13
Counterparty netting and cash collateral	—	—	—	(4,545)	(2,601)	(7,146)
Total derivative assets	—	6,192	1,530	(4,545)	(2,601)	576
Short-term investments	2,969	5,518	—	—	—	8,487
Market risk benefit assets	—	—	1,172	—	—	1,172
Other assets[(c)]	—	—	129	—	—	129
Separate account assets	91,859	3,314	—	—	—	95,173
Total[(d)]	$ 95,743	$ 221,765	$ 35,850	$ (4,545)	$ (2,601)	$ 346,212
Liabilities:						
Policyholder contract deposits	$ —	$ 63	$ 8,550	$ —	$ —	$ 8,613
Market risk benefit liabilities	—	—	5,167	—	—	5,167
Derivative liabilities[(c)]:						
Interest rate contracts	—	3,379	—	—	—	3,379
Foreign exchange contracts	—	624	3	—	—	627
Equity contracts	—	1,175	54	—	—	1,229
Credit contracts	—	3	33	—	—	36
Other contracts	—	—	1	—	—	1
Counterparty netting and cash collateral	—	—	—	(4,545)	(326)	(4,871)
Total derivative liabilities	—	5,181	91	(4,545)	(326)	401
Fortitude Re funds withheld payable	—	—	(1,364)	—	—	(1,364)
Other liabilities	—	—	92	—	—	92
Long-term debt	—	68	—	—	—	68
Total	$ —	$ 5,312	$ 12,536	$ (4,545)	$ (326)	$ 12,977

December 31, 2023 (in millions)	Level 1	Level 2	Level 3	Counterparty Netting[a]	Cash Collateral	Total
Assets:						
Bonds available for sale:						
U.S. government and government sponsored entities	$ 35	$ 5,581	$ —	$ —	$ —	$ 5,616
Obligations of states, municipalities and political subdivisions	—	9,816	847	—	—	10,663
Non-U.S. governments	233	12,213	7	—	—	12,453
Corporate debt	—	136,753	1,679	—	—	138,432
RMBS	—	12,804	7,640	—	—	20,444
CMBS	—	13,495	633	—	—	14,128
CLO/ABS	—	13,959	16,038	—	—	29,997
Total bonds available for sale	268	204,621	26,844	—	—	231,733
Other bond securities:						
Obligations of states, municipalities and political subdivisions	—	90	1	—	—	91
Non-U.S. governments	—	37	—	—	—	37
Corporate debt	—	2,697	211	—	—	2,908
RMBS	—	105	158	—	—	263
CMBS	—	244	17	—	—	261
CLO/ABS	—	512	1,169	—	—	1,681
Total other bond securities	—	3,685	1,556	—	—	5,241
Equity securities	632	40	56	—	—	728
Other invested assets [b]	—	155	2,070	—	—	2,225
Derivative assets[c]**:**						
Interest rate contracts	—	2,826	460	—	—	3,286
Foreign exchange contracts	—	1,235	1	—	—	1,236
Equity contracts	7	1,187	825	—	—	2,019
Credit contracts	—	8	33	—	—	41
Other contracts	—	—	13	—	—	13
Counterparty netting and cash collateral	—	—	—	(3,864)	(2,220)	(6,084)
Total derivative assets	7	5,256	1,332	(3,864)	(2,220)	511
Short-term investments	2,635	8,137	—	—	—	10,772
Market risk benefit assets	—	—	912	—	—	912
Other assets[c]	—	—	243	—	—	243
Separate account assets	87,814	3,191	—	—	—	91,005
Total[d]	$ 91,356	$ 225,085	$ 33,013	$ (3,864)	$ (2,220)	$ 343,370
Liabilities:						
Policyholder contract deposits	$ —	$ 55	$ 7,942	$ —	$ —	$ 7,997
Market risk benefit liabilities	—	—	5,705	—	—	5,705
Derivative liabilities[c]**:**						
Interest rate contracts	—	3,631	—	—	—	3,631
Foreign exchange contracts	—	891	3	—	—	894
Equity contracts	2	680	63	—	—	745
Credit contracts	—	4	33	—	—	37
Other contracts	—	—	2	—	—	2
Counterparty netting and cash collateral	—	—	—	(3,864)	(1,050)	(4,914)
Total derivative liabilities	2	5,206	101	(3,864)	(1,050)	395
Fortitude Re funds withheld payable	—	—	(1,226)	—	—	(1,226)
Other liabilities	—	107	122	—	—	229
Long-term debt	—	53	—	—	—	53
Total	$ 2	$ 5,421	$ 12,644	$ (3,864)	$ (1,050)	$ 13,153

(a) Represents netting of derivative exposures covered by qualifying master netting agreements.

(b) Excludes investments that are measured at fair value using the net asset value (NAV) per share (or its equivalent), which totaled $ 9.5 billion and $ 9.5 billion as of March 31, 2024 and December 31, 2023, respectively.

(c) Presented as part of Other assets and Other liabilities on the Condensed Consolidated Balance Sheets.

(d) Excludes $ 176 million and $ 182 million as of March 31, 2024 and December 31, 2023, respectively, of assets reclassified to Assets held for sale on the Condensed Consolidated Balance Sheets.

CHANGES IN LEVEL 3 RECURRING FAIR VALUE MEASUREMENTS

The following tables present changes during the three months ended March 31, 2024 and 2023 in Level 3 assets and liabilities measured at fair value on a recurring basis, and the realized and unrealized gains (losses) related to the Level 3 assets and liabilities in the Condensed Consolidated Balance Sheets at March 31, 2024 and 2023:

n millions)	Fair Value Beginning of Year	MRBs and Net Realized and Unrealized Gains (Losses) Included in Income	Other Comprehensive Income (Loss)	Purchases, Sales, Issuances and Settlements, Net	Gross Transfers In	Gross Transfers Out	Other	Fair Value End of Period	Changes in Unrealized Gains (Losses) Included in Income on Instruments Held at End of Period	Changes in Unrealized Gains (Losses) Included in Other Comprehensive Income (Loss) for Recurring Level 3 Instruments Held at End of Period
hree Months Ended March 31, 2024										
ssets:										
Bonds available for sale:										
Obligations of states, municipalities and political subdivisions	$ 847 $	— $	(14) $	— $	— $	— $	— $	833 $	— $	(16)
Non-U.S. governments	7	—	—	—	—	—	—	7	—	—
Corporate debt	1,679	2	1	(29)	342	(38)	—	1,957	—	(4)
RMBS	7,640	90	93	329	—	(39)	—	8,113	—	89
CMBS	633	(5)	46	(103)	144	(125)	—	590	—	11
CLO/ABS	16,038	55	168	1,274	677	(166)	—	18,046	—	164
Total bonds available for sale	26,844	142	294	1,471	1,163	(368)	—	29,546	—	244
Other bond securities:										
Obligations of states, municipalities and political subdivisions	1	—	—	—	—	—	—	1	—	—
Corporate debt	211	8	—	—	3	—	—	222	8	—
RMBS	158	3	—	(1)	—	—	—	160	2	—
CMBS	17	—	—	—	—	—	—	17	—	—
CLO/ABS	1,169	14	—	(20)	—	(2)	—	1,161	3	—
Total other bond securities	1,556	25	—	(21)	3	(2)	—	1,561	13	—
Equity securities	56	3	—	—	—	(1)	—	58	3	—
Other invested assets	2,070	(92)	(8)	(33)	—	(57)	(26)	1,854	(90)	—
Other assets	243	—	—	(114)	—	—	—	129	—	—
otal[a]	$ 30,769 $	78 $	286 $	1,303 $	1,166 $	(428) $	(26) $	33,148 $	(74) $	244

n millions)	Fair Value Beginning of Year	MRBs and Net Realized and Unrealized (Gains) Losses Included in Income	Other Comprehensive Income (Loss)	Purchases, Sales, Issuances and Settlements, Net	Gross Transfers In	Gross Transfers Out	Other	Fair Value End of Period	Changes in Unrealized Gains (Losses) Included in Income on Instruments Held at End of Period	Changes in Unrealized Gains (Losses) Included in Other Comprehensive Income (Loss) for Recurring Level 3 Instruments Held at End of Period
iabilities:										
Policyholder contract deposits	$ 7,942 $	452 $	— $	156 $	— $	— $	— $	8,550 $	(3) $	—
Derivative liabilities, net:										
Interest rate contracts	(460)	103	—	(53)	—	—	—	(410)	193	—
Foreign exchange contracts	2	—	—	—	—	—	—	2	—	—
Equity contracts	(762)	(192)	—	(65)	—	—	—	(1,019)	187	—
Other contracts	(11)	(16)	—	15	—	—	—	(12)	16	—
Total derivative liabilities, net[b]	(1,231)	(105)	—	(103)	—	—	—	(1,439)	396	—
Fortitude Re funds withheld payable	(1,226)	(13)	—	(125)	—	—	—	(1,364)	209	—
Other Liabilities	122	(30)	—	—	—	—	—	92	—	—
otal[c]	$ 5,607 $	304 $	— $	(72) $	— $	— $	— $	5,839 $	602 $	—

(in millions)	Fair Value Beginning of Year	MRBs and Net Realized and Unrealized Gains (Losses) Included in Income	Other Comprehensive Income (Loss)	Purchases, Sales, Issuances and Settlements, Net	Gross Transfers In	Gross Transfers Out	Other	Fair Value End of Period	Changes in Unrealized Gains (Losses) Included in Income on Instruments Held at End of Period	Changes in Unrealized Gains (Losses) Included in Other Comprehensive Income (Loss) for Recurring Level 3 Instruments Held at End of Period
Three Months Ended March 31, 2023										
Assets:										
Bonds available for sale:										
Obligations of states, municipalities and political subdivisions	$ 824	$ 1	$ 55	$ (7)	$ —	$ —	$ —	$ 873	$ —	$ 44
Non-U.S. governments	1	1	—	—	7	—	—	9	—	—
Corporate debt	2,847	(102)	51	(201)	274	(421)	(16)	2,432	—	50
RMBS	7,553	109	(70)	10	—	(21)	—	7,581	—	(98)
CMBS	926	7	(3)	1	34	(27)	—	938	—	(34)
CLO/ABS	12,748	50	271	840	58	(102)	24	13,889	—	229
Total bonds available for sale	24,899	66	304	643	373	(571)	8	25,722	—	191
Other bond securities:										
Obligations of states, municipalities and political subdivisions	—	—	—	1	—	—	—	1	—	—
Corporate debt	416	1	—	(96)	—	(191)	—	130	3	—
RMBS	173	5	—	(12)	—	—	—	166	(3)	—
CMBS	28	(1)	—	—	—	—	—	27	(1)	—
CLO/ABS	910	36	—	18	1	(7)	52	1,010	24	—
Total other bond securities	1,527	41	—	(89)	1	(198)	52	1,334	23	—
Equity securities	39	—	—	27	8	—	—	74	—	—
Other invested assets	2,075	(52)	5	58	—	—	—	2,086	(50)	—
Other assets	107	—	—	3	—	—	—	110	—	—
Total[(a)]	$ 28,647	$ 55	$ 309	$ 642	$ 382	$ (769)	$ 60	$ 29,326	$ (27)	$ 191

(in millions)	Fair Value Beginning of Year	MRBs and Net Realized and Unrealized (Gains) Losses Included in Income	Other Comprehensive Income (Loss)	Purchases, Sales, Issuances and Settlements, Net	Gross Transfers In	Gross Transfers Out	Other	Fair Value End of Period	Changes in Unrealized Gains (Losses) Included in Income on Instruments Held at End of Period	Changes in Unrealized Gains (Losses) Included in Other Comprehensive Income (Loss) for Recurring Level 3 Instruments Held at End of Period
Liabilities:										
Policyholder contract deposits	$ 5,367	$ 381	$ —	$ 316	$ —	$ —	$ —	$ 6,064	$ (368)	$ —
Derivative liabilities, net:										
Interest rate contracts	(311)	57	—	(102)	—	—	—	(356)	(50)	—
Equity contracts	(271)	(56)	—	(175)	—	—	—	(502)	51	136
Other contracts	(14)	(16)	—	16	—	—	—	(14)	16	—
Total derivative liabilities, net[(b)]	(596)	(15)	—	(261)	—	—	—	(872)	17	136
Fortitude Re funds withheld payable	(2,235)	1,165	—	(793)	—	—	—	(1,863)	(759)	—
Other liabilities	112	—	—	—	—	—	—	112	—	—
Total[(c)]	$ 2,648	$ 1,531	$ —	$ (738)	$ —	$ —	$ —	$ 3,441	$ (1,110)	$ 136

(a) Excludes MRB assets of $ 1.2 billion at March 31, 2024 and $ 830 million at March 31, 2023. *For additional information, see Note 13.*

(b) Total Level 3 derivative exposures have been netted in these tables for presentation purposes only.

(c) Excludes MRB liabilities of $ 5.2 billion at March 31, 2024 and $ 5.1 billion at March 31, 2023. *For additional information, see Note 13.*

Market risk benefits and net realized and unrealized gains and losses included in income related to Level 3 assets and liabilities shown above are reported in the Condensed Consolidated Statements of Income (Loss) as follows:

(in millions)	Net Investment Income	Net Realized Gains (Losses)	Change in the fair value of market risk benefits, net[c]	Other Income	Total
Three Months Ended March 31, 2024					
Assets:					
Bonds available for sale	**$ 174**	**$ (32)**	**$ —**	**$ —**	**$ 142**
Other bond securities	**25**	**—**	**—**	**—**	**25**
Equity securities	**3**	**—**	**—**	**—**	**3**
Other invested assets	**(91)**	**(1)**	**—**	**—**	**(92)**
Three Months Ended March 31, 2023					
Assets:					
Bonds available for sale	$ 62	$ 4	$ —	$ —	$ 66
Other bond securities	41	—	—	—	41
Other invested assets	(51)	(1)	—	—	(52)

(in millions)	Net Investment Income	Net Realized (Gains) Losses	Change in the fair value of market risk benefits, net[c]	Other Income	Total
Three Months Ended March 31, 2024					
Liabilities:					
Policyholder contract deposits[a]	**$ —**	**$ 452**	**$ —**	**$ —**	**$ 452**
Market risk benefit liabilities, net[b]	**—**	**(2)**	**(1,069)**	**—**	**(1,071)**
Derivative liabilities, net	**—**	**(152)**	**62**	**(15)**	**(105)**
Fortitude Re funds withheld payable	**—**	**(13)**	**—**	**—**	**(13)**
Other Liabilities	**—**	**(30)**	**—**	**—**	**(30)**
Three Months Ended March 31, 2023					
Liabilities:					
Policyholder contract deposits[a]	$ —	$ 381	$ —	$ —	$ 381
Market risk benefit liabilities, net[b]	—	—	87	—	87
Derivative liabilities, net	—	(88)	89	(16)	(15)
Fortitude Re funds withheld payable	—	1,165	—	—	1,165

(a) Primarily embedded derivatives.

(b) Market risk benefit assets and liabilities have been netted in the above table for presentation purposes only.

(c) The portion of the fair value change attributable to own credit risk is recognized in Other comprehensive income (loss) (OCI) .

The following table presents the gross components of purchases, sales, issuances and settlements, net, shown above, for the three months ended March 31, 2024 and 2023 related to Level 3 assets and liabilities in the Condensed Consolidated Balance Sheets:

(in millions)	Purchases	Sales	Issuances and Settlements[(a)]	Purchases, Sales, Issuances and Settlements, Net[(a)]
Three Months Ended March 31, 2024				
Assets:				
Bonds available for sale:				
Obligations of states, municipalities and political subdivisions	$ 1	$ —	$ (1)	$ —
Corporate debt	8	(3)	(34)	(29)
RMBS	574	(1)	(244)	329
CMBS	—	(30)	(73)	(103)
CLO/ABS	1,894	(56)	(564)	1,274
Total bonds available for sale	2,477	(90)	(916)	1,471
Other bond securities:				
RMBS	3	—	(4)	(1)
CLO/ABS	41	—	(61)	(20)
Total other bond securities	44	—	(65)	(21)
Other invested assets	63	—	(96)	(33)
Other assets	—	—	(114)	(114)
Total	$ 2,584	$ (90)	$ (1,191)	$ 1,303

(in millions)	Purchases	Sales	Issuances and Settlements[a]	Purchases, Sales, Issuances and Settlements, Net[a]
Liabilities:				
Policyholder contract deposits	**$ —**	**$ 332**	**$ (176)**	**$ 156**
Derivative liabilities, net	**(194)**	**6**	**85**	**(103)**
Fortitude Re funds withheld payable	**—**	**—**	**(125)**	**(125)**
Total	**$ (194)**	**$ 338**	**$ (216)**	**$ (72)**
Three Months Ended March 31, 2023				
Assets:				
Bonds available for sale:				
Obligations of states, municipalities and political subdivisions	$ 1	$ (4)	$ (4)	$ (7)
Corporate Debt	21	—	(222)	(201)
RMBS	290	(19)	(261)	10
CMBS	10	(6)	(3)	1
CLO/ABS	897	(3)	(54)	840
Total bonds available for sale	1,219	(32)	(544)	643
Other bond securities:				
Obligations of states, municipalities and political subdivisions	1	—	—	1
Corporate debt	—	—	(96)	(96)
RMBS	5	—	(17)	(12)
CLO/ABS	46	(4)	(24)	18
Total other bond securities	52	(4)	(137)	(89)
Equity securities	29	—	(2)	27
Other invested assets	72	—	(14)	58
Other assets	—	—	3	3
Total	$ 1,372	$ (36)	$ (694)	$ 642
Liabilities:				
Policyholder contract deposits	$ —	$ 326	$ (10)	$ 316
Derivative liabilities, net	(260)	5	(6)	(261)
Fortitude Re funds withheld payable	—	—	(793)	(793)
Total	$ (260)	$ 331	$ (809)	$ (738)

(a) There were no issuances during the three months ended March 31, 2024 and 2023.

Both observable and unobservable inputs may be used to determine the fair values of positions classified in Level 3 in the tables above. As a result, the unrealized gains (losses) on instruments held at March 31, 2024 and 2023 may include changes in fair value that were attributable to both observable (e.g., changes in market interest rates) and unobservable inputs (e.g., changes in unobservable long-dated volatilities).

Transfers of Level 3 Assets and Liabilities

The Net realized and unrealized gains (losses) included in income (loss) or OCI as shown in the table above excludes $(11) million and $ 7 million of net gains (losses) related to assets and liabilities transferred into Level 3 during the three months ended March 31, 2024 and 2023, respectively, and includes $ 4 million and $(5) million of net gains (losses) related to assets and liabilities transferred out of Level 3 during the three months ended March 31, 2024 and 2023, respectively.

Transfers of Level 3 Assets

During the three months ended March 31, 2024 and 2023, transfers into Level 3 assets primarily included certain investments in private placement corporate debt, commercial mortgage-backed securities (CMBS) and collateralized loan obligations (CLO)/asset-backed securities (ABS). Transfers of private placement corporate debt and certain ABS into Level 3 assets were primarily the result of limited market pricing information that required us to determine fair value for these securities based on inputs that are adjusted to better reflect our own assumptions regarding the characteristics of a specific security or associated market liquidity. The transfers of investments in CMBS and CLO and certain ABS into Level 3 assets were due to diminished market transparency and liquidity for individual security types.

During the three months ended March 31, 2024 and 2023, transfers out of Level 3 assets primarily included certain investments in private placement corporate debt, residential mortgage-backed securities (RMBS), CMBS and CLO/ABS. Transfers of private placement corporate debt and certain ABS out of Level 3 assets were based on consideration of market liquidity as well as related transparency of pricing and associated observable inputs for these investments. Transfers of certain investments in private placement corporate debt and certain ABS out of Level 3 assets were primarily the result of using observable pricing information that reflects the fair value of those securities without the need for adjustment based on our own assumptions regarding the characteristics of a specific security or the current liquidity in the market.

Transfers of Level 3 Liabilities

There were no significant transfers of derivative or other liabilities into or out of Level 3 for the three months ended March 31, 2024 and 2023.

QUANTITATIVE INFORMATION ABOUT LEVEL 3 FAIR VALUE MEASUREMENTS

The table below presents information about the significant unobservable inputs used for recurring fair value measurements for certain Level 3 instruments, and includes only those instruments for which information about the inputs is reasonably available to us, such as data from independent third-party valuation service providers. Because input information from third-parties with respect to certain Level 3 instruments (primarily CLO/ABS) may not be reasonably available to us, balances shown below may not equal total amounts reported for such Level 3 assets and liabilities:

(in millions)	Fair Value at March 31, 2024	Valuation Technique	Unobservable Input[b]	Range (Weighted Average)[c]
Assets:				
Obligations of states, municipalities and political subdivisions	$ 809	Discounted cash flow	Yield	5.10 % - 5.39 % (5.24 %)
Corporate debt	1,945	Discounted cash flow	Yield	4.94 % - 10.81 % (7.65 %)
RMBS[a]	4,672	Discounted cash flow	Constant prepayment rate	4.40 % - 10.02 % (7.21 %)
			Loss severity	35.81 % - 84.47 % (60.14 %)
			Constant default rate	0.78 % - 2.56 % (1.67 %)
			Yield	5.66 % - 7.02 % (6.34 %)
CLO/ABS[a]	16,371	Discounted cash flow	Yield	5.81 % - 7.89 % (6.85 %)
CMBS	547	Discounted cash flow	Yield	5.22 % - 18.38 % (11.41 %)
Market risk benefit assets	1,172	Discounted cash flow	Equity volatility	6.35 % - 49.95 %
			Base lapse rate	0.16 % - 28.80 %
			Dynamic lapse multiplier[e]	20.00 % - 186.18 %
			Mortality multiplier[e][f]	38.25 % - 160.01 %
			Utilization[g]	80.00 % - 100.00 %
			Equity / interest rate correlation	0.00 % - 30.00 %
			NPA[h]	0.06 % - 2.33 %
Liabilities[d]:				
Market risk benefit liabilities:				
Variable annuities guaranteed benefits	1,675	Discounted cash flow	Equity volatility	6.35 % - 49.95 %
			Base lapse rate	0.16 % - 28.80 %
			Dynamic lapse multiplier[e]	20.00 % - 186.18 %
			Mortality multiplier[e][f]	38.25 % - 160.01 %
			Utilization[g]	80.00 % - 100.00 %
			Equity / interest rate correlation	0.00 % - 30.00 %
			NPA[h]	0.06 % - 2.33 %
Fixed annuities guaranteed benefits	1,130	Discounted cash flow	Base lapse rate	0.20 % - 15.75 %
			Dynamic lapse multiplier[e]	20.00 % - 186.18 %
			Mortality multiplier[e][f]	40.26 % - 168.43 %
			Utilization[g]	90.00 % - 97.50 %
			NPA[h]	0.06 % - 2.33 %
Fixed index annuities guaranteed benefits	2,362	Discounted cash flow	Equity volatility	6.35 % - 49.95 %
			Base lapse rate	0.20 % - 50.00 %
			Dynamic lapse multiplier[e]	20.00 % - 186.18 %
			Mortality multiplier[e][f]	24.00 % - 146.00 %
			Utilization[g]	60.00 % - 97.50 %
			Option budget	0.00 % - 6.00 %
			Equity / interest rate correlation	0.00 % - 30.00 %
			NPA[h]	0.06 % - 2.33 %

(in millions)	Fair Value at March 31, 2024	Valuation Technique	Unobservable Input[b]	Range (Weighted Average)[c]
Embedded derivatives within Policyholder contract deposits:				
Index credits on fixed index annuities[i]	**7,603**	Discounted cash flow	Equity volatility	6.35 % - 49.95 %
			Base lapse rate	0.20 % - 50.00 %
			Dynamic lapse multiplier[e]	20.00 % - 186.18 %
			Mortality multiplier[e][f]	24.00 % - 146.00 %
			Utilization[g]	60.00 % - 97.50 %
			Option budget	0.00 % - 6.00 %
			Equity / interest rate correlation	0.00 % - 30.00 %
			NPA[h]	0.06 % - 2.33 %
Index universal life	**947**	Discounted cash flow	Base lapse rate	0.00 % - 37.97 %
			Mortality rate	0.00 % - 100.00 %
			Equity volatility	5.85 % - 19.95 %
			NPA[h]	0.06 % - 2.33 %

(in millions)	Fair Value at December 31, 2023	Valuation Technique	Unobservable Input[b]	Range (Weighted Average)[c]
Assets:				
Obligations of states, municipalities and political subdivisions	$ 824	Discounted cash flow	Yield	4.97 % - 5.31 % (5.14 %)
Corporate debt	1,803	Discounted cash flow	Yield	5.19 % - 8.48 % (6.83 %)
RMBS[a]	4,656	Discounted cash flow	Constant prepayment rate	4.34 % - 9.99 % (7.17 %)
			Loss severity	33.56 % - 87.59 % (60.57 %)
			Constant default rate	0.76 % - 2.56 % (1.66 %)
			Yield	6.13 % - 7.41 % (6.77 %)
CLO/ABS[a]	14,242	Discounted cash flow	Yield	5.62 % - 7.89 % (6.76 %)
CMBS	587	Discounted cash flow	Yield	5.62 % - 17.85 % (11.73 %)
Market risk benefit assets	912	Discounted cash flow	Equity volatility	6.25 % - 49.75 %
			Base lapse rate	0.16 % - 28.80 %
			Dynamic lapse multiplier[e]	20.00 % - 186.18 %
			Mortality multiplier[e][f]	38.25 % - 160.01 %
			Utilization[g]	80.00 % - 100.00 %
			Equity / interest rate correlation	0.00 % - 30.00 %
			NPA[h]	0.00 % - 2.29 %
Liabilities[d]:				
Market risk benefit liabilities:				
Variable annuities guaranteed benefits	2,174	Discounted cash flow	Equity volatility	6.25 % - 49.75 %
			Base lapse rate	0.16 % - 28.80 %
			Dynamic lapse multiplier[e]	20.00 % - 186.18 %
			Mortality multiplier[e][f]	38.25 % - 160.01 %
			Utilization[g]	80.00 % - 100.00 %
			Equity / interest rate correlation	0.00 % - 30.00 %
			NPA[h]	0.00 % - 2.29 %
Fixed annuities guaranteed benefits	1,111	Discounted cash flow	Base lapse rate	0.20 % - 15.75 %
			Dynamic lapse multiplier[e]	20.00 % - 186.18 %
			Mortality multiplier[e][f]	40.26 % - 168.43 %
			Utilization[g]	90.00 % - 97.50 %
			NPA[h]	0.00 % - 2.29 %
Fixed index annuities guaranteed benefits	2,420	Discounted cash flow	Equity volatility	6.25 % - 49.75 %
			Base lapse rate	0.20 % - 50.00 %
			Dynamic lapse multiplier[e]	20.00 % - 186.18 %
			Mortality multiplier[e][f]	24.00 % - 146.00 %
			Utilization[g]	60.00 % - 97.50 %
			Option budget	0.00 % - 6.00 %
			Equity / interest rate correlation	0.00 % - 30.00 %
			NPA[h]	0.00 % - 2.29 %

(in millions)	Fair Value at December 31, 2023	Valuation Technique	Unobservable Input[b]	Range (Weighted Average)[c]
Embedded derivatives within Policyholder contract deposits:				
Index credits on fixed index annuities[i]	6,953	Discounted cash flow	Equity volatility	6.25 % - 49.75 %
			Base lapse rate	0.20 % - 50.00 %
			Dynamic lapse multiplier[e]	20.00 % - 186.18 %
			Mortality multiplier[e][f]	24.00 % - 146.00 %
			Utilization[g]	60.00 % - 97.50 %
			Option budget	0.00 % - 6.00 %
			Equity / interest rate correlation	0.00 % - 30.00 %
			NPA[h]	0.00 % - 2.29 %
Index universal life	989	Discounted cash flow	Base lapse rate	0.00 % - 37.97 %
			Mortality rate	0.00 % - 100.00 %
			Equity volatility	5.85 % - 20.36 %
			NPA[h]	0.00 % - 2.29 %

(a) Information received from third-party valuation service providers. The ranges of the unobservable inputs for constant prepayment rate, loss severity and constant default rate relate to each of the individual underlying mortgage loans that comprise the entire portfolio of securities in the RMBS and CLO securitization vehicles and not necessarily to the securitization vehicle bonds (tranches) purchased by us. The ranges of these inputs do not directly correlate to changes in the fair values of the tranches purchased by us, because there are other factors relevant to the fair values of specific tranches owned by us including, but not limited to, purchase price, position in the waterfall, senior versus subordinated position and attachment points.

(b) Represents discount rates, estimates and assumptions that we believe would be used by market participants when valuing these assets and liabilities.

(c) The weighted averaging for fixed maturity securities is based on the estimated fair value of the securities. Because the valuation methodology for embedded derivatives with policyholder contract deposits and market risk benefits uses a range of inputs that vary at the contract level over the cash flow projection period, management believes that presenting a range, rather than weighted average, is a more meaningful representation of the unobservable inputs used in the valuation.

(d) The Fortitude Re funds withheld payable has been excluded from the above table. As discussed in Note 8, the Fortitude Re funds withheld payable is created through modified coinsurance (modco) and funds withheld reinsurance arrangements where the investments supporting the reinsurance agreements are withheld by, and continue to reside on AIG's balance sheet. This embedded derivative is valued as a total return swap with reference to the fair value of the invested assets held by AIG. Accordingly, the unobservable inputs utilized in the valuation of the embedded derivative are a component of the invested assets supporting the reinsurance agreements that are held on AIG's balance sheet.

(e) The ranges for these inputs vary due to the different guaranteed minimum withdrawal benefits (GMWB) product specification and policyholder characteristics across in-force policies. Policyholder characteristics that affect these ranges include age, policy duration, and gender.

(f) Mortality inputs are shown as multipliers of the 2012 Individual Annuity Mortality Basic table.

(g) The partial withdrawal utilization unobservable input range shown applies only to policies with GMWB riders.

(h) The non-performance risk adjustment (NPA) applied as a spread over risk-free curve for discounting.

(i) The fixed index annuities embedded derivative associated with index credits related to the contracts with guaranteed product features included in policyholder contract deposits was $ 1.7 billion and $ 1.5 billion at March 31, 2024 and December 31, 2023, respectively.

The ranges of reported inputs for Obligations of states, municipalities and political subdivisions, Corporate debt, RMBS, CLO/ABS, and CMBS valued using a discounted cash flow technique consist of one standard deviation in either direction from the value-weighted average. The preceding table does not give effect to our risk management practices that might offset risks inherent in these Level 3 assets and liabilities.

Interrelationships Between Unobservable Inputs

We consider unobservable inputs to be those for which market data is not available and that are developed using the best information available to us about the assumptions that market participants would use when pricing the asset or liability. Relevant inputs vary depending on the nature of the instrument being measured at fair value. The following paragraphs provide a general description of significant unobservable inputs along with interrelationships between and among the significant unobservable inputs and their impact on the fair value measurements. In practice, simultaneous changes in assumptions may not always have a linear effect on the inputs discussed below. Interrelationships may also exist between observable and unobservable inputs. Such relationships have not been included in the discussion below. For each of the individual relationships described below, the inverse relationship would also generally apply.

Fixed Maturity Securities

The significant unobservable input used in the fair value measurement of fixed maturity securities is yield. The yield is affected by the market movements in credit spreads and U.S. Treasury yields. The yield may be affected by other factors including constant prepayment rates, loss severity, and constant default rates. In general, increases in the yield would decrease the fair value of investments, and conversely, decreases in the yield would increase the fair value of investments.

MRBs and Embedded Derivatives within Policyholder Contract Deposits

For MRBs and embedded derivatives, the assumptions for unobservable inputs vary throughout the period over which cash flows are projected for valuation purposes. The following are applicable unobservable inputs:

- Long-term equity volatilities represent equity volatility beyond the period for which observable equity volatilities are available. Increases in assumed volatility will generally increase the fair value of both the projected cash flows from rider fees as well as the projected cash flows related to benefit payments. Therefore, the net change in the fair value of the liability may be either a decrease or an increase, depending on the relative changes in projected rider fees and projected benefit payments.
- Equity and interest rate correlation estimates the relationship between changes in equity returns and interest rates in the economic scenario generator used to value our MRBs. In general, a higher positive correlation assumes that equity markets and interest rates move in a more correlated fashion, which generally increases the fair value of the liability. Only our fixed index annuities with a GMWB rider are subject to the equity and interest correlation assumption. Other policies such as accumulation fixed index annuity and life products do not use a correlation assumption.
- Base lapse rate assumptions are determined by company experience and judgment and are adjusted at the contract level using a dynamic lapse function, which reduces the base lapse rate when the contract is in-the-money (when the contract holder's guaranteed value, as estimated by the company, is worth more than their underlying account value). Lapse rates are also generally assumed to be lower in periods when a surrender charge applies. Increases in assumed lapse rates will generally decrease the fair value of the liability as fewer policyholders would persist to collect guaranteed benefit amounts.
- Mortality rate assumptions, which vary by age and gender, are based on company experience and include a mortality improvement assumption. Increases in assumed mortality rates will decrease the fair value of the GMWB liability, while lower mortality rate assumptions will generally increase the fair value of the liability because guaranteed withdrawal payments will be made for a longer period of time and generally exceed any decrease in guaranteed death benefits.
- Utilization assumptions estimate the timing when policyholders with a GMWB will elect to utilize their benefit and begin taking withdrawals. The assumptions may vary by the type of guarantee, tax-qualified status, the contract's withdrawal history and the age of the policyholder. Utilization assumptions are based on company experience, which includes partial withdrawal behavior. Increases in assumed utilization rates will generally increase the fair value of the liability.
- Non-performance or "own credit" risk adjustment used in the valuation of MRBs and embedded derivatives, which reflects a market participant's view of our claims-paying ability by incorporating a different spread (the NPA spread) to the curve used to discount projected benefit cash flows. When corporate credit spreads widen, the change in the NPA spread generally reduces the fair value of the MRBs and embedded derivatives, resulting in a gain in AOCI or Net realized gains (losses), respectively, and when corporate credit spreads narrow or tighten, the change in the NPA spread generally increases the fair value of the MRBs and embedded derivatives, resulting in a loss in AOCI or Net realized gains (losses), respectively.
- The projected cash flows incorporate best estimate assumptions for policyholder behavior (including mortality, lapses, withdrawals and benefit utilization), along with an explicit risk margin to reflect a market participant's estimates of the fair value of projected cash flows and policyholder behavior. Estimates of future policyholder behavior assumptions are subjective and based primarily on our historical experience.
- For embedded derivatives, option budgets estimate the expected long-term cost of options used to hedge exposures associated with index price changes. The level of option budgets determines future costs of the options, which impacts the growth in account value and the valuation of embedded derivatives.

Embedded Derivatives within Reinsurance Contracts

The fair value of embedded derivatives associated with funds withheld reinsurance contracts is determined based upon a total return swap technique with reference to the fair value of the investments held by AIG related to AIG's funds withheld payable. The fair value of the underlying assets is generally based on market observable inputs using industry standard valuation techniques. The valuation also requires certain significant inputs, which are generally not observable, and accordingly, the valuation is considered Level 3 in the fair value hierarchy.

INVESTMENTS IN CERTAIN ENTITIES CARRIED AT FAIR VALUE USING NET ASSET VALUE PER SHARE

The following table includes information related to our investments in certain other invested assets, including private equity funds, hedge funds and other alternative investments that calculate net asset value per share (or its equivalent). For these investments, which are measured at fair value on a recurring basis, we use the net asset value per share to measure fair value.

		March 31, 2024		December 31, 2023	
(in millions)	Investment Category Includes	Fair Value Using NAV Per Share (or its equivalent)	Unfunded Commitments	Fair Value Using NAV Per Share (or its equivalent)	Unfunded Commitments
Investment Category					
Private equity funds:					
Leveraged buyout	Debt and/or equity investments made as part of a transaction in which assets of mature companies are acquired from the current shareholders, typically with the use of financial leverage	**$ 3,736**	**$ 2,278**	$ 3,617	$ 2,313
Real assets	Investments in real estate properties, agricultural and infrastructure assets, including power plants and other energy producing assets	**1,712**	**824**	1,814	782
Venture capital	Early-stage, high-potential, growth companies expected to generate a return through an eventual realization event, such as an initial public offering or sale of the company	**266**	**136**	270	141
Growth equity	Funds that make investments in established companies for the purpose of growing their businesses	**690**	**112**	680	117
Mezzanine	Funds that make investments in the junior debt and equity securities of leveraged companies	**263**	**94**	292	98
Other	Includes distressed funds that invest in securities of companies that are in default or under bankruptcy protection, as well as funds that have multi- strategy, and other strategies	**2,168**	**257**	2,125	297
Total private equity funds		**8,835**	**3,701**	8,798	3,748
Hedge funds:					
Event-driven	Securities of companies undergoing material structural changes, including mergers, acquisitions and other reorganizations	**17**	**—**	18	—
Long-short	Securities that the manager believes are undervalued, with corresponding short positions to hedge market risk	**565**	**—**	549	—
Macro	Investments that take long and short positions in financial instruments based on a top-down view of certain economic and capital market conditions	**37**	**—**	69	—
Other	Includes investments held in funds that are less liquid, as well as other strategies which allow for broader allocation between public and private investments	**68**	**—**	74	—
Total hedge funds		**687**	**—**	710	—
Total		**$ 9,522**	**$ 3,701**	$ 9,508	$ 3,748

Private equity fund investments included above are not redeemable, because distributions from the funds will be received when underlying investments of the funds are liquidated. Private equity funds are generally expected to have 10-year lives at their inception, but these lives may be extended at the fund manager’s discretion, typically in one-year or two-year increments.

The majority of our hedge fund investments are redeemable upon a single month or quarter’s notice, though redemption terms vary from single, immediate withdrawals, to withdrawals staggered up to eight quarters. Some of the portfolio consists of illiquid run-off or “side-pocket” positions whose liquidation horizons are uncertain and likely beyond a year after submission of the redemption notice.

FAIR VALUE OPTION

The following table presents the gains or losses recorded related to the eligible instruments for which we elected the fair value option:

Three Months Ended March 31,	Gain (Loss)	
(in millions)	**2024**	2023
Assets:		
Other bond securities[(a)]	**$ 78**	$ 136
Alternative investments[(b)]	**130**	77
Liabilities:		
Long-term debt[(c)]	**1**	(1)
Total gain (loss)	**$ 209**	$ 212

(a) Includes certain securities supporting the funds withheld arrangements with Fortitude Re. *For additional information regarding the gains and losses for Other bond securities, see Note 6. For additional information regarding the funds withheld arrangements with Fortitude Re, see Note 8.*

(b) Includes certain hedge funds, private equity funds and other investment partnerships.

(c) Includes guaranteed investment agreements (GIAs), notes, bonds and mortgages payable.

We calculate the effect of these credit spread changes using discounted cash flow techniques that incorporate current market interest rates, our observable credit spreads on these liabilities and other factors that mitigate the risk of nonperformance such as cash collateral posted.

The following table presents the difference between fair value and the aggregate contractual principal amount of long-term debt for which the fair value option was elected:

	March 31, 2024			December 31, 2023		
(in millions)	Fair Value	Outstanding Principal Amount	Difference	Fair Value	Outstanding Principal Amount	Difference
Long-term debt*	**$ 68**	**$ 60**	**$ 8**	$ 53	$ 44	$ 9

* Includes GIAs, notes, bonds, loans and mortgages payable.

FAIR VALUE MEASUREMENTS ON A NON-RECURRING BASIS

The following table presents assets measured at fair value on a non-recurring basis at the time of impairment and the related impairment charges recorded during the periods presented:

	Assets at Fair Value Non-Recurring Basis				Impairment Charges Three Months Ended March 31,	
(in millions)	Level 1	Level 2	Level 3	Total	**2024**	2023
March 31, 2024						
Other investments	**$ —**	**$ —**	**$ 98**	**$ 98**	**$ 25**	$ —
Other assets	**—**	**—**	**—**	**—**	**1**	9
Total	**$ —**	**$ —**	**$ 98**	**$ 98**	**$ 26**	$ 9
December 31, 2023						
Other investments	$ —	$ —	$ 80	$ 80		
Total	$ —	$ —	$ 80	$ 80		

FAIR VALUE INFORMATION ABOUT FINANCIAL INSTRUMENTS NOT MEASURED AT FAIR VALUE

The following table presents the carrying amounts and estimated fair values of our financial instruments not measured at fair value and indicates the level in the fair value hierarchy of the estimated fair value measurement based on the observability of the inputs used:

	Estimated Fair Value				Carrying
(in millions)	Level 1	Level 2	Level 3	Total	Value
March 31, 2024					
Assets:					
Mortgage and other loans receivable	**$ —**	**$ 322**	**$ 48,810**	**$ 49,132**	**$ 52,475**
Other invested assets	**—**	**896**	**6**	**902**	**902**
Short-term investments[(a)]	**—**	**6,590**	**—**	**6,590**	**6,590**
Cash[(b)]	**1,816**	**—**	**—**	**1,816**	**1,816**
Other assets	**43**	**—**	**—**	**43**	**43**
Liabilities:					
Policyholder contract deposits associated with investment-type contracts	**—**	**86**	**136,106**	**136,192**	**141,851**
Fortitude Re funds withheld payable	**—**	**—**	**30,153**	**30,153**	**30,153**
Other liabilities[(c)]	**—**	**3,585**	**—**	**3,585**	**3,585**
Short-term and long-term debt	**—**	**17,928**	**249**	**18,177**	**19,250**
Debt of consolidated investment entities	**—**	**67**	**2,527**	**2,594**	**2,617**
Separate account liabilities - investment contracts	**—**	**91,243**	**—**	**91,243**	**91,243**
December 31, 2023					
Assets:					
Mortgage and other loans receivable	$ —	$ 272	$ 48,264	$ 48,536	$ 51,553
Other invested assets	—	913	6	919	919
Short-term investments[(a)]	—	6,428	—	6,428	6,428
Cash[(b)]	2,155	—	—	2,155	2,155
Other assets	45	—	—	45	45
Liabilities:					
Policyholder contract deposits associated with investment-type contracts	—	90	130,094	130,184	140,652
Fortitude Re funds withheld payable	—	—	30,710	30,710	30,710
Other liabilities[(c)]	—	2,467	—	2,467	2,467
Short-term and long-term debt	—	18,595	267	18,862	19,743
Debt of consolidated investment entities	—	43	2,526	2,569	2,591
Separate account liabilities - investment contracts	—	87,215	—	87,215	87,215

(a) Excludes $ 25 million and $ 11 million at March 31, 2024 and December 31, 2023, respectively, reclassified to Assets held for sale on the Condensed Consolidated Balance Sheets.

(b) Excludes $ 1 million and $ 3 million at March 31, 2024 and December 31, 2023, respectively, reclassified to Assets held for sale on the Condensed Consolidated Balance Sheets.

(c) Excludes $ 52 million and $ 45 million at March 31, 2024 and December 31, 2023, respectively, reclassified to Liabilities held for sale on the Condensed Consolidated Balance Sheets.

6. Investments

SECURITIES AVAILABLE FOR SALE

The following table presents the amortized cost and fair value of our available for sale securities:

(in millions)	Amortized Cost	Allowance for Credit Losses(a)	Gross Unrealized Gains(b)	Gross Unrealized Losses(b)	Fair Value
March 31, 2024					
Bonds available for sale:					
U.S. government and government sponsored entities	**$ 6,157**	**$ —**	**$ 23**	**$ (391)**	**$ 5,789**
Obligations of states, municipalities and political subdivisions	**10,894**	**—**	**85**	**(886)**	**10,093**
Non-U.S. governments	**13,310**	**—**	**109**	**(1,451)**	**11,968**
Corporate debt	**153,436**	**(84)**	**1,598**	**(19,132)**	**135,818**
Mortgage-backed, asset-backed and collateralized:					
RMBS	**21,841**	**(24)**	**849**	**(1,245)**	**21,421**
CMBS	**15,563**	**(17)**	**68**	**(1,126)**	**14,488**
CLO/ABS	**33,866**	**—**	**234**	**(1,190)**	**32,910**
Total mortgage-backed, asset-backed and collateralized	**71,270**	**(41)**	**1,151**	**(3,561)**	**68,819**
Total bonds available for sale(c)	**$ 255,067**	**$ (125)**	**$ 2,966**	**$ (25,421)**	**$ 232,487**
December 31, 2023					
Bonds available for sale:					
U.S. government and government sponsored entities	$ 5,885	$ —	$ 58	$ (327)	$ 5,616
Obligations of states, municipalities and political subdivisions	11,387	—	118	(842)	10,663
Non-U.S. governments	13,668	(3)	137	(1,349)	12,453
Corporate debt	154,674	(90)	1,898	(18,050)	138,432
Mortgage-backed, asset-backed and collateralized:					
RMBS	20,875	(35)	821	(1,217)	20,444
CMBS	15,379	(34)	46	(1,263)	14,128
CLO/ABS	31,167	—	183	(1,353)	29,997
Total mortgage-backed, asset-backed and collateralized	67,421	(69)	1,050	(3,833)	64,569
Total bonds available for sale(c)	$ 253,035	$ (162)	$ 3,261	$ (24,401)	$ 231,733

(a) Represents the allowance for credit losses that has been recognized. Changes in the allowance for credit losses are recorded through Net realized gains (losses) and are not recognized in OCI.

(b) At March 31, 2024, includes mark to market movement relating to embedded derivatives.

(c) At March 31, 2024 and December 31, 2023, the fair value of bonds available for sale held by us that were below investment grade or not rated totaled $ 16.9 billion or 7 percent and $ 17.1 billion or 7 percent, respectively.

Securities Available for Sale in a Loss Position for Which No Allowance for Credit Loss Has Been Recorded

The following table summarizes the fair value and gross unrealized losses on our available for sale securities, aggregated by major investment category and length of time that individual securities have been in a continuous unrealized loss position for which no allowance for credit loss has been recorded:

	Less than 12 Months		12 Months or More		Total	
(in millions)	Fair Value	Gross Unrealized Losses*	Fair Value	Gross Unrealized Losses*	Fair Value	Gross Unrealized Losses*
March 31, 2024						
Bonds available for sale:						
U.S. government and government sponsored entities	**$ 2,600**	**$ 33**	**$ 1,486**	**$ 358**	**$ 4,086**	**$ 391**
Obligations of states, municipalities and political subdivisions	**2,150**	**134**	**5,187**	**752**	**7,337**	**886**
Non-U.S. governments	**2,007**	**148**	**7,424**	**1,302**	**9,431**	**1,450**
Corporate debt	**16,567**	**2,141**	**91,020**	**16,952**	**107,587**	**19,093**
RMBS	**4,044**	**189**	**7,877**	**1,025**	**11,921**	**1,214**
CMBS	**1,678**	**70**	**8,664**	**1,050**	**10,342**	**1,120**
CLO/ABS	**6,593**	**154**	**12,577**	**1,036**	**19,170**	**1,190**
Total bonds available for sale	**$ 35,639**	**$ 2,869**	**$ 134,235**	**$ 22,475**	**$ 169,874**	**$ 25,344**
December 31, 2023						
Bonds available for sale:						
U.S. government and government sponsored entities	$ 1,046	$ 12	$ 1,550	$ 315	$ 2,596	$ 327
Obligations of states, municipalities and political subdivisions	1,994	133	5,218	709	7,212	842
Non-U.S. governments	1,901	168	7,483	1,175	9,384	1,343
Corporate debt	15,483	1,936	93,649	16,076	109,132	18,012
RMBS	4,154	288	7,246	880	11,400	1,168
CMBS	2,864	219	8,192	1,027	11,056	1,246
CLO/ABS	6,965	202	13,436	1,151	20,401	1,353
Total bonds available for sale	$ 34,407	$ 2,958	$ 136,774	$ 21,333	$ 171,181	$ 24,291

* At March 31, 2024, includes mark to market movement relating to embedded derivatives.

At March 31, 2024, we held 27,875 individual fixed maturity securities that were in an unrealized loss position and for which no allowance for credit losses has been recorded (including 22,726 individual fixed maturity securities that were in a continuous unrealized loss position for 12 months or more). At December 31, 2023, we held 27,930 individual fixed maturity securities that were in an unrealized loss position and for which no allowance for credit losses has been recorded (including 22,663 individual fixed maturity securities that were in a continuous unrealized loss position for 12 months or more). We did not recognize the unrealized losses in earnings on these fixed maturity securities at March 31, 2024 because it was determined that such losses were due to non-credit factors. Additionally, we neither intend to sell the securities nor do we believe that it is more likely than not that we will be required to sell these securities before recovery of their amortized cost basis. For fixed maturity securities with significant declines, we performed fundamental credit analyses on a security-by-security basis, which included consideration of credit enhancements, liquidity position, expected defaults, industry and sector analysis, forecasts and available market data.

Contractual Maturities of Fixed Maturity Securities Available for Sale

The following table presents the amortized cost and fair value of fixed maturity securities available for sale by contractual maturity:

March 31, 2024	Total Fixed Maturity Securities Available for Sale	
(in millions)	Amortized Cost, Net of Allowance	Fair Value
Due in one year or less	$ 8,347	$ 8,235
Due after one year through five years	47,710	46,259
Due after five years through ten years	39,506	36,657
Due after ten years	88,150	72,517
Mortgage-backed, asset-backed and collateralized	71,229	68,819
Total	$ 254,942	$ 232,487

Actual maturities may differ from contractual maturities because certain borrowers have the right to call or prepay certain obligations with or without call or prepayment penalties.

The following table presents the gross realized gains and gross realized losses from sales or maturities of our available for sale securities:

	Three Months Ended March 31,			
	2024		2023	
(in millions)	Gross Realized Gains	Gross Realized Losses	Gross Realized Gains	Gross Realized Losses
Fixed maturity securities	$ 20	$ 463	$ 146	$ 598

For the three months ended March 31, 2024 and 2023, the aggregate fair value of available for sale securities sold was $ 4.9 billion and $ 10.8 billion, respectively, which resulted in net realized gains (losses) of $(443) million and $(452) million, respectively. Included within the net realized gains (losses) are $(37) million and $(65) million of net realized gains (losses) for the three months ended March 31, 2024 and 2023, respectively, which relate to Fortitude Re funds withheld assets. These net realized gains (losses) are included in Net realized gains (losses) on Fortitude Re funds withheld assets.

OTHER SECURITIES MEASURED AT FAIR VALUE

The following table presents the fair value of fixed maturity securities measured at fair value based on our election of the fair value option, which are reported in the other bond securities caption in the financial statements, and equity securities measured at fair value:

	March 31, 2024		December 31, 2023	
(in millions)	Fair Value	Percent of Total	Fair Value	Percent of Total
Fixed maturity securities:				
Obligations of states, municipalities and political subdivisions	$ 90	1 %	$ 91	2 %
Non-U.S. governments	39	1	37	1
Corporate debt	2,997	48	2,908	49
Mortgage-backed, asset-backed and collateralized:				
RMBS	273	4	263	4
CMBS	283	5	261	4
CLO/ABS and other collateralized	1,721	28	1,681	28
Total mortgage-backed, asset-backed and collateralized	2,277	37	2,205	36
Total fixed maturity securities	5,403	87	5,241	88
Equity securities	797	13	728	12
Total	$ 6,200	100 %	$ 5,969	100 %

OTHER INVESTED ASSETS

The following table summarizes the carrying amounts of other invested assets:

(in millions)		March 31, 2024		December 31, 2023
Alternative investments[(a)(b)]	$	11,195	$	11,320
Investment real estate[(c)]		2,159		2,237
All other investments[(d)]		2,623		2,660
Total	$	15,977	$	16,217

(a) At March 31, 2024, included hedge funds of $ 0.7 billion and private equity funds of $ 10.5 billion. At December 31, 2023, included hedge funds of $ 0.7 billion and private equity funds of $ 10.6 billion.

(b) The majority of our hedge fund investments are redeemable upon a single month or quarter's notice, though redemption terms vary from single, immediate withdrawals, to withdrawals staggered up to six quarters. Some of the portfolio consists of illiquid run-off or "side-pocket" positions whose liquidation horizons are uncertain and likely beyond a year after submission of the redemption notice.

(c) Represents values net of accumulated depreciation. At March 31, 2024 and December 31, 2023, the accumulated depreciation was $ 834 million and $ 853 million, respectively.

(d) Includes AIG's ownership interest in Fortitude Group Holdings, LLC (FRL), and DaVinciRe Holdings Ltd, Class D (DVRH), which are recorded using the measurement alternative for equity securities. Our investment in FRL totaled $ 156 million and $ 156 million at March 31, 2024 and December 31, 2023, respectively. Our investment in DVRH totaled $ 300 million and $ 300 million at March 31, 2024 and December 31, 2023, respectively.

NET INVESTMENT INCOME

The following table presents the components of Net investment income:

Three Months Ended March 31,		2024						2023				
(in millions)		Excluding Fortitude Re Funds Withheld Assets		Fortitude Re Funds Withheld Assets		Total		Excluding Fortitude Re Funds Withheld Assets		Fortitude Re Funds Withheld Assets		Total
Available for sale fixed maturity securities, including short-term investments	$	2,946	$	216	$	3,162	$	2,546	$	243	$	2,789
Other fixed maturity securities		9		71		80		12		123		135
Equity securities		99		—		99		51		—		51
Interest on mortgage and other loans		649		57		706		567		59		626
Alternative investments[(a)]		8		33		41		76		31		107
Real estate		5		(7)		(2)		3		—		3
Other investments		33		7		40		28		(1)		27
Total investment income		3,749		377		4,126		3,283		455		3,738
Investment expenses		214		8		222		196		9		205
Net investment income	$	3,535	$	369	$	3,904	$	3,087	$	446	$	3,533

(a) Included income from hedge funds, private equity funds and affordable housing partnerships. Hedge funds are recorded as of the balance sheet date. Private equity funds are generally reported on a one-quarter lag.

NET REALIZED GAINS AND LOSSES

The following table presents the components of Net realized gains (losses):

Three Months Ended March 31,	2024			2023		
(in millions)	Excluding Fortitude Re Funds Withheld Assets	Fortitude Re Funds Withheld Assets	Total	Excluding Fortitude Re Funds Withheld Assets	Fortitude Re Funds Withheld Assets	Total
Sales of fixed maturity securities	$ (406)	$ (37)	$ (443)	$ (387)	$ (65)	$ (452)
Intent to sell	(16)	(32)	(48)	—	—	—
Change in allowance for credit losses on fixed maturity securities	(62)	(6)	(68)	(16)	—	(16)
Change in allowance for credit losses on loans	(23)	1	(22)	(42)	(21)	(63)
Foreign exchange transactions	14	(14)	—	114	16	130
Index-linked interest credited embedded derivatives, net of related hedges	90	—	90	(178)	—	(178)
All other derivatives and hedge accounting*	123	(90)	33	(217)	38	(179)
Sales of alternative investments and real estate investments	30	(1)	29	4	1	5
Other	(8)	—	(8)	9	—	9
Net realized gains (losses) – excluding Fortitude Re funds withheld embedded derivative	(258)	(179)	(437)	(713)	(31)	(744)
Net realized gains (losses) on Fortitude Re funds withheld embedded derivative	—	13	13	—	(1,165)	(1,165)
Net realized gains (losses)	$ (258)	$ (166)	$ (424)	$ (713)	$ (1,196)	$ (1,909)

* Derivative activity related to hedging MRBs is recorded in Change in the fair value of MRBs, net. *For additional disclosures about MRBs, see Note 13.*

CHANGE IN UNREALIZED APPRECIATION (DEPRECIATION) OF INVESTMENTS

The following table presents the increase (decrease) in unrealized appreciation (depreciation) of our available for sale securities and other investments:

Three Months Ended March 31, (in millions)	2024	2023
Increase (decrease) in unrealized appreciation (depreciation) of investments:		
Fixed maturity securities	$ (1,214)	$ 5,005
Total increase (decrease) in unrealized appreciation (depreciation) of investments*	$ (1,214)	$ 5,005

* Excludes net unrealized gains and losses attributable to businesses held for sale at March 31, 2024.

The following table summarizes the unrealized gains and losses recognized in Net investment income during the reporting period on equity securities and other investments still held at the reporting date:

Three Months Ended March 31,	2024			2023		
(in millions)	Equities	Other Invested Assets	Total	Equities	Other Invested Assets	Total
Net gains recognized during the period on equity securities and other investments	$ 99	$ 153	$ 252	$ 51	$ 110	$ 161
Less: Net gains recognized during the period on equity securities and other investments sold during the period	67	2	69	153	1	154
Unrealized gains (losses) recognized during the reporting period on equity securities and other investments still held at the reporting date	$ 32	$ 151	$ 183	$ (102)	$ 109	$ 7

EVALUATING INVESTMENTS FOR AN ALLOWANCE FOR CREDIT LOSSES AND IMPAIRMENTS

For a discussion of our policy for evaluating investments for an allowance for credit losses, see Note 6 to the Consolidated Financial Statements in the 2023 Annual Report.

Credit Impairments

The following table presents a rollforward of the changes in allowance for credit losses on available for sale fixed maturity securities by major investment category:

Three Months Ended March 31,	2024			2023		
(in millions)	Structured	Non-Structured	Total	Structured	Non-Structured	Total
Balance, beginning of year	**$ 69**	**$ 93**	**$ 162**	$ 46	$ 140	$ 186
Additions:						
Securities for which allowance for credit losses were not previously recorded	**13**	**20**	**33**	2	22	24
Reductions:						
Securities sold during the period	**(15)**	**(8)**	**(23)**	(1)	(10)	(11)
Addition to (release of) the allowance for credit losses on securities that had an allowance recorded in a previous period, for which there was no intent to sell before recovery of amortized cost basis	**12**	**23**	**35**	(4)	(4)	(8)
Write-offs charged against the allowance	**(39)**	**(44)**	**(83)**	—	(50)	(50)
Other	**1**	**—**	**1**	2	(7)	(5)
Balance, end of period	**$ 41**	**$ 84**	**$ 125**	$ 45	$ 91	$ 136

Purchased Credit Deteriorated Securities

We purchase certain RMBS securities that have experienced more-than-insignificant deterioration in credit quality since origination. These are referred to as PCD assets. At the time of purchase an allowance is recognized for these PCD assets by adding it to the purchase price to arrive at the initial amortized cost. There is no credit loss expense recognized upon acquisition of a PCD asset. When determining the initial allowance for credit losses, management considers the historical performance of underlying assets and available market information as well as bond-specific structural considerations, such as credit enhancement and the priority of payment structure of the security. In addition, the process of estimating future cash flows includes, but is not limited to, the following critical inputs:

- Current delinquency rates;
- Expected default rates and the timing of such defaults;
- Loss severity and the timing of any recovery; and
- Expected prepayment speeds.

Subsequent to the acquisition date, the PCD assets follow the same accounting as other structured securities that are not high credit quality.

We did not purchase securities with more than insignificant credit deterioration since their origination during the three months ended March 31, 2024 and 2023.

PLEDGED INVESTMENTS

Secured Financing and Similar Arrangements

We enter into secured financing transactions whereby certain securities are sold under agreements to repurchase (repurchase agreements), in which we transfer securities in exchange for cash, with an agreement by us to repurchase the same or substantially similar securities. Our secured financing transactions also include those that involve the transfer of securities to financial institutions in exchange for cash (securities lending agreements). In all of these secured financing transactions, the securities transferred by us (pledged collateral) may be sold or repledged by the counterparties. These agreements are recorded at their contracted amounts plus accrued interest, other than those that are accounted for at fair value.

Pledged collateral levels are monitored daily and are generally maintained at an agreed-upon percentage of the fair value of the amounts borrowed during the life of the transactions. In the event of a decline in the fair value of the pledged collateral under these secured financing transactions, we may be required to transfer cash or additional securities as pledged collateral under these agreements. At the termination of the transactions, we and our counterparties are obligated to return the amounts borrowed and the securities transferred, respectively.

The following table presents the fair value of securities pledged to counterparties under secured financing transactions, including repurchase and securities lending agreements:

(in millions)	March 31, 2024	December 31, 2023
Fixed maturity securities available for sale	$ 3,651	$ 2,723

At March 31, 2024 and December 31, 2023, amounts borrowed under repurchase and securities lending agreements totaled $ 3.6 billion and $ 2.6 billion, respectively.

The following table presents the fair value of securities pledged under our repurchase agreements by collateral type and by remaining contractual maturity:

	Remaining Contractual Maturity of the Agreements					
(in millions)	Overnight and Continuous	up to 30 days	31 - 90 days	91 - 364 days	365 days or greater	Total
March 31, 2024						
Bonds available for sale:						
Non-U.S. governments	$ —	$ 51	$ —	$ —	$ —	$ 51
Corporate debt	14	3,586	—	—	—	3,600
Total	$ 14	$ 3,637	$ —	$ —	$ —	$ 3,651
December 31, 2023						
Bonds available for sale:						
Non-U.S. governments	$ —	$ 277	$ —	$ —	$ —	$ 277
Corporate debt	38	2,408	—	—	—	2,446
Total	$ 38	$ 2,685	$ —	$ —	$ —	$ 2,723

We also enter into agreements in which securities are purchased by us under agreements to resell (reverse repurchase agreements), which are accounted for as secured financing transactions and reported as short-term investments or other assets, depending on their terms. These agreements are recorded at their contracted resale amounts plus accrued interest, other than those that are accounted for at fair value. In all reverse repurchase transactions, we take possession of or obtain a security interest in the related securities, and we have the right to sell or repledge this collateral received.

The following table presents information on the fair value of securities pledged to us under reverse repurchase agreements:

(in millions)	March 31, 2024	December 31, 2023
Securities collateral pledged to us	$ 934	$ 1,200

At March 31, 2024 and December 31, 2023, the carrying value of reverse repurchase agreements totaled $ 927 million and $ 1.1 billion, respectively.

All secured financing transactions are collateralized and margined on a daily basis consistent with market standards and subject to enforceable master netting arrangements with rights of set off. We do not currently offset any such transactions.

Insurance – Statutory and Other Deposits

The total carrying value of cash and securities deposited by our insurance subsidiaries under requirements of regulatory authorities or other insurance-related arrangements, including certain annuity-related obligations and certain reinsurance contracts, was $ 18.5 billion and $ 16.5 billion at March 31, 2024 and December 31, 2023, respectively.

Other Pledges and Restrictions

Certain of our subsidiaries are members of Federal Home Loan Banks (FHLBs) and such membership requires the members to own stock in these FHLBs. We owned an aggregate of $ 288 million and $ 283 million of stock in FHLBs at March 31, 2024 and December 31, 2023, respectively. In addition, our subsidiaries have pledged securities available for sale and residential loans associated with borrowings and funding agreements from FHLBs, with a fair value of $ 6.2 billion and $ 3.1 billion, respectively, at March 31, 2024 and $ 6.5 billion and $ 3.0 billion, respectively, at December 31, 2023.

Certain GIAs have provisions that require collateral to be posted or payments to be made by us upon a downgrade of our long-term debt ratings. The actual amount of collateral required to be posted to the counterparties in the event of such downgrades, and the aggregate amount of payments that we could be required to make, depend on market conditions, the fair value of outstanding affected transactions and other factors prevailing at and after the time of the downgrade. The fair value of securities pledged as collateral with respect to these obligations was approximately $ 77 million and $ 63 million, at March 31, 2024 and December 31, 2023, respectively. This collateral primarily consists of securities of the U.S. government and government sponsored entities and generally cannot be repledged or resold by the counterparties.

Investments held in escrow accounts or otherwise subject to restriction as to their use were $ 164 million and $ 164 million, comprised of bonds available for sale and short-term investments at March 31, 2024 and December 31, 2023, respectively.

Reinsurance transactions between AIG and Fortitude Re were structured as modco and loss portfolio transfer arrangements with funds withheld.

7. Lending Activities

The following table presents the composition of Mortgage and other loans receivable, net:

(in millions)		**March 31, 2024**		December 31, 2023
Commercial mortgages[(a)]	**$**	**38,478**	$	38,009
Residential mortgages		**9,241**		8,689
Life insurance policy loans		**1,753**		1,753
Commercial loans, other loans and notes receivable[(b)]		**3,869**		3,940
Total mortgage and other loans receivable[(c)]		**53,341**		52,391
Allowance for credit losses[(c)(d)]		**(866)**		(838)
Mortgage and other loans receivable, net[(c)]	**$**	**52,475**	$	51,553

(a) Commercial mortgages primarily represent loans for apartments, offices and retail properties, with exposures in New York and California representing the largest geographic concentrations (aggregating approximately 18 percent and 10 percent, respectively, at March 31, 2024 and 18 percent and 11 percent, respectively, at December 31, 2023).

(b) There were no loans that were held for sale carried at lower of cost or market as of March 31, 2024 and December 31, 2023.

(c) Excludes $ 37.6 billion at both March 31, 2024 and December 31, 2023 of loan receivable from AIG Financial Products Corp. (AIGFP), which has a full allowance for credit losses, recognized upon the deconsolidation of AIGFP. *For additional information, see Note 1 to the Consolidated Financial Statements in the 2023 Annual Report.*

(d) Does not include allowance for credit losses of $ 55 million and $ 67 million, respectively, at March 31, 2024 and December 31, 2023, in relation to off-balance-sheet commitments to fund commercial mortgage loans, which is recorded in Other liabilities.

Interest income is not accrued when payment of contractual principal and interest is not expected. Any cash received on impaired loans is generally recorded as a reduction of the current carrying amount of the loan. Accrual of interest income is generally resumed when delinquent contractual principal and interest is repaid or when a portion of the delinquent contractual payments are made and the ongoing required contractual payments have been made for an appropriate period. As of March 31, 2024, $ 32 million and $ 656 million of residential mortgage loans and commercial mortgage loans, respectively, were placed on nonaccrual status. As of December 31, 2023, $ 27 million and $ 492 million of residential mortgage loans and commercial mortgage loans, respectively, were placed on nonaccrual status.

Accrued interest is presented separately and is included in Accrued investment income on the Condensed Consolidated Balance Sheets. As of March 31, 2024, accrued interest receivable was $ 34 million and $ 187 million associated with residential mortgage loans and commercial mortgage loans, respectively. As of December 31, 2023, accrued interest receivable was $ 20 million and $ 183 million associated with residential mortgage loans and commercial mortgage loans, respectively.

A significant majority of commercial mortgages in the portfolio are non-recourse loans and, accordingly, the only guarantees are for specific items that are exceptions to the non-recourse provisions. It is therefore extremely rare for us to have cause to enforce the provisions of a guarantee on a commercial real estate or mortgage loan.

Nonperforming loans are generally those loans where payment of contractual principal or interest is more than 90 days past due. Nonperforming loans were not significant for any of the periods presented.

CREDIT QUALITY OF COMMERCIAL MORTGAGES

The following table presents debt service coverage ratios[(a)] for commercial mortgages by year of vintage:

March 31, 2024							
(in millions)	2024	2023	2022	2021	2020	Prior	Total
>1.2X	**$ 659**	**$ 2,388**	**$ 6,371**	**$ 2,577**	**$ 1,412**	**$ 17,872**	**$ 31,279**
1.00 - 1.20X	**90**	**420**	**1,148**	**1,528**	**368**	**2,773**	**6,327**
<1.00X	**—**	**—**	**50**	**—**	**—**	**822**	**872**
Total commercial mortgages	**$ 749**	**$ 2,808**	**$ 7,569**	**$ 4,105**	**$ 1,780**	**$ 21,467**	**$ 38,478**

December 31, 2023							
(in millions)	2023	2022	2021	2020	2019	Prior	Total
>1.2X	$ 2,555	$ 6,209	$ 2,349	$ 1,387	$ 4,969	$ 13,459	$ 30,928
1.00 - 1.20X	295	1,149	1,574	369	177	2,632	6,196
<1.00X	—	50	—	—	—	835	885
Total commercial mortgages	$ 2,850	$ 7,408	$ 3,923	$ 1,756	$ 5,146	$ 16,926	$ 38,009

The following table presents loan-to-value ratios[(b)] for commercial mortgages by year of vintage:

March 31, 2024							
(in millions)	2024	2023	2022	2021	2020	Prior	Total
Less than 65%	**$ 749**	**$ 2,520**	**$ 4,716**	**$ 2,858**	**$ 1,329**	**$ 13,730**	**$ 25,902**
65% to 75%	**—**	**288**	**2,225**	**798**	**286**	**5,204**	**8,801**
76% to 80%	**—**	**—**	**—**	**99**	**—**	**836**	**935**
Greater than 80%	**—**	**—**	**628**	**350**	**165**	**1,697**	**2,840**
Total commercial mortgages	**$ 749**	**$ 2,808**	**$ 7,569**	**$ 4,105**	**$ 1,780**	**$ 21,467**	**$ 38,478**

December 31, 2023							
(in millions)	2023	2022	2021	2020	2019	Prior	Total
Less than 65%	$ 2,446	$ 4,629	$ 2,741	$ 1,303	$ 2,832	$ 11,571	$ 25,522
65% to 75%	290	1,763	794	288	1,937	3,220	8,292
76% to 80%	—	375	99	—	377	340	1,191
Greater than 80%	114	641	289	165	—	1,795	3,004
Total commercial mortgages	$ 2,850	$ 7,408	$ 3,923	$ 1,756	$ 5,146	$ 16,926	$ 38,009

(a) The debt service coverage ratio compares a property's net operating income to its debt service payments, including principal and interest. Our weighted average debt service coverage ratio was 1.9 x at both periods ended March 31, 2024 and December 31, 2023. The debt service coverage ratios are updated when additional relevant information becomes available.

(b) The loan-to-value ratio compares the current unpaid principal balance of the loan to the estimated fair value of the underlying property collateralizing the loan. Our weighted average loan-to-value ratio was 60 percent at both periods ended March 31, 2024 and December 31, 2023. The loan-to-value ratios have been updated within the last three months to reflect the current carrying values of the loans. We update the valuations of collateral properties by obtaining independent appraisals, generally at least once per year.

The following table presents supplementary credit quality information related to commercial mortgages:

	Number of	Class							Percent of
(dollars in millions)	Loans	Apartments	Offices	Retail	Industrial	Hotel	Others	Total	Total
March 31, 2024									
Past Due Status:									
In good standing	**610**	**$ 15,268**	**$ 9,573**	**$ 4,172**	**$ 6,572**	**$ 2,039**	**$ 523**	**$ 38,147**	**99 %**
90 days or less delinquent[(a)]	**2**	**—**	**61**	**200**	**—**	**—**	**—**	**261**	**1**
>90 days delinquent or in process of foreclosure	**2**	**—**	**29**	**41**	**—**	**—**	**—**	**70**	**—**
Total[(b)]	**614**	**$ 15,268**	**$ 9,663**	**$ 4,413**	**$ 6,572**	**$ 2,039**	**$ 523**	**$ 38,478**	**100 %**
Allowance for credit losses		**$ 82**	**$ 441**	**$ 113**	**$ 98**	**$ 43**	**$ 7**	**$ 784**	**2 %**

(dollars in millions)	Number of Loans	Apartments	Offices	Retail	Industrial	Hotel	Others	Total	Percent of Total
December 31, 2023									
Past Due Status:									
In good standing	610	$ 15,129	$ 9,679	$ 4,263	$ 6,367	$ 2,053	$ 446	$ 37,937	100 %
90 days or less delinquent	1	—	29	—	—	—	—	29	—
>90 days delinquent or in process of foreclosure	1	—	—	43	—	—	—	43	—
Total[b]	612	$ 15,129	$ 9,708	$ 4,306	$ 6,367	$ 2,053	$ 446	$ 38,009	100 %
Allowance for credit losses		$ 94	$ 415	$ 109	$ 90	$ 38	$ 6	$ 752	2 %

(a) Includes $ 61 million of Office loans and $ 20 million of Retail loans supporting the Fortitude Re funds withheld arrangements, 90 days or less delinquent, at March 31, 2024.

(b) Does not reflect allowance for credit losses.

The following table presents credit quality performance indicators for residential mortgages by year of vintage:

March 31, 2024							
(in millions)	2024	2023	2022	2021	2020	Prior	Total
FICO*:							
780 and greater	**$ 55**	**$ 699**	**$ 594**	**$ 2,295**	**$ 643**	**$ 845**	**$ 5,131**
720 - 779	**198**	**1,134**	**539**	**543**	**151**	**345**	**2,910**
660 - 719	**69**	**364**	**232**	**131**	**40**	**168**	**1,004**
600 - 659	**—**	**12**	**34**	**18**	**10**	**59**	**133**
Less than 600	**—**	**2**	**18**	**9**	**5**	**29**	**63**
Total residential mortgages	**$ 322**	**$ 2,211**	**$ 1,417**	**$ 2,996**	**$ 849**	**$ 1,446**	**$ 9,241**
December 31, 2023							
(in millions)	2023	2022	2021	2020	2019	Prior	Total
FICO*:							
780 and greater	$ 514	$ 589	$ 2,283	$ 622	$ 240	$ 608	$ 4,856
720 - 779	1,121	625	560	169	99	243	2,817
660 - 719	313	257	113	40	37	128	888
600 - 659	2	20	11	8	9	53	103
Less than 600	—	1	2	2	4	16	25
Total residential mortgages	$ 1,950	$ 1,492	$ 2,969	$ 841	$ 389	$ 1,048	$ 8,689

* Fair Isaac Corporation (FICO) is the credit quality indicator used to evaluate consumer credit risk for residential mortgage loan borrowers and scores have been updated within the last twelve months. FICO scores for residential mortgage investor loans to corporate entities are those of the guarantor at time of purchase. On March 31, 2024 and December 31, 2023 residential loans direct to consumers totaled $ 2.3 billion and $ 1.7 billion, respectively.

METHODOLOGY USED TO ESTIMATE THE ALLOWANCE FOR CREDIT LOSSES

For a discussion of our accounting policy for evaluating Mortgage and other loans receivable for impairment, see Note 7 to the Consolidated Financial Statements in the 2023 Annual Report.

The following table presents a rollforward of the changes in the allowance for credit losses on Mortgage and other loans receivable[a]:

Three Months Ended March 31,	**2024**[b]			2023		
(in millions)	Commercial Mortgages	Other Loans	Total	Commercial Mortgages	Other Loans	Total
Allowance, beginning of year	**$ 752**	**$ 86**	**$ 838**	$ 640	$ 76	$ 716
Loans charged off	**—**	**(6)**	**(6)**	—	—	—
Net charge-offs	**—**	**(6)**	**(6)**	—	—	—
Addition to (release of) allowance for loan losses	**32**	**2**	**34**	66	4	70
Allowance, end of period	**$ 784**	**$ 82**	**$ 866**	$ 706	$ 80	$ 786

(a) Does not include allowance for credit losses of $ 55 million and $ 62 million, respectively, at March 31, 2024 and 2023 in relation to off-balance-sheet commitments to fund commercial mortgage loans, which is recorded in Other liabilities.

(b) Excludes $ 37.6 billion at both March 31, 2024 and December 31, 2023, of loan receivable from AIGFP, which has a full allowance for credit losses, recognized upon the deconsolidation of AIGFP. *For additional information, see Note 1 to the Consolidated Financial Statements in the 2023 Annual Report.*

Our expectations and models used to estimate the allowance for losses on commercial and residential mortgage loans are regularly updated to reflect the current economic environment.

LOAN MODIFICATIONS

The allowance for credit losses incorporates an estimate of lifetime expected credit losses and is recorded on each asset upon asset origination or acquisition. The starting point for the estimate of the allowance for credit losses is historical loss information, which includes losses from modifications of receivables to borrowers experiencing financial difficulty. We use a probability of default/loss given default model to determine the allowance for credit losses for our commercial and residential mortgage loans. An assessment of whether a borrower is experiencing financial difficulty is made on the date of a modification.

Because the effect of most modifications made to borrowers experiencing financial difficulty is already included in the allowance for credit losses utilizing the measurement methodologies used to estimate the allowance, a change to the allowance for credit losses is generally not recorded upon modification.

When modifications are executed, they often will be in the form of principal forgiveness, term extensions, interest rate reductions, or some combination of any of these concessions. When principal is forgiven, the amortized cost basis of the asset is written off against the allowance for credit losses. The amount of the principal forgiveness is deemed to be uncollectible; therefore, that portion of the loan is written off, resulting in a reduction of the amortized cost basis and a corresponding adjustment to the allowance for credit losses.

We assess whether a borrower is experiencing financial difficulty based on a variety of factors, including the borrower's current default on any of its outstanding debt, the probability of a default on any of its debt in the foreseeable future without the modification, the insufficiency of the borrower's forecasted cash flows to service any of its outstanding debt (including both principal and interest), and the borrower's inability to access alternative third party financing at an interest rate that would be reflective of current market conditions for a non-troubled debtor.

During the three months ended March 31, 2024, commercial mortgage loans with an amortized cost of $ 17 million supporting the funds withheld arrangements with Fortitude Re and commercial loans, other loans and notes receivable with an amortized cost of $ 168 million (none of which were supporting the funds withheld arrangements with Fortitude Re, and $ 168 million of which is related to the loans previously modified in 2023) were granted term extensions. The modified loans represent less than 1 percent and 4 percent, respectively, of these portfolio segments. These modifications added less than one year to the weighted average life of loans in each of these two portfolio segments.

There were no loans that had defaulted during the three months ended March 31, 2024 and 2023, that had been previously modified with borrowers experiencing financial difficulties.

AIG closely monitors the performance of the loans modified to borrowers experiencing financial difficulty to understand the effectiveness of its modification efforts. All loans with borrowers experiencing financial difficulty that have been modified in the 12 months prior to March 31, 2024 are current and performing in conjunction with their modified terms.

8. Reinsurance

FORTITUDE RE

Fortitude Re is the reinsurer of the majority of AIG's run-off operations. The reinsurance transactions are structured as modco and loss portfolio transfer arrangements with funds withheld (funds withheld). In modco and funds withheld arrangements, the investments supporting the reinsurance agreements, and which reflect the majority of the consideration that would be paid to the reinsurer for entering into the transaction, are withheld by, and therefore continue to reside on the balance sheet of, the ceding company (i.e., AIG) thereby creating an obligation for the ceding company to pay the reinsurer (i.e., Fortitude Re) at a later date. Additionally, as AIG maintains ownership of these investments, AIG will maintain its existing accounting for these assets (e.g., the changes in fair value of available for sale securities will be recognized within OCI). AIG has established a funds withheld payable to Fortitude Re while simultaneously establishing a reinsurance asset representing reserves for the insurance coverage that Fortitude Re has assumed. The funds withheld payable contains an embedded derivative and changes in fair value of the embedded derivative related to the funds withheld payable are recognized in earnings through Net realized gains (losses). This embedded derivative is considered a total return swap with contractual returns that are attributable to various assets and liabilities associated with these reinsurance agreements.

As of March 31, 2024, approximately $ 26.9 billion of reserves from our Life and Retirement Run-Off Lines and approximately $ 2.9 billion of reserves from our General Insurance Run-Off Lines related to business written by multiple wholly-owned AIG subsidiaries, had been ceded to Fortitude Re under these reinsurance transactions.

There is a diverse pool of assets supporting the funds withheld arrangements with Fortitude Re. The following summarizes the composition of the pool of assets:

	March 31, 2024		December 31, 2023		
(in millions)	Carrying Value	Fair Value	Carrying Value	Fair Value	Corresponding Accounting Policy
Fixed maturity securities - available for sale[(a)]	**$ 16,726**	**$ 16,726**	$ 17,384	$ 17,384	Fair value through other comprehensive income (loss)
Fixed maturity securities - fair value option	**5,035**	**5,035**	4,867	4,867	Fair value through net investment income
Commercial mortgage loans	**3,882**	**3,614**	3,921	3,685	Amortized cost
Real estate investments	**175**	**302**	184	329	Amortized cost
Private equity funds / hedge funds	**1,920**	**1,920**	1,910	1,910	Fair value through net investment income
Policy loans	**325**	**325**	330	330	Amortized cost
Short-term investments	**178**	**178**	176	176	Fair value through net investment income
Funds withheld investment assets	**28,241**	**28,100**	28,772	28,681	
Derivative assets, net[(b)]	**14**	**14**	45	45	Fair value through net realized gains (losses)
Other[(c)]	**675**	**675**	758	758	Amortized cost
Total	**$ 28,930**	**$ 28,789**	$ 29,575	$ 29,484	

(a) The change in the net unrealized gains (losses) on available for sale securities related to the Fortitude Re funds withheld assets was $(163) million ($(128) million after-tax) and $ 704 million ($ 556 million after-tax), respectively for the three months ended March 31, 2024 and 2023.

(b) The derivative assets and liabilities have been presented net of cash collateral. The derivative assets and liabilities supporting the Fortitude Re funds withheld arrangements had a fair market value of $ 17 million and $ 27 million, respectively, as of March 31, 2024. The derivative assets and liabilities supporting the Fortitude Re funds withheld arrangements had a fair market value of $ 63 million and $ 34 million, respectively, as of December 31, 2023. These derivative assets and liabilities are fully collateralized either by cash or securities.

(c) Primarily comprised of Cash and Accrued investment income.

The impact of the funds withheld arrangements with Fortitude Re was as follows:

Three Months Ended March 31, *(in millions)*	**2024**	2023
Net investment income - Fortitude Re funds withheld assets	**$ 369**	$ 446
Net realized gains (losses) on Fortitude Re funds withheld assets:		
Net realized losses - Fortitude Re funds withheld assets	**(179)**	(31)
Net realized gains (losses) - Fortitude Re funds withheld embedded derivative	**13**	(1,165)
Net realized losses on Fortitude Re funds withheld assets	**(166)**	(1,196)
Income (loss) from continuing operations before income tax expense (benefit)	**203**	(750)
Income tax expense (benefit)[(a)]	**43**	(158)
Net income (loss)	**160**	(592)
Change in unrealized appreciation (depreciation) of all other investments[(a)]	**(128)**	556
Comprehensive income (loss)	**$ 32**	$ (36)

(a) The income tax expense (benefit) and the tax impact in AOCI was computed using AIG's U.S. statutory tax rate of 21 percent.

Various assets supporting the Fortitude Re funds withheld arrangements are reported at amortized cost, and as such, changes in the fair value of these assets are not reflected in the financial statements. However, changes in the fair value of these assets are included in the embedded derivative in the Fortitude Re funds withheld arrangement and the appreciation (depreciation) of the asset is the primary driver of the comprehensive income (loss) reflected above.

REINSURANCE – CREDIT LOSSES

The estimation of reinsurance recoverables involves a significant amount of judgment, particularly for latent exposures, such as asbestos, due to their long-tail nature. We assess the collectability of reinsurance recoverable balances in each reporting period, through either historical trends of disputes and credit events or financial analysis of the credit quality of the reinsurer. We record adjustments to reflect the results of these assessments through an allowance for credit losses and disputes on uncollectible reinsurance that reduces the carrying amount of reinsurance and other assets on the consolidated balance sheets (collectively, reinsurance recoverables). This estimate requires significant judgment for which key considerations include:

- paid and unpaid amounts recoverable;
- whether the balance is in dispute or subject to legal collection;

- the relative financial health of the reinsurer as classified by the Obligor Risk Ratings (ORRs) we assign to each reinsurer based upon our financial reviews; reinsurers that are financially troubled (i.e., in run-off, have voluntarily or involuntarily been placed in receivership, are insolvent, are in the process of liquidation or otherwise subject to formal or informal regulatory restriction) are assigned ORRs that will generate a significant allowance; and
- whether collateral and collateral arrangements exist.

An estimate of the reinsurance recoverable's lifetime expected credit losses is established utilizing a probability of default and loss given default method, which reflects the reinsurer's ORR. The allowance for credit losses excludes disputed amounts. An allowance for disputes is established for a reinsurance recoverable using the losses incurred model for contingencies.

The total reinsurance recoverables as of March 31, 2024 were $ 71.1 billion. As of that date, utilizing AIG's ORRs, (i) approximately 90 percent of the reinsurance recoverables were investment grade, of which 49 percent related to General Insurance and 41 percent related to Life and Retirement; (ii) approximately 9 percent of the reinsurance recoverables were non-investment grade, the majority of which related to General Insurance and (iii) approximately one percent of the reinsurance recoverables related to entities that were not rated by AIG.

The total reinsurance recoverables as of December 31, 2023 were $ 69.8 billion. As of that date, utilizing AIG's ORRs, (i) approximately 90 percent of the reinsurance recoverables were investment grade, of which 51 percent related to General Insurance and 39 percent related to Life and Retirement; (ii) approximately 9 percent of the reinsurance recoverables were non-investment grade, the majority of which related to General Insurance; (iii) approximately one percent of the reinsurance recoverables related to entities that were not rated by AIG.

As of March 31, 2024 and December 31, 2023, approximately 82 percent and 83 percent, respectively, of our non-investment grade reinsurance exposure related to captive insurers. These arrangements are typically collateralized by letters of credit, funds withheld or trust agreements.

Reinsurance Recoverable Allowance

The following table presents a rollforward of the reinsurance recoverable allowance:

Three Months Ended March 31,	2024			2023		
(in millions)	General Insurance	Life and Retirement	Total	General Insurance	Life and Retirement	Total
Balance, beginning of year	**$ 255**	**$ 30**	**$ 285**	$ 260	$ 84	$ 344
Addition to (release of) allowance for expected credit losses and disputes, net	**1**	**(10)**	**(9)**	(3)	(10)	(13)
Write-offs charged against the allowance for credit losses and disputes	**(1)**	**(2)**	**(3)**	(1)	—	(1)
Other changes	**—**	**—**	**—**	(3)	—	(3)
Balance, end of period	**$ 255**	**$ 18**	**$ 273**	$ 253	$ 74	$ 327

Past-Due Status

We consider a reinsurance asset to be past due when it is 90 days past due. The allowance for credit losses is estimated excluding disputed amounts. An allowance for disputes is established using the losses incurred method for contingencies. Past due balances on claims that are not in dispute were not material for any of the periods presented.

9. Deferred Policy Acquisition Costs

DAC represent those costs that are incremental and directly related to the successful acquisition of new or renewal of existing insurance contracts. We defer incremental costs that result directly from, and are essential to, the acquisition or renewal of an insurance contract. Such DAC generally include agent or broker commissions and bonuses, premium taxes, and medical and inspection fees that would not have been incurred if the insurance contract had not been acquired or renewed. Each cost is analyzed to assess whether it is fully deferrable. We partially defer costs, including certain commissions, when we do not believe that the entire cost is directly related to the acquisition or renewal of insurance contracts. Commissions that are not deferred to DAC are recorded in General operating and other expenses in the Condensed Consolidated Statements of Income (Loss).

We also defer a portion of employee total compensation and payroll-related fringe benefits directly related to time spent performing specific acquisition or renewal activities, including costs associated with the time spent on underwriting, policy issuance and processing, and sales force contract selling. The amounts deferred are derived based on successful efforts for each distribution channel and/or cost center from which the cost originates.

DAC for all contracts, except for those with limited to no exposure to policyholder behavior risk, (i.e., certain investment contracts), is grouped and amortized on a constant level basis over the expected term of the related contracts.

The following table presents a rollforward of DAC:

Three Months Ended March 31, 2024 *(in millions)*	General Insurance	Individual Retirement	Group Retirement	Life Insurance	Institutional Markets	Total
Balance, beginning of year	**$ 2,075**	**$ 4,735**	**$ 1,056**	**$ 4,149**	**$ 70**	**$ 12,085**
Capitalization	**882**	**170**	**22**	**134**	**13**	**1,221**
Amortization expense	**(828)**	**(148)**	**(21)**	**(104)**	**(3)**	**(1,104)**
Other, including foreign exchange	**(56)**	**—**	**—**	**(7)**	**—**	**(63)**
Reclassified to held for sale*	**(1)**	**—**	**—**	**(27)**	**—**	**(28)**
Balance, end of period	**$ 2,072**	**$ 4,757**	**$ 1,057**	**$ 4,145**	**$ 80**	**$ 12,111**
Three Months Ended March 31, 2023						
Balance, beginning of year	$ 2,310	$ 4,597	$ 1,060	$ 4,839	$ 51	$ 12,857
Capitalization	1,358	187	20	120	4	1,689
Amortization expense	(1,034)	(137)	(21)	(99)	(2)	(1,293)
Other, including foreign exchange	40	—	—	11	—	51
Balance, end of period	$ 2,674	$ 4,647	$ 1,059	$ 4,871	$ 53	$ 13,304

* Represents changes in DAC included in Assets held for sale. *For additional information, see Note 4.*

DEFERRED SALES INDUCEMENTS

We offer DSI which include enhanced crediting rates or bonus payments to contract holders (bonus interest) on certain annuity and investment contract products. To qualify for accounting treatment as an asset, the bonus interest must be explicitly identified in the contract at inception. We must also demonstrate that such amounts are incremental to amounts we credit on similar contracts without bonus interest and are higher than the contracts' expected ongoing crediting rates for periods after the bonus period. DSI is reported in Other assets, while amortization related to DSI is recorded in Interest credited to policyholder account balances. DSI amounts are deferred and amortized on a constant level basis over the life of the contract consistent with DAC.

The following table presents a rollforward of DSI:

Three Months Ended March 31,	**2024**			2023		
(in millions)	Individual Retirement	Group Retirement	Total	Individual Retirement	Group Retirement	Total
Balance, beginning of year	**$ 333**	**$ 164**	**$ 497**	$ 381	$ 177	$ 558
Capitalization	**1**	**—**	**1**	2	—	2
Amortization expense	**(13)**	**(3)**	**(16)**	(14)	(3)	(17)
Balance, end of period*	**$ 321**	**$ 161**	**$ 482**	$ 369	$ 174	$ 543

* At March 31, 2024 and 2023, Other assets, excluding DSI, totaled $ 11.8 billion and $ 12.4 billion, respectively.

10. Variable Interest Entities

We enter into various arrangements with Variable Interest Entities (VIEs) in the normal course of business and consolidate the VIEs when we determine we are the primary beneficiary. This analysis includes a review of the VIE's capital structure, related contractual relationships and terms, nature of the VIE's operations and purpose, nature of the VIE's interests issued and our involvement with the entity. When assessing the need to consolidate a VIE, we evaluate the design of the VIE as well as the related risks to which the entity was designed to expose the variable interest holders.

The primary beneficiary is the entity that has both (i) the power to direct the activities of the VIE that most significantly affect the entity's economic performance and (ii) the obligation to absorb losses or the right to receive benefits that could be potentially significant to the VIE. While also considering these factors, the consolidation conclusion depends on the breadth of our decision-making ability and our ability to influence activities that significantly affect the economic performance of the VIE.

BALANCE SHEET CLASSIFICATION AND EXPOSURE TO LOSS

Creditors or beneficial interest holders of VIEs for which AIG is the primary beneficiary generally have recourse only to the assets and cash flows of the VIEs and do not have recourse to AIG, except in limited circumstances when AIG has provided a guarantee to the VIE's interest holders. The following table presents the total assets and total liabilities associated with our variable interests in consolidated VIEs, as classified in the Condensed Consolidated Balance Sheets:

(in millions)	Real Estate and Investment Entities[d]	Securitization Vehicles	Total
March 31, 2024			
Assets:			
Bonds available for sale	**$ 39**	**$ 154**	**$ 193**
Other bond securities	**46**	**—**	**46**
Equity securities	**19**	**—**	**19**
Mortgage and other loans receivable	**—**	**1,993**	**1,993**
Other invested assets			
Alternative investments[a]	**2,536**	**—**	**2,536**
Investment real estate	**1,413**	**—**	**1,413**
Short-term investments	**157**	**4**	**161**
Cash	**54**	**—**	**54**
Accrued investment income	**2**	**6**	**8**
Other assets	**80**	**9**	**89**
Total[b]	**$ 4,346**	**$ 2,166**	**$ 6,512**
Liabilities:			
Debt of consolidated investment entities	**$ 1,019**	**$ 1,114**	**$ 2,133**
Other[c]	**70**	**33**	**103**
Total	**$ 1,089**	**$ 1,147**	**$ 2,236**
December 31, 2023			
Assets:			
Bonds available for sale	$ 36	$ 148	$ 184
Other bond securities	45	—	45
Equity securities	8	—	8
Mortgage and other loans receivable	—	2,063	2,063
Other invested assets			
Alternative investments[a]	2,695	—	2,695
Investment real estate	1,488	—	1,488
Short-term investments	125	10	135
Cash	61	—	61
Accrued investment income	2	7	9
Other assets	94	2	96
Total[b]	$ 4,554	$ 2,230	$ 6,784
Liabilities:			
Debt of consolidated investment entities	$ 1,094	$ 1,106	$ 2,200
Other[c]	82	1	83
Total	$ 1,176	$ 1,107	$ 2,283

(a) Comprised primarily of investments in real estate joint ventures at March 31, 2024 and December 31, 2023.

(b) The assets of each VIE can be used only to settle specific obligations of that VIE.

(c) Comprised primarily of Other liabilities at March 31, 2024 and December 31, 2023.

(d) At March 31, 2024 and December 31, 2023, off-balance sheet exposure primarily consisting of our insurance companies' commitments to real estate and investment entities were $ 1.8 billion and $ 1.9 billion, respectively, of which commitments to external parties were $ 0.5 billion and $ 0.4 billion, respectively.

We calculate our maximum exposure to loss to be (i) the amount invested in the debt or equity of the VIE, (ii) the notional amount of VIE assets or liabilities where we have also provided credit protection to the VIE with the VIE as the referenced obligation, and (iii) other commitments and guarantees to the VIE.

The following table presents total assets of unconsolidated VIEs in which we hold a variable interest, as well as our maximum exposure to loss associated with these VIEs:

		Maximum Exposure to Loss		
(in millions)	Total VIE Assets	On-Balance Sheet[c]	Off-Balance Sheet	Total
March 31, 2024				
Real estate and investment entities[a]	**$ 546,012**	**$ 9,226**	**$ 3,566** [d]	**$ 12,792**
Other[b]	**1,027**	**58**	**748** [e]	**806**
Total	**$ 547,039**	**$ 9,284**	**$ 4,314**	**$ 13,598**
December 31, 2023				
Real estate and investment entities[a]	$ 528,053	$ 9,125	$ 3,720 [d]	$ 12,845
Other[b]	1,027	58	748 [e]	806
Total	$ 529,080	$ 9,183	$ 4,468	$ 13,651

(a) Comprised primarily of hedge funds and private equity funds.

(b) At March 31, 2024 and December 31, 2023, excludes approximately $ 1,948 million and $ 1,971 million, respectively, of VIE assets related to AIGFP and its consolidated subsidiaries, with maximum off-balance sheet exposure to loss of $ 1,918 million and $ 1,941 million, respectively. *For additional information, see Note 1 to the Consolidated Financial Statements in the 2023 Annual Report.*

(c) At March 31, 2024 and December 31, 2023, $ 9.2 billion and $ 9.1 billion, respectively, of our total unconsolidated VIE assets were recorded as Other invested assets.

(d) These amounts represent our unfunded commitments to invest in private equity funds and hedge funds.

(e) These amounts represent our estimate of the maximum exposure to loss under certain insurance policies issued to VIEs if a hypothetical loss occurred to the extent of the full amount of the insured value. Our insurance policies cover defined risks and our estimate of liability is included in our insurance reserves on the balance sheet.

For additional information on VIEs, see Note 10 to the Consolidated Financial Statements in the 2023 Annual Report.

11. Derivatives and Hedge Accounting

We use derivatives and other financial instruments as part of our financial risk management programs and as part of our investment operations. Interest rate derivatives (such as interest rate swaps) are used to manage interest rate risk associated with embedded derivatives contained in insurance contract liabilities, fixed maturity securities, outstanding medium- and long-term notes as well as other interest rate sensitive assets and liabilities. Foreign exchange derivatives (principally foreign exchange forwards and swaps) are used to economically mitigate risk associated with non-U.S. dollar denominated debt, net capital exposures, foreign currency transactions, and foreign denominated investments. Equity derivatives are used to economically mitigate financial risk associated with embedded derivatives and MRBs in certain insurance liabilities. We use credit derivatives to manage our credit exposures. Commodity derivatives are used to hedge exposures within reinsurance contracts. The derivatives are effective economic hedges of the exposures that they are meant to offset. As part of our strategy to enhance investment income, in addition to hedging activities, we also enter into derivative contracts with respect to investment operations, which may include, among other things, credit default swaps (CDSs), total return swaps and purchases of investments with embedded derivatives, such as equity-linked notes and convertible bonds.

The following table presents the notional amounts of our derivatives and the fair value of derivative assets and liabilities in the Condensed Consolidated Balance Sheets:

	March 31, 2024				December 31, 2023			
	Gross Derivative Assets		Gross Derivative Liabilities		Gross Derivative Assets		Gross Derivative Liabilities	
(in millions)	Notional Amount	Fair Value	Notional Amount	Fair Value	Notional Amount	Fair Value	Notional Amount	Fair Value
Derivatives designated as hedging instruments:[(a)]								
Interest rate contracts	$ 577	$ 208	$ 2,638	$ 50	$ 1,863	$ 230	$ 752	$ 17
Foreign exchange contracts	5,627	385	1,932	204	3,847	416	6,402	336
Derivatives not designated as hedging instruments:[(a)]								
Interest rate contracts	52,800	3,276	36,050	3,329	42,549	3,056	42,466	3,614
Foreign exchange contracts	14,993	851	6,430	423	8,803	820	9,900	558
Equity contracts	80,551	2,878	10,368	1,229	81,110	2,019	9,595	745
Credit contracts[(b)]	3,808	111	508	36	2,109	41	509	37
Other contracts[(c)]	43,182	13	47	1	44,640	13	48	2
Total derivatives, gross	$ 201,538	$ 7,722	$ 57,973	$ 5,272	$ 184,921	$ 6,595	$ 69,672	$ 5,309
Counterparty netting[(d)]		(4,545)		(4,545)		(3,864)		(3,864)
Cash collateral[(e)]		(2,601)		(326)		(2,220)		(1,050)
Total derivatives on Condensed Consolidated Balance Sheets[(f)]		$ 576		$ 401		$ 511		$ 395

(a) Fair value amounts are shown before the effects of counterparty netting adjustments and offsetting cash collateral.

(b) As of March 31, 2024 and December 31, 2023, included CDSs on super senior multi-sector CLO with a net notional amount of $ 49 million and $ 50 million (fair value liability of $ 33 million and $ 32 million, respectively). The net notional amount represents the maximum exposure to loss on the portfolio.

(c) Consists primarily of stable value wraps and contracts with multiple underlying exposures.

(d) Represents netting of derivative exposures covered by a qualifying master netting agreement.

(e) Represents cash collateral posted and received that is eligible for netting.

(f) Freestanding derivatives only, excludes embedded derivatives. Derivative instrument assets and liabilities are recorded in Other assets and Other liabilities, respectively. Fair value of assets related to bifurcated embedded derivatives was $ 1.4 billion at March 31, 2024 and $ 1.2 billion at December 31, 2023. Fair value of liabilities related to bifurcated embedded derivatives was $ 8.7 billion and $ 8.0 billion, respectively, at March 31, 2024 and December 31, 2023. A bifurcated embedded derivative is generally presented with the host contract in the Condensed Consolidated Balance Sheets. Embedded derivatives are primarily related to guarantee features in fixed index annuities, index universal life products, and bonds available for sale, which include equity and interest rate components, and the funds withheld arrangement with Fortitude Re. *For additional information, see Note 8.*

COLLATERAL

We engage in derivative transactions that are not subject to a clearing requirement directly with unaffiliated third parties, in most cases, under International Swaps and Derivatives Association, Inc. (ISDA) Master Agreements. Many of the ISDA Master Agreements also include Credit Support Annex provisions, which provide for collateral postings that may vary at various ratings and threshold levels. We attempt to reduce our risk with certain counterparties by entering into agreements that enable collateral to be obtained from a counterparty on an upfront or contingent basis. We minimize the risk that counterparties might be unable to fulfill their contractual obligations by monitoring counterparty credit exposure and collateral value and generally requiring additional collateral to be posted upon the occurrence of certain events or circumstances. In addition, certain derivative transactions have provisions that require collateral to be posted by us upon a downgrade of our long-term debt ratings or give the counterparty the right to terminate the transaction. In the case of some of the derivative transactions, upon a downgrade of our long-term debt ratings, as an alternative to posting collateral and subject to certain conditions, we may assign the transaction to an obligor with higher debt ratings or arrange for a substitute guarantee of our obligations by an obligor with higher debt ratings or take other similar action. The actual amount of collateral required to be posted to counterparties in the event of such downgrades, or the aggregate amount of payments that we could be required to make, depends on market conditions, the fair value of outstanding affected transactions and other factors prevailing at and after the time of the downgrade.

Collateral posted by us to third parties for derivative transactions was $ 1.4 billion and $ 1.9 billion at March 31, 2024 and December 31, 2023, respectively. In the case of collateral posted under derivative transactions that are not subject to clearing, this collateral can generally be repledged or resold by the counterparties. Collateral provided to us from third parties for derivative transactions was $ 3.2 billion and $ 2.8 billion at March 31, 2024 and December 31, 2023, respectively. In the case of collateral provided to us under derivative transactions that are not subject to clearing, we generally can repledge or resell collateral.

OFFSETTING

We have elected to present all derivative receivables and derivative payables, and the related cash collateral received and paid, on a net basis on our Condensed Consolidated Balance Sheets when a legally enforceable ISDA Master Agreement exists between us and our derivative counterparty. An ISDA Master Agreement is an agreement governing multiple derivative transactions between two counterparties. The ISDA Master Agreement generally provides for the net settlement of all, or a specified group, of these derivative transactions, as well as transferred collateral, through a single payment, and in a single currency, as applicable. The net settlement provisions apply in the event of a default on, or affecting any, one derivative transaction or a termination event affecting all, or a specified group of, derivative transactions governed by the ISDA Master Agreement.

HEDGE ACCOUNTING

We designated certain derivatives entered into with third parties as fair value hedges of available for sale investment securities held by our insurance subsidiaries. The fair value hedges include foreign currency forwards and cross currency swaps designated as hedges of the change in fair value of foreign currency denominated available for sale securities attributable to changes in foreign exchange rates. We also designated certain interest rate swaps entered into with third parties as fair value hedges of fixed rate GICs attributable to changes in benchmark interest rates.

We use foreign currency denominated debt and cross-currency swaps as hedging instruments in net investment hedge relationships to mitigate the foreign exchange risk associated with our non-U.S. dollar functional currency foreign subsidiaries. For net investment hedge relationships where issued debt is used as a hedging instrument, we assess the hedge effectiveness and measure the amount of ineffectiveness based on changes in spot rates. For net investment hedge relationships that use derivatives as hedging instruments, we assess hedge effectiveness and measure hedge ineffectiveness using changes in forward rates. For the three months ended March 31, 2024 and 2023, we recognized gains (losses) of $ 25 million and $(25) million, respectively, included in Change in foreign currency translation adjustments in OCI related to the net investment hedge relationships.

A qualitative methodology is utilized to assess hedge effectiveness for net investment hedges, while regression analysis is employed for all other hedges.

The following table presents the gain (loss) recognized in income on our derivative instruments in fair value hedging relationships in the Condensed Consolidated Statements of Income (Loss):

	Gains/(Losses) Recognized in Income for:			
(in millions)	Hedging Derivatives[a]	Excluded Components[b]	Hedged Items	Net Impact
Three Months Ended March 31, 2024				
Interest rate contracts:				
Interest credited to policyholder account balances	**$ (62)**	**$ —**	**$ 64**	**$ 2**
Foreign exchange contracts:				
Net realized gains/(losses)	**88**	**(18)**	**(88)**	**(18)**
Three Months Ended March 31, 2023				
Interest rate contracts:				
Interest credited to policyholder account balances	$ 43	$ —	$ (47)	$ (4)
Foreign exchange contracts:				
Net realized gains/(losses)	(130)	76	130	76

(a) Gains and losses on derivative instruments designated and qualifying in fair value hedges that are included in the assessment of hedge effectiveness.

(b) Gains and losses on derivative instruments designated and qualifying in fair value hedges that are excluded from the assessment of hedge effectiveness and recognized in income on a mark-to-market basis.

DERIVATIVES NOT DESIGNATED AS HEDGING INSTRUMENTS

The following table presents the effect of derivative instruments not designated as hedging instruments in the Condensed Consolidated Statements of Income (Loss):

Three Months Ended March 31,	Gains (Losses) Recognized in Income	
(in millions)	**2024**	2023
By Derivative Type:		
Interest rate contracts	**$ (289)**	$ 95
Foreign exchange contracts	**71**	(101)
Equity contracts	**189**	(78)
Commodity contracts	**—**	7
Credit contracts	**23**	(1)
Other contracts	**16**	16
Embedded derivatives	**(549)**	(1,548)
Total	**$ (539)**	$ (1,610)
By Classification:		
Policy fees	**$ 15**	$ 16
Net investment income - excluding Fortitude Re funds withheld assets	**—**	—
Net investment income - Fortitude Re funds withheld assets	**6**	(2)
Net realized gains (losses) - excluding Fortitude Re funds withheld assets(a)	**220**	(391)
Net realized losses on Fortitude Re funds withheld assets(b)	**(77)**	(1,127)
Policyholder benefits and claims incurred	**(3)**	3
Change in the fair value of market risk benefits, net(c)	**(700)**	(109)
Total	**$ (539)**	$ (1,610)

(a) Includes $ 5 million gain related to the sale of AIG Life reported in Net (gain) loss on divestitures. *For additional information, see Notes 1 and 4* .

(b) Includes over-the-counter derivatives supporting the funds withheld arrangements with Fortitude Re and the embedded derivative contained within the funds withheld payable with Fortitude Re.

(c) This represents activity related to derivatives that economically hedged changes in the fair value of certain market risk benefits.

CREDIT RISK-RELATED CONTINGENT FEATURES

We estimate that at March 31, 2024, based on our outstanding financial derivative transactions, a downgrade of our long-term senior debt ratings to BBB or BBB– by Standard & Poor's Financial Services LLC, a subsidiary of S&P Global Inc., and/or a downgrade to Baa2 or Baa3 by Moody's Investors' Service, Inc. would permit counterparties to make additional collateral calls and permit certain counterparties to elect early termination of contracts, resulting in corresponding collateral postings and termination payments in the total amount of up to approximately $ 6 million. The aggregate fair value of our derivatives that were in a net liability position and that contain such credit risk-related contingencies which can be triggered below our long-term senior debt ratings of BBB+ or Baa1 was approximately $ 32 million and $ 32 million at March 31, 2024 and December 31, 2023, respectively. The aggregate fair value of assets posted as collateral under these contracts at March 31, 2024 and December 31, 2023, was approximately $ 33 million and $ 34 million, respectively.

HYBRID SECURITIES WITH EMBEDDED CREDIT DERIVATIVES

We invest in hybrid securities (such as credit-linked notes) with the intent of generating income and not specifically to acquire exposure to embedded derivative risk. As is the case with our other investments in RMBS, CMBS, CLO and ABS, our investments in these hybrid securities are exposed to losses only up to the amount of our initial investment in the hybrid security. Other than our initial investment in the hybrid securities, we have no further obligation to make payments on the embedded credit derivatives in the related hybrid securities.

We elect to account for our investments in these hybrid securities with embedded written credit derivatives at fair value, with changes in fair value recognized in Net investment income. Our investments in these hybrid securities are reported as Other bond securities in the Condensed Consolidated Balance Sheets. The fair value of these hybrid securities was under $ 1 million at both March 31, 2024 and December 31, 2023, respectively. These securities have par amounts of $ 42 million and $ 42 million at March 31, 2024 and December 31, 2023, respectively, and have remaining stated maturity dates that extend to 2052.

12. Insurance Liabilities

LIABILITY FOR UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES (LOSS RESERVES)

Loss reserves represent the accumulation of estimates of unpaid claims, including estimates for claims incurred but not reported and loss adjustment expenses, less applicable discount. We regularly review and update the methods used to determine loss reserve estimates. Any adjustments resulting from this review are reflected currently in pre-tax income, except to the extent such adjustment impacts a deferred gain under a retroactive reinsurance agreement, in which case the ceded portion would be amortized into pre-tax income in subsequent periods. Because these estimates are subject to the outcome of future events, changes in estimates are common given that loss trends vary and time is often required for changes in trends to be recognized and confirmed. Reserve changes that increase previous estimates of ultimate cost are referred to as unfavorable or adverse development or reserve strengthening. Reserve changes that decrease previous estimates of ultimate cost are referred to as favorable development or reserve releases.

Our gross loss reserves before reinsurance and discount are net of contractual deductible recoverable amounts due from policyholders of approximately $ 12.5 billion and $ 12.1 billion at March 31, 2024 and December 31, 2023, respectively. These recoverable amounts are related to certain policies with high deductibles (in excess of high dollar amounts retained by the insured through self-insured retentions, deductibles, retrospective programs, or captive arrangements, each referred to generically as “deductibles”), primarily for U.S. Commercial casualty business. With respect to the deductible portion of the claim, we manage and pay the entire claim on behalf of the insured and are reimbursed by the insured for the deductible portion of the claim. Thus, these recoverable amounts represent a credit exposure to us. At March 31, 2024 and December 31, 2023 we held collateral of approximately $ 8.8 billion and $ 8.7 billion, respectively, for these deductible recoverable amounts, consisting primarily of letters of credit and funded trust agreements. Allowance for credit losses for the unsecured portion of these recoverable amounts was $ 14 million at both March 31, 2024 and December 31, 2023.

The following table presents the rollforward of activity in loss reserves:

Three Months Ended March 31, *(in millions)*	2024	2023
Liability for unpaid loss and loss adjustment expenses, beginning of year	$ 70,393	$ 75,167
Reinsurance recoverable	(30,289)	(32,102)
Net Liability for unpaid loss and loss adjustment expenses, beginning of year	40,104	43,065
Losses and loss adjustment expenses incurred:		
Current year	3,365	3,784
Prior years, excluding discount and amortization of deferred gain	—	(27)
Prior years, discount charge (benefit)	106	94
Prior years, amortization of deferred gain on retroactive reinsurance[(a)]	(32)	(60)
Total losses and loss adjustment expenses incurred	3,439	3,791
Losses and loss adjustment expenses paid:		
Current year	(286)	(289)
Prior years	(2,857)	(3,549)
Total losses and loss adjustment expenses paid	(3,143)	(3,838)
Other changes:		
Foreign exchange effect	(496)	397
Retroactive reinsurance adjustment (net of discount)[(b)]	(8)	12
Reclassified to held for sale, net of reinsurance recoverables[(c)]	(5)	—
Total other changes	(509)	409
Liability for unpaid loss and loss adjustment expenses, end of period:		
Net liability for unpaid losses and loss adjustment expenses	39,891	43,427
Reinsurance recoverable	30,169	32,366
Total	$ 70,060	$ 75,793

(a) Includes $ 5 million and $ 7 million for the retroactive reinsurance agreement with National Indemnity Company (NICO), a subsidiary of Berkshire Hathaway Inc. (Berkshire), covering U.S. asbestos exposures for the three months ended March 31, 2024 and 2023, respectively.

(b) Includes benefit (charge) from change in discount on retroactive reinsurance in the amount of $ 55 million and $ 70 million for the three months ended March 31, 2024 and 2023, respectively.

(c) Represents change in loss reserves included in Liabilities held for sale. *For additional information, see Note 4* .

On January 20, 2017, we entered into an adverse development reinsurance agreement with NICO, under which we transferred to NICO 80 percent of the reserve risk on substantially all of our U.S. commercial long-tail exposures for accident years 2015 and prior. Under this agreement, we ceded to NICO 80 percent of the paid losses on subject business paid on or after January 1, 2016 in excess of $ 25 billion of net paid losses, up to an aggregate limit of $ 25 billion. At NICO's 80 percent share, NICO's limit of liability under the contract is $ 20 billion. We account for this transaction as retroactive reinsurance. We paid total consideration, including interest, of $ 10.2 billion. The consideration was placed into a collateral trust account as security for NICO's claim payment obligations, and Berkshire has provided a parental guarantee to secure the obligations of NICO under the agreement.

Prior Year Development

During the three months ended March 31, 2024, we did not recognize any prior year loss reserve development excluding discount and amortization of deferred gain.

During the three months ended March 31, 2023, we recognized favorable prior year loss reserve development of $ 27 million excluding discount and amortization of deferred gain. The development in this period was primarily driven by favorable development on U.S. Workers' Compensation and Other product lines, partially offset by unfavorable development on prior year catastrophes.

Discounting of Loss Reserves

At March 31, 2024 and December 31, 2023, the loss reserves reflect a net loss reserve discount of $ 1.2 billion and $ 1.2 billion, respectively, including tabular and non-tabular calculations based upon the following assumptions:

- The non-tabular workers' compensation discount is calculated separately for companies domiciled in New York, Pennsylvania and Delaware, and follows the statutory regulations (prescribed or permitted) for each state.
  - For New York companies, the discount is based on a 5 percent interest rate and the companies' own payout patterns.
  - The Pennsylvania and Delaware regulators approved use of a consistent benchmark discount rate and spread (U.S. Treasury rate plus a liquidity premium) to all of our workers' compensation reserves in our Pennsylvania domiciled and Delaware domiciled companies, as well as our use of updated payout patterns specific to our primary and excess workers compensation portfolios. In 2020, the regulators also approved that the discount rate will be updated on an annual basis.
- The tabular workers' compensation discount is calculated based on the mortality rate used in the 2007 U.S. Life table and interest rates prescribed or permitted by each state (i.e. New York is based on 5 percent interest rate and Pennsylvania and Delaware are based on U.S. Treasury rate plus a liquidity premium). In the case that applying this tabular discount factor to our nominal reserves produces a tabular discount that is greater than the indemnity portion of our case reserves, the tabular discount is capped at our estimate of the indemnity portion of our cases reserves (45 percent).

The discount for asbestos reserves has been fully accreted.

At March 31, 2024 and December 31, 2023, the discount consists of $ 293 million and $ 294 million of tabular discount, respectively, and $ 919 million and $ 939 million of non-tabular discount for workers' compensation, respectively. During the three months ended March 31, 2024 and 2023, the benefit / (charge) from changes in discount of $(76) million and $(64) million, respectively, were recorded as part of Policyholder benefits and losses incurred in the Condensed Consolidated Statements of Income (Loss).

The following table presents the components of the loss reserve discount discussed above:

(in millions)	March 31, 2024	December 31, 2023
U.S. workers' compensation	$ 2,261	$ 2,337
Retroactive reinsurance	(1,049)	(1,104)
Total reserve discount[(a)(b)]	$ 1,212	$ 1,233

(a) Excludes $ 194 million and $ 196 million of discount related to certain long-tail liabilities in the UK at March 31, 2024 and December 31, 2023, respectively.

(b) Includes gross discount of $ 680 million and $ 687 million, which was 100 percent ceded to Fortitude Re at March 31, 2024 and December 31, 2023, respectively.

The following table presents the net loss reserve discount benefit (charge):

Three Months Ended March 31, *(in millions)*	2024	2023
Current accident year	$ 30	$ 30
Accretion and other adjustments to prior year discount	(106)	(94)
Net reserve discount benefit (charge)	(76)	(64)
Change in discount on loss reserves ceded under retroactive reinsurance	55	70
Net change in total reserve discount*	$ (21)	$ 6

* Excludes $(2) million and $ 4 million of discount related to certain long-tail liabilities in the UK for the three months ended March 31, 2024 and 2023, respectively.

Amortization of Deferred Gain on Retroactive Reinsurance

Amortization of the deferred gain on retroactive reinsurance includes $ 27 million and $ 53 million related to the adverse development reinsurance cover with NICO for the three months ended March 31, 2024 and 2023, respectively.

Amounts recognized reflect the amortization of the initial deferred gain at inception, as amended for subsequent changes in the deferred gain due to changes in subject reserves.

FUTURE POLICY BENEFITS

Future policy benefits primarily include reserves for traditional life and annuity payout contracts, which represent an estimate of the present value of future benefits less the present value of future net premiums. Included in Future policy benefits are liabilities for annuities issued in structured settlement arrangements whereby a claimant receives life contingent payments over their lifetime. Also included are pension risk transfer arrangements whereby an upfront premium is received in exchange for guaranteed retirement benefits. All payments under these arrangements are fixed and determinable with respect to their amounts and dates. Structured settlement or other annuitization elections (e.g., certain single premium immediate annuities) that do not involve life contingent payments, but rather payments for a stated period are included in Policyholder contract deposits.

For traditional and limited pay long-duration products, benefit reserves are accrued and benefit expense is recognized using a net premium ratio methodology for each annual cohort of business.

The following tables present the balances and changes in the liability for future policy benefits and a reconciliation of the net liability for future policy benefits to the liability for future policy benefits in the Condensed Consolidated Balance Sheets:

Three Months Ended March 31, 2024 *(in millions, except for liability durations)*	General Insurance	Individual Retirement	Group Retirement	Life Insurance	Institutional Markets	Other[f]	Total
Present value of expected net premiums							
Balance, beginning of year	$ 1,702	$ —	$ —	$ 8,379	$ —	$ 973	$ 11,054
Effect of changes in discount rate assumptions (AOCI)	339	—	—	1,482	—	44	1,865
Reclassified to Liabilities held for sale	—	—	—	4,287	—	—	4,287
Beginning balance at original discount rate	2,041	—	—	14,148	—	1,017	17,206
Effect of actual variances from expected experience	(2)	—	—	(13)	—	—	(15)
Adjusted beginning of year balance	2,039	—	—	14,135	—	1,017	17,191
Issuances	31	—	—	353	—	—	384
Interest accrual	11	—	—	117	—	11	139
Net premium collected	(138)	—	—	(381)	—	(29)	(548)
Foreign exchange impact	(91)	—	—	(46)	—	—	(137)
Other	—	—	—	(4)	—	—	(4)
Ending balance at original discount rate	1,852	—	—	14,174	—	999	17,025
Effect of changes in discount rate assumptions (AOCI)	(283)	—	—	(1,621)	—	(57)	(1,961)
Reclassified to Liabilities held for sale	—	—	—	(4,247)	—	—	(4,247)
Balance, end of period	$ 1,569	$ —	$ —	$ 8,306	$ —	$ 942	$ 10,817
Present value of expected future policy benefits							
Balance, beginning of year	$ 2,149	$ 1,353	$ 217	$ 17,531	$ 18,482	$ 20,654	$ 60,386
Effect of changes in discount rate assumptions (AOCI)	441	132	(3)	2,745	1,906	437	5,658
Reclassified to Liabilities held for sale	—	—	—	5,119	—	—	5,119
Beginning balance at original discount rate	2,590	1,485	214	25,395	20,388	21,091	71,163
Effect of actual variances from expected experience[a]	(2)	(6)	(1)	(7)	—	(9)	(25)
Adjusted beginning of year balance	2,588	1,479	213	25,388	20,388	21,082	71,138
Issuances	32	34	5	350	1,726	2	2,149
Interest accrual	13	16	3	236	217	252	737
Benefit payments	(141)	(33)	(7)	(458)	(283)	(370)	(1,292)
Foreign exchange impact	(119)	—	—	(61)	(82)	—	(262)
Other	—	—	—	(3)	—	(3)	(6)
Ending balance at original discount rate	2,373	1,496	214	25,452	21,966	20,963	72,464
Effect of changes in discount rate assumptions (AOCI)	(374)	(153)	—	(3,149)	(2,347)	(959)	(6,982)
Reclassified to Liabilities held for sale	—	—	—	(5,078)	—	—	(5,078)
Balance, end of period	$ 1,999	$ 1,343	$ 214	$ 17,225	$ 19,619	$ 20,004	$ 60,404
Net liability for future policy benefits, end of period	$ 430	$ 1,343	$ 214	$ 8,919	$ 19,619	$ 19,062	$ 49,587
Liability for future policy benefits for certain participating contracts							1,302
Liability for universal life policies with secondary guarantees and similar features[b]							3,972
Deferred profit liability							2,553
Other reconciling items[c]							1,571
Future policy benefits for life and accident and health insurance contracts							58,985
Less: Reinsurance recoverable							(22,898)
Net liability for future policy benefits after reinsurance recoverable							$ 36,087
Weighted average liability duration of the liability for future policy benefits[d][e]	9.1	7.7	6.7	12.6	12.2	11.2	

Three Months Ended March 31, 2023 (in millions, except for liability durations)	General Insurance	Individual Retirement	Group Retirement	Life Insurance	Institutional Markets	Other[f]	Total
Present value of expected net premiums							
Balance, beginning of year	$ 1,929	$ —	$ —	$ 11,654	$ —	$ 991	$ 14,574
Effect of changes in discount rate assumptions (AOCI)	262	—	—	1,872	—	66	2,200
Beginning balance at original discount rate	2,191	—	—	13,526	—	1,057	16,774
Effect of actual variances from expected experience	(10)	1	—	12	—	3	6
Adjusted beginning of year balance	2,181	1	—	13,538	—	1,060	16,780
Issuances	36	6	—	322	—	—	364
Interest accrual	11	—	—	106	—	12	129
Net premium collected	(57)	(7)	—	(352)	—	(30)	(446)
Foreign exchange impact	(8)	—	—	96	—	—	88
Other	—	—	—	3	—	—	3
Ending balance at original discount rate	2,163	—	—	13,713	—	1,042	16,918
Effect of changes in discount rate assumptions (AOCI)	(353)	—	—	(1,648)	—	(48)	(2,049)
Balance, end of period	$ 1,810	$ —	$ —	$ 12,065	$ —	$ 994	$ 14,869
Present value of expected future policy benefits							
Balance, beginning of year	$ 2,380	$ 1,223	$ 211	$ 21,179	$ 12,464	$ 20,429	$ 57,886
Effect of changes in discount rate assumptions (AOCI)	362	167	2	3,424	2,634	1,083	7,672
Beginning balance at original discount rate	2,742	1,390	213	24,603	15,098	21,512	65,558
Effect of actual variances from expected experience[a]	(2)	(3)	(1)	26	(5)	—	15
Adjusted beginning of year balance	2,740	1,387	212	24,629	15,093	21,512	65,573
Issuances	36	70	2	318	1,450	3	1,879
Interest accrual	13	12	3	224	139	257	648
Benefit payments	(60)	(32)	(7)	(476)	(228)	(379)	(1,182)
Foreign exchange impact	(10)	—	—	277	125	—	392
Other	—	—	—	1	—	(3)	(2)
Ending balance at original discount rate	2,719	1,437	210	24,973	16,579	21,390	67,308
Effect of changes in discount rate assumptions (AOCI)	(457)	(141)	3	(3,081)	(2,302)	(492)	(6,470)
Balance, end of period	$ 2,262	$ 1,296	$ 213	$ 21,892	$ 14,277	$ 20,898	$ 60,838
Net liability for future policy benefits, end of period	$ 452	$ 1,296	$ 213	$ 9,827	$ 14,277	$ 19,904	$ 45,969
Liability for future policy benefits for certain participating contracts							1,340
Liability for universal life policies with secondary guarantees and similar features[b]							3,512
Deferred profit liability							2,396
Other reconciling items[c]							1,629
Future policy benefits for life and accident and health insurance contracts							54,846
Less: Reinsurance recoverable							(24,266)
Net liability for future policy benefits after reinsurance recoverable							$ 30,580
Weighted average liability duration of the liability for future policy benefits[d]	10.0	7.7	7.1	12.4	11.5	11.6	

(a) Effect of changes in cash flow assumptions and variances from actual experience are partially offset by changes in the deferred profit liability.

(b) Additional details can be found in the table that presents the balances and changes in the liability for universal life policies with secondary guarantees and similar features.

(c) Other reconciling items primarily include the Accident and Health as well as Group Benefits (short-duration) contracts.

(d) The weighted average liability durations are calculated as the modified duration using projected future net liability cash flows that are aggregated at the segment level, utilizing the segment level weighted average interest rates and current discount rate, which can be found in the table below.

(e) Includes balances that were reclassified to Liabilities held for sale in the Condensed Consolidated Balance sheets. *For additional information, see Note 4.*

(f) Represents Life and Retirement legacy insurance lines ceded to Fortitude Re.

For the three months ended March 31, 2024 and 2023 in the traditional and term life insurance block, capping of net premium ratios at 100 percent caused a (credit)/charge to net income of $(1) million and $ 7 million, respectively. The discount rate was updated based on market observable information. Relative to the prior period, the increase in upper-medium-grade fixed income yields resulted in a decrease in the liability for future policy benefits.

The following table presents the amount of undiscounted expected future benefit payments and undiscounted and discounted expected gross premiums for future policy benefits for nonparticipating contracts:

Three Months Ended March 31, *(in millions)*		2024	2023
General Insurance[(a)]	Undiscounted expected future benefits and expense	$ 2,911	$ 3,350
	Undiscounted expected future gross premiums	4,002	4,616
Individual Retirement	Undiscounted expected future benefits and expense	$ 2,156	$ 2,048
	Undiscounted expected future gross premiums	—	—
Group Retirement	Undiscounted expected future benefits and expense	$ 309	$ 317
	Undiscounted expected future gross premiums	—	—
Life Insurance[(b)]	Undiscounted expected future benefits and expense	$ 40,741	$ 39,028
	Undiscounted expected future gross premiums	30,656	28,964
Institutional Markets	Undiscounted expected future benefits and expense	$ 42,519	$ 29,029
	Undiscounted expected future gross premiums	—	—
Other[(c)]	Undiscounted expected future benefits and expense	$ 42,701	$ 44,148
	Undiscounted expected future gross premiums	2,106	2,225

(a) General Insurance discounted expected future gross premiums (at current discount rate) for the three months ended March 31, 2024 were $ 2.9 billion.

(b) Includes balances reclassified to Liabilities held for sale at March 31, 2024. Life Insurance discounted expected future gross premiums (at current discount rate) for the three months ended March 31, 2024 were $ 20.0 billion.

(c) Represents Life and Retirement legacy insurance lines ceded to Fortitude Re. Other discounted expected future gross premiums (at current discount rate) for the three months ended March 31, 2024 were $ 1.4 billion.

The following table presents the amount of revenue and interest recognized in the Condensed Consolidated Statements of Income (Loss) for future policy benefits for nonparticipating contracts:

Three Months Ended March 31,	Gross Premiums		Interest Accretion	
(in millions)	2024	2023	2024	2023
General Insurance	$ 110	$ 95	$ 2	$ 1
Individual Retirement	39	75	16	12
Group Retirement	5	6	3	3
Life Insurance	618	575	119	118
Institutional Markets	1,805	1,581	217	139
Other*	52	54	241	245
Total	$ 2,629	$ 2,386	$ 598	$ 518

* Represents Life and Retirement legacy insurance lines ceded to Fortitude Re.

The following table presents the weighted-average interest rate for future policy benefits for nonparticipating contracts:

Three Months Ended March 31, 2024	General Insurance	Individual Retirement	Group Retirement	Life Insurance[(a)]	Institutional Markets	Other[(b)]
Weighted-average interest rate, original discount rate	1.84 %	3.79 %	5.13 %	4.12 %	4.25 %	4.86 %
Weighted-average interest rate, current discount rate	3.70 %	5.27 %	5.24 %	5.28 %	5.19 %	5.32 %
Three Months Ended March 31, 2023						
Weighted-average interest rate, original discount rate	1.78 %	3.65 %	5.19 %	4.11 %	3.76 %	4.88 %
Weighted-average interest rate, current discount rate	3.64 %	5.33 %	4.91 %	5.08 %	5.04 %	5.10 %

(a) Weighted-average interest rates for Life Insurance include balances that have been reclassified to Liabilities held-for-sale at March 31, 2024.

(b) Represents Life and Retirement legacy insurance lines ceded to Fortitude Re.

The weighted average interest rates are calculated using projected future net liability cash flows that are aggregated to the segment level, and are represented as an annual rate.

Additional Liabilities: For universal-life type products, insurance benefits in excess of the account balance are generally recognized as expenses in the period incurred unless the design of the product is such that future charges are insufficient to cover the benefits, in which case an "additional liability" is accrued over the life of the contract. These additional liabilities are included in Future policy benefits for life and accident and health insurance contracts in the Condensed Consolidated Balance Sheets.

Our additional liabilities primarily consist of universal life policies with secondary guarantees and these additional liabilities are recognized in addition to the Policyholder account balances. For universal life policies with secondary guarantees, as well as other universal life policies for which profits followed by losses are expected at contract inception, a liability is recognized based on a benefit ratio of (a) the present value of total expected payments, in excess of the account value, over the life of the contract, divided by (b) the present value of total expected assessments over the life of the contract. For universal life policies without secondary guarantees, for which profits followed by losses are first expected after contract inception, we establish a liability, in addition to policyholder account balances, so that expected future losses are recognized in proportion to the emergence of profits in the earlier (profitable) years. Universal life account balances are reported within Policyholder contract deposits, while these additional liabilities are reported within the liability for future policy benefits in the Condensed Consolidated Balance Sheets. These additional liabilities are also adjusted to reflect the effect of unrealized gains or losses on fixed maturity securities available for sale on accumulated assessments, with related changes recognized through OCI. The policyholder behavior assumptions for these liabilities include mortality, lapses and premium persistency. The capital market assumptions used for the liability for universal life secondary guarantees include discount rates and net earned rates.

The following table presents the balances and changes in the liability for universal life policies with secondary guarantees and similar features:

Three Months Ended March 31,	2024			2023		
(in millions, except duration of liability)	Life Insurance	Other[(b)]	Total	Life Insurance	Other[(b)]	Total
Balance, beginning of year	**$ 3,731**	**$ 55**	**$ 3,786**	$ 3,300	$ 55	$ 3,355
Effect of changes in experience	**109**	**(1)**	**108**	74	(1)	73
Adjusted beginning balance	**3,840**	**54**	**3,894**	3,374	54	3,428
Assessments	**145**	**—**	**145**	179	—	179
Excess benefits paid	**(232)**	**—**	**(232)**	(238)	—	(238)
Interest accrual	**38**	**1**	**39**	28	1	29
Other	**—**	**—**	**—**	(5)	—	(5)
Changes related to unrealized appreciation (depreciation) of investments	**126**	**—**	**126**	119	—	119
Balance, end of period	**3,917**	**55**	**3,972**	3,457	55	3,512
Less: Reinsurance recoverable	**(172)**	**(55)**	**(227)**	(192)	—	(192)
Balance, end of period, net of Reinsurance recoverable	**$ 3,745**	**$ —**	**$ 3,745**	$ 3,265	$ 55	$ 3,320
Weighted average duration of liability[(a)]	**25.3**	**9.1**		26.4	9.4	

(a) The weighted average duration of liabilities is calculated as the modified duration using projected future net liability cash flows that are aggregated at the segment level, utilizing the segment level weighted average interest rates, which can be found in the table below.

(b) Represents Life and Retirement legacy insurance lines ceded to Fortitude Re.

The following table presents the amount of revenue and interest recognized in the Condensed Consolidated Statements of Income (Loss) for the liability for universal life policies with secondary guarantees and similar features:

Three Months Ended March 31,	Gross Assessments		Interest Accretion	
(in millions)	**2024**	2023	**2024**	2023
Life Insurance	**$ 248**	$ 299	**$ 38**	$ 28
Other*	**10**	10	**1**	1
Total	**$ 258**	$ 309	**$ 39**	$ 29

* Represents Life and Retirement legacy insurance lines ceded to Fortitude Re.

The following table presents the calculation of weighted average interest rate for the liability for universal life policies with secondary guarantees and similar features:

Three Months Ended March 31,	2024		2023	
	Life Insurance	Other*	Life Insurance	Other*
Weighted-average interest rate	**3.92 %**	**4.20 %**	3.76 %	4.24 %

* Represents Life and Retirement legacy insurance lines ceded to Fortitude Re.

The weighted average interest rates are calculated using projected future net liability cash flows that are aggregated to the segment level, and are represented as an annual rate.

The following table presents details concerning our universal life policies with secondary guarantees and similar features:

Three Months Ended March 31, (dollars in millions)	2024	2023
Account value	$ 3,773	$ 3,556
Net amount at risk	$ 73,092	$ 70,014
Average attained age of contract holders	53	53

POLICYHOLDER CONTRACT DEPOSITS

The liability for Policyholder contract deposits is primarily recorded at accumulated value (deposits received and net transfers from separate accounts, plus accrued interest credited, less withdrawals and assessed fees). Deposits collected on investment-oriented products are not reflected as revenues. They are recorded directly to Policyholder contract deposits upon receipt. Amounts assessed against the contract holders for mortality, administrative, and other services are included as Policy fees in revenues.

In addition to liabilities for universal life, fixed annuities, fixed options within variable annuities, annuities without life contingencies, funding agreements and GICs, policyholder contract deposits also include our liability for (i) index features accounted for as embedded derivatives at fair value, (ii) annuities issued in a structured settlement arrangement with no life contingency and (iii) certain contracts we have elected to account for at fair value. Changes in the fair value of the embedded derivatives related to policy index features and the fair value of derivatives hedging these liabilities are recognized in realized gains and losses.

For additional information on index credits accounted for as embedded derivatives, see Note 5.

Under a funding agreement-backed notes issuance program, an unaffiliated, non-consolidated statutory trust issues medium-term notes to investors, which are secured by funding agreements issued to the trust by one of our Life and Retirement companies through our Institutional Markets business.

The following table presents the balances and changes in Policyholder contract deposits account balances[a]:

Three Months Ended March 31, 2024 (in millions, except for average crediting rate)	Individual Retirement	Group Retirement	Life Insurance	Institutional Markets	Other[d]	Total
Policyholder contract deposits account balance, beginning of year	$ 94,896	$ 41,299	$ 10,231	$ 13,649	$ 3,333	$ 163,408
Deposits	4,878	1,349	407	798	11	7,443
Policy charges	(186)	(122)	(377)	(17)	(15)	(717)
Surrenders and withdrawals	(4,600)	(2,466)	(73)	(31)	(21)	(7,191)
Benefit payments	(761)	(494)	(79)	(181)	(79)	(1,594)
Net transfers from (to) separate account	1,248	1,024	5	(27)	—	2,250
Interest credited	816	303	121	157	40	1,437
Other	(3)	2	6	(11)	3	(3)
Policyholder contract deposits account balance, end of period	96,288	40,895	10,241	14,337	3,272	165,033
Other reconciling items[b]	(1,225)	(192)	134	33	(85)	(1,335)
Policyholder contract deposits	$ 95,063	$ 40,703	$ 10,375	$ 14,370	$ 3,187	$ 163,698
Weighted average crediting rate	2.86 %	3.05 %	4.39 %	4.59 %	4.98 %	
Cash surrender value[c]	$ 89,795	$ 39,746	$ 9,042	$ 2,585	$ 1,696	$ 142,864

Three Months Ended March 31, 2023 *(in millions, except for average crediting rate)*	Individual Retirement	Group Retirement	Life Insurance	Institutional Markets	Other[d]	Total
Policyholder contract deposits account balance, beginning of year	$ 89,554	$ 43,395	$ 10,224	$ 11,734	$ 3,587	$ 158,494
Deposits	4,864	1,326	414	595	11	7,210
Policy charges	(244)	(110)	(384)	(17)	(16)	(771)
Surrenders and withdrawals	(3,171)	(2,016)	(56)	(403)	(20)	(5,666)
Benefit payments	(1,036)	(557)	(49)	(167)	(88)	(1,897)
Net transfers from (to) separate account	728	592	(1)	443	—	1,762
Interest credited	377	270	88	105	43	883
Other	(2)	3	(16)	4	(1)	(12)
Policyholder contract deposits account balance, end of period	91,070	42,903	10,220	12,294	3,516	160,003
Other reconciling items[b]	(1,889)	(279)	116	74	(129)	(2,107)
Policyholder contract deposits	$ 89,181	$ 42,624	$ 10,336	$ 12,368	$ 3,387	$ 157,896
Weighted average crediting rate	2.52 %	2.78 %	4.24 %	3.55 %	4.95 %	
Cash surrender value[c]	$ 84,906	$ 41,361	$ 8,874	$ 2,545	$ 1,781	$ 139,467

(a) Transactions between the general account and the separate account are presented in this table on a gross basis (e.g., a policyholder's funds are initially deposited into the general account and then simultaneously transferred to the separate account), thus, did not impact the ending balance of policyholder contract deposits.

(b) Includes MRBs that are bifurcated and reported separately, net of embedded derivatives recorded in Policyholder contract deposits. Other also includes amounts related to Other Operations of $(85) million and $(129) million at March 31, 2024 and 2023, respectively.

(c) Cash surrender value is related to the portion of policyholder contract deposits that have a defined cash surrender value (e.g. GICs, do not have a cash surrender value).

(d) Primarily represents Life and Retirement legacy insurance lines ceded to Fortitude Re.

For information related to net amount at risk, see Note 13.

The following table presents Policyholder contract deposits account balance by range of guaranteed minimum crediting rates and the related range of difference, in basis points, between rates being credited to policyholders and the respective guaranteed minimums:

March 31, 2024 *(in millions, except percentage of total)*		At Guaranteed Minimum	1 Basis Point - 50 Basis Points Above	More than 50 Basis Points Above Minimum Guarantee	Total
Individual Retirement	**Range of Guaranteed Minimum Credited Rate**				
	<=1%	$ 6,251	$ 1,917	$ 28,202	$ 36,370
	> 1% - 2%	3,556	21	1,490	5,067
	> 2% - 3%	7,653	11	1,407	9,071
	> 3% - 4%	6,342	36	5	6,383
	> 4% - 5%	424	—	4	428
	> 5%	32	—	3	35
	Total	$ 24,258	$ 1,985	$ 31,111	$ 57,354
Group Retirement	**Range of Guaranteed Minimum Credited Rate**				
	<=1%	$ 2,133	$ 1,895	$ 7,672	$ 11,700
	> 1% - 2%	3,597	1,126	670	5,393
	> 2% - 3%	11,686	215	110	12,011
	> 3% - 4%	603	—	—	603
	> 4% - 5%	6,579	—	—	6,579
	> 5%	141	—	—	141
	Total	$ 24,739	$ 3,236	$ 8,452	$ 36,427
Life Insurance	**Range of Guaranteed Minimum Credited Rate**				
	<=1%	$ —	$ —	$ —	$ —
	> 1% - 2%	—	110	365	475
	> 2% - 3%	9	1,072	856	1,937
	> 3% - 4%	1,190	482	7	1,679
	> 4% - 5%	2,820	—	—	2,820
	> 5%	214	—	—	214
	Total	$ 4,233	$ 1,664	$ 1,228	$ 7,125
Total*		$ 53,230	$ 6,885	$ 40,791	$ 100,906
Percentage of total		53 %	7 %	40 %	100 %

March 31, 2023 *(in millions, except percentage of total)*		At Guaranteed Minimum	1 Basis Point - 50 Basis Points Above	More than 50 Basis Points Above Minimum Guarantee	Total
Individual Retirement	**Range of Guaranteed Minimum Credited Rate**				
	<=1%	$ 7,776	$ 2,562	$ 23,263	$ 33,601
	> 1% - 2%	3,994	24	2,163	6,181
	> 2% - 3%	9,155	1	390	9,546
	> 3% - 4%	7,359	40	6	7,405
	> 4% - 5%	452	—	4	456
	> 5%	32	—	4	36
	Total	$ 28,768	$ 2,627	$ 25,830	$ 57,225
Group Retirement	**Range of Guaranteed Minimum Credited Rate**				
	<=1%	$ 2,063	$ 2,713	$ 6,049	$ 10,825
	> 1% - 2%	5,005	908	353	6,266
	> 2% - 3%	13,561	40	—	13,601
	> 3% - 4%	658	—	—	658
	> 4% - 5%	6,821	—	—	6,821
	> 5%	153	—	—	153
	Total	$ 28,261	$ 3,661	$ 6,402	$ 38,324
Life Insurance	**Range of Guaranteed Minimum Credited Rate**				
	<=1%	$ —	$ —	$ —	$ —
	> 1% - 2%	—	131	349	480
	> 2% - 3%	28	862	1,079	1,969
	> 3% - 4%	1,417	118	198	1,733
	> 4% - 5%	2,946	—	—	2,946
	> 5%	222	—	—	222
	Total	$ 4,613	$ 1,111	$ 1,626	$ 7,350
Total*		$ 61,642	$ 7,399	$ 33,858	$ 102,899
Percentage of total		60 %	7 %	33 %	100 %

* Excludes policyholder contract deposits account balances that are not subject to guaranteed minimum crediting rates.

OTHER POLICYHOLDER FUNDS

Other policyholder funds include unearned revenue reserves (URR), consisting of front-end loads on investment-oriented contracts, representing those policy loads that are non-level and typically higher in initial policy years than in later policy years. Amortization of URR is recorded in Policy fees.

URR for investment-oriented contracts are generally deferred and amortized into income using the same assumptions and factors used to amortize DAC (i.e., on a constant level basis).

The following table presents a rollforward of URR:

(in millions)	Life Insurance	Institutional Markets	Other*	Total
Three Months Ended March 31, 2024				
Balance, beginning of year	**$ 1,770**	**$ 1**	**$ 94**	**$ 1,865**
Revenue deferred	**40**	**—**	**—**	**40**
Amortization	**(28)**	**—**	**(2)**	**(30)**
Balance, end of period	**$ 1,782**	**$ 1**	**$ 92**	**$ 1,875**
Three Months Ended March 31, 2023				
Balance, beginning of year	$ 1,727	$ 2	$ 105	$ 1,834
Revenue deferred	38	—	—	38
Amortization	(27)	(1)	(2)	(30)
Balance, end of period	$ 1,738	$ 1	$ 103	$ 1,842

* Represents Life and Retirement legacy insurance lines ceded to Fortitude Re. At March 31, 2024 and 2023, Other policyholder funds, excluding URR, totaled $ 1.4 billion and $ 1.6 billion, respectively.

13. Market Risk Benefits

MRBs are defined as contracts or contract features that both provide protection to the contract holder from other-than-nominal capital market risk and expose AIG to other-than nominal capital market risk. The MRB represents an amount that a policyholder receives in addition to the account balance upon the occurrence of a specific event or circumstance, such as death, annuitization, or periodic withdrawal that involves protection from other-than-nominal capital market risk. Certain contract features, such as GMWBs, guaranteed minimum death benefits (GMDB) and guaranteed minimum income benefits (GMIBs) commonly found in variable, fixed index and fixed annuities, are MRBs. MRBs are assessed at contract inception using a non-option method involving attributed fees that results in an initial fair value of zero or an option method that results in a fair value greater than zero.

MRBs are recorded at fair value, and AIG applies a non-option attributed fee valuation method for variable annuity products, and an option-based valuation method (host offset) for both fixed index and fixed products.

Changes in the fair value of MRBs, net represents changes in the fair value of market risk benefit liabilities and assets (with the exception of our own credit risk changes), and includes attributed rider fees and benefits, net of changes in the fair value of derivative instruments and fixed maturity securities that are used to economically hedge market risk from the variable annuity GMWB riders.

The following table presents the balances of and changes in MRBs:

Three Months Ended March 31,	2024			2023		
(in millions, except for attained age of contract holders)	Individual Retirement	Group Retirement	Total	Individual Retirement	Group Retirement	Total
Balance, beginning of year	$ 4,562	$ 308	$ 4,870	$ 3,738	$ 296	$ 4,034
Effect of changes in our own credit risk	(1,072)	(88)	(1,160)	(441)	(24)	(465)
Balance, beginning of year, before effect of changes in our own credit risk	$ 3,490	$ 220	$ 3,710	3,297	272	3,569
Issuances	123	10	133	191	9	200
Interest accrual	45	3	48	38	4	42
Attributed fees	174	15	189	235	17	252
Expected claims	(18)	—	(18)	(25)	(1)	(26)
Effect of changes in interest rates	(474)	(38)	(512)	478	46	524
Effect of changes in interest rate volatility	(14)	—	(14)	(73)	(4)	(77)
Effect of changes in equity markets	(529)	(50)	(579)	(391)	(36)	(427)
Effect of changes in equity index volatility	(15)	—	(15)	16	(3)	13
Actual outcome different from model expected outcome	(63)	3	(60)	72	1	73
Effect of changes in other future expected assumptions	(5)	(1)	(6)	(94)	(18)	(112)
Other, including foreign exchange	—	(2)	(2)	1	—	1
Balance, end of period, before effect of changes in our own credit risk	2,714	160	2,874	3,745	287	4,032
Effect of changes in our own credit risk	1,100	89	1,189	339	32	371
Balance, end of period	3,814	249	4,063	4,084	319	4,403
Less: Reinsured MRB, end of period	(68)	—	(68)	(89)	—	(89)
Net Liability Balance after reinsurance recoverable	$ 3,746	$ 249	$ 3,995	$ 3,995	$ 319	$ 4,314
Net amount at risk						
GMDB only	$ 623	$ 136	$ 759	$ 1,307	$ 266	$ 1,573
GMWB only	$ 128	$ 12	$ 140	$ 63	$ 5	$ 68
Combined*	$ 576	$ 13	$ 589	$ 1,726	$ 31	$ 1,757
Weighted average attained age of contract holders	71	64		71	64	

* Certain contracts contain both guaranteed GMDB and GMWB features and are modeled together for the purposes of calculating the MRB.

The following is a reconciliation of MRBs by amounts in an asset position and in a liability position to the MRBs amount in the Condensed Consolidated Balance Sheets:

	March 31, 2024			March 31, 2023		
(in millions)	Asset*	Liability*	Net	Asset*	Liability*	Net
Individual Retirement	$ 968	$ 4,714	$ 3,746	$ 685	$ 4,680	$ 3,995
Group Retirement	204	453	249	145	464	319
Total	$ 1,172	$ 5,167	$ 3,995	$ 830	$ 5,144	$ 4,314

* Cash flows and attributed fees for MRBs are determined on a policy level basis and are reported based on their asset or liability position at the balance sheet date.

For additional information related to fair value measurements of MRBs, see Note 5.

14. Separate Account Assets and Liabilities

We report variable contracts within the separate accounts when investment income and investment gains and losses accrue directly to, and investment risk is borne by, the contract holder and the separate account meets additional accounting criteria to qualify for separate account treatment. The assets supporting the variable portion of variable annuity and variable universal life contracts that qualify for separate account treatment are carried at fair value and are reported as separate account assets, with an equivalent summary total reported as separate account liabilities. The assets of separate accounts are legally segregated and are not subject to claims that arise from any of our other businesses.

Policy values for variable products and investment contracts are expressed in terms of investment units. Each unit is linked to an asset portfolio. The value of a unit increases or decreases based on the value of the linked asset portfolio. The current liability at any time is the sum of the current unit value of all investment units in the separate accounts, plus any liabilities for MRBs.

Amounts assessed against the policyholders for mortality, administrative and other services are included in policy fees. Investment performance (including investment income, net investment gains (losses) and changes in unrealized gains (losses)) and the corresponding amounts credited to policyholders of such separate accounts are offset within the same line in the Condensed Consolidated Statements of Income (Loss).

For discussion of the fair value measurement of guaranteed benefits that are accounted for as MRBs, see Note 5.

The following table presents fair value of separate account investment options:

	March 31, 2024					December 31, 2023				
(in millions)	Individual Retirement	Group Retirement	Life Insurance	Institutional Markets	Total	Individual Retirement	Group Retirement	Life Insurance	Institutional Markets	Total
Equity funds	**$ 26,945**	**$ 30,285**	**$ 900**	**$ 635**	**$ 58,765**	$ 25,451	$ 28,675	$ 819	$ 593	$ 55,538
Bond funds	**4,121**	**3,315**	**45**	**1,281**	**8,762**	4,037	3,292	44	1,303	8,676
Balanced funds	**18,179**	**5,663**	**55**	**2,062**	**25,959**	17,711	5,479	53	1,923	25,166
Money market funds	**693**	**802**	**16**	**176**	**1,687**	694	742	16	173	1,625
Total	**$ 49,938**	**$ 40,065**	**$ 1,016**	**$ 4,154**	**$ 95,173**	$ 47,893	$ 38,188	$ 932	$ 3,992	$ 91,005

The following table presents the balances and changes in Separate account liabilities:

Three Months Ended March 31, 2024 *(in millions)*	Individual Retirement	Group Retirement	Life Insurance	Institutional Markets	Total
Balance, beginning of year	**$ 47,893**	**$ 38,188**	**$ 932**	**$ 3,992**	**$ 91,005**
Premiums and deposits	**294**	**340**	**9**	**69**	**712**
Policy charges	**(288)**	**(115)**	**(12)**	**(24)**	**(439)**
Surrenders and withdrawals	**(1,193)**	**(1,052)**	**(9)**	**(31)**	**(2,285)**
Benefit payments	**(239)**	**(154)**	**(2)**	**(5)**	**(400)**
Investment performance	**3,451**	**2,934**	**98**	**139**	**6,622**
Net transfers from (to) general account and other	**20**	**(76)**	**—**	**14**	**(42)**
Balance, end of period	**$ 49,938**	**$ 40,065**	**$ 1,016**	**$ 4,154**	**$ 95,173**
Cash surrender value*	**$ 48,975**	**$ 39,865**	**$ 995**	**$ 4,150**	**$ 93,985**
Three Months Ended March 31, 2023					
Balance, beginning of year	$ 45,178	$ 34,361	$ 799	$ 4,515	$ 84,853
Premiums and deposits	451	360	9	26	846
Policy charges	(344)	(110)	(12)	(24)	(490)
Surrenders and withdrawals	(844)	(669)	(6)	(404)	(1,923)
Benefit payments	(215)	(130)	(1)	(54)	(400)
Investment performance	2,131	2,186	53	99	4,469
Net transfers from (to) general account and other	73	(78)	(1)	8	2
Balance, end of period	$ 46,430	$ 35,920	$ 841	$ 4,166	$ 87,357
Cash surrender value*	$ 45,388	$ 35,726	$ 794	$ 4,168	$ 86,076

* The cash surrender value represents the amount of the contract holder's account balance distributable at the balance sheet date less applicable surrender charges.

Separate account liabilities primarily represent the contract holder's account balance in separate account assets and will be equal and offsetting to total separate account assets.

15. Contingencies, Commitments and Guarantees

In the normal course of business, various contingent liabilities and commitments are entered into by AIG and our subsidiaries. In addition, AIG Parent guarantees various obligations of certain subsidiaries.

Although AIG cannot currently quantify its ultimate liability for unresolved litigation and investigation matters, including those referred to below, it is possible that such liability could have a material adverse effect on AIG’s consolidated financial condition or its consolidated results of operations or consolidated cash flows for an individual reporting period.

LEGAL CONTINGENCIES

Overview

In the normal course of business, AIG and our subsidiaries are subject to regulatory and government investigations and actions, and litigation and other forms of dispute resolution in a large number of proceedings pending in various domestic and foreign jurisdictions. Certain of these matters involve potentially significant risk of loss due to potential for significant jury awards and settlements, punitive damages or other penalties. Many of these matters are also highly complex and may seek recovery on behalf of a class or similarly large number of plaintiffs. It is therefore inherently difficult to predict the size or scope of potential future losses arising from these matters. In our insurance and reinsurance operations, litigation and arbitration concerning the scope of coverage under insurance and reinsurance contracts, and litigation and arbitration in which our subsidiaries defend or indemnify their insureds under insurance contracts, are generally considered in the establishment of our loss reserves. Separate and apart from the foregoing matters involving insurance and reinsurance coverage, AIG, our subsidiaries and their respective officers and directors are subject to a variety of additional types of legal proceedings brought by holders of AIG securities, customers, employees and others, alleging, among other things, breach of contractual or fiduciary duties, bad faith, indemnification and violations of federal and state statutes and regulations. With respect to these other categories of matters not arising out of claims for insurance or reinsurance coverage, we establish reserves for loss contingencies when it is probable that a loss will be incurred and the amount of the loss can be reasonably estimated. In many instances, we are unable to determine whether a loss is probable or to reasonably estimate the amount of such a loss and, therefore, the potential future losses arising from legal proceedings may exceed the amount of liabilities that we have recorded in our financial statements covering these matters. While such potential future charges could be material, based on information currently known to management, management does not believe, other than as may be discussed below, that any such charges are likely to have a material adverse effect on our financial position or results of operation.

Additionally, from time to time, various regulatory and governmental agencies review the transactions and practices of AIG and our subsidiaries in connection with industry-wide and other inquiries or examinations into, among other matters, the business practices of current and former operating insurance subsidiaries. Such investigations, inquiries or examinations could develop into administrative, civil or criminal proceedings or enforcement actions, in which remedies could include fines, penalties, restitution or alterations in our business practices, and could result in additional expenses, limitations on certain business activities and reputational damage.

Moriarty Litigation

American General Life Insurance Company (AGL) continues to defend against Moriarty v. American General Life Insurance Co. (S.D. Cal.), a putative class action involving Sections 10113.71 and 10113.72 of the California Insurance Code. In general, those statutes require that for life-insurance policies issued and delivered in California: (1) the policy must contain a 60-day grace period following nonpayment of premium during which the policy remains in force; (2) the insurer must provide a 30-day pre-lapse notice; and (3) the insurer must notify policy owners of the right to designate a secondary recipient for lapse notices. The Moriarty plaintiff contends AGL did not comply with these requirements for a policy issued before these statutes went into effect. The plaintiff seeks damages and other relief. AGL asserts various defenses to the plaintiff’s claims and to class certification. In 2022, the District Court held a trial was necessary to determine whether AGL was liable, and it denied class certification. In May 2023, the case was reassigned to a new judge. On August 14, 2023, the District Court granted the plaintiff’s motion for summary judgment on the plaintiff’s breach-of-contract claim. On September 26, 2023, the District Court decided that good cause exists to allow the plaintiff to file a third motion for class certification. At the same time, however, the District Court certified its August 14, 2023 order for interlocutory appeal to the Ninth Circuit and stayed trial-court proceedings pending the outcome of AGL’s appeal. The Ninth Circuit granted AGL’s petition for interlocutory appeal on November 21, 2023, which remains pending.

AGL is defending other actions in California involving similar issues: Allen v. Protective Life Insurance Co. and AGL (E.D. Cal.), in which the individual plaintiff filed a motion on August 11, 2023 seeking leave to amend the complaint to add class-action allegations against AGL; and Chuck v. American General Life Insurance Co. (C.D. Cal.), which was filed on September 6, 2023 as a putative class action. These cases are in the early stages, and we expect their progress will be influenced by future developments in Moriarty and cases against other insurers involving the same statutes.

We have accrued our current estimate of probable loss with respect to these litigation matters.

OTHER COMMITMENTS

In the normal course of business, we enter into commitments to invest in limited partnerships, private equity funds and hedge funds and to purchase and develop real estate in the U.S. and abroad. These commitments totaled $ 6.0 billion and $ 6.1 billion at March 31, 2024 and December 31, 2023, respectively.

GUARANTEES

Subsidiaries

We have issued unconditional guarantees with respect to the prompt payment, when due, of all present and future payment obligations and liabilities of AIGFP and certain of its subsidiaries. We have also issued guarantees of all present and future payment obligations and liabilities of AIG Markets, Inc.

Due to the deconsolidation of AIGFP and its subsidiaries, as of March 31, 2024, a $ 92 million guarantee related to the obligations of AIGFP and certain of its subsidiaries was recognized, and is reported in Other liabilities.

Business and Asset Dispositions

We are subject to financial guarantees and indemnity arrangements in connection with the completed sales of businesses and assets. The various arrangements may be triggered by, among other things, declines in asset values, the occurrence of specified business contingencies, the realization of contingent liabilities, developments in litigation or breaches of representations, warranties or covenants provided by us. These arrangements are typically subject to various time limitations, defined by the contract or by operation of law, such as statutes of limitation. In some cases, the maximum potential obligation is subject to contractual limitations, while in other cases such limitations are not specified or are not applicable.

We are unable to develop a reasonable estimate of the maximum potential payout under certain of these arrangements. Overall, we believe the likelihood that we will have to make any material payments related to completed sales under these arrangements is remote, and no material liabilities related to these arrangements have been recorded in the Condensed Consolidated Balance Sheets.

Other

- *For additional information on commitments and guarantees associated with VIEs, see Note 10.*
- *For additional information on derivatives, see Note 11.*

16. Equity

SHARES OUTSTANDING

Preferred Stock

On March 14, 2019, we issued 20,000 shares of Series A 5.85 % Non-Cumulative Perpetual Preferred Stock (Series A Preferred Stock) (equivalent to 20,000,000 Depositary Shares (the Depositary Shares), each representing a 1/1,000th interest in a share of Series A Preferred Stock), $ 5.00 par value and $ 25,000 liquidation preference per share (equivalent to $ 25 per Depositary Share). After underwriting discounts and expenses, we received net proceeds of approximately $ 485 million.

On March 15, 2024, we redeemed all 20,000 outstanding shares of our Series A Preferred Stock and all 20,000,000 of the corresponding Depositary Shares, each representing a 1/1,000th interest in a share of Series A Preferred Stock, for a redemption price of $ 25,000 per share (equivalent to $ 25.00 per Depositary Share) for an aggregate redemption price of $ 500 million, paid in cash. The $ 15 million difference between the aggregate redemption price and the outstanding par and additional paid in capital amount of $ 485 million was recorded as a reduction of retained earnings and is presented on Dividends on preferred stock and preferred stock redemption premiums on the Condensed Consolidated Statements of Income.

Common Stock

The following table presents a rollforward of outstanding shares:

Three Months Ended March 31, 2024 *(in millions)*	Common Stock Issued	Treasury Stock	Common Stock Outstanding
Shares, beginning of year	**1,906.7**	**(1,217.9)**	**688.8**
Shares issued	**—**	**5.6**	**5.6**
Shares repurchased	**—**	**(23.4)**	**(23.4)**
Shares, end of period	**1,906.7**	**(1,235.7)**	**671.0**

Dividends

Dividends are payable on AIG common stock, par value $ 2.50 per share (AIG Common Stock) only when, as and if declared by our Board of Directors in its discretion, from funds legally available for this purpose. In considering whether to pay a dividend on or purchase shares of AIG Common Stock, our Board of Directors considers a number of factors, including, but not limited to: the capital resources available to support our insurance operations and business strategies, AIG's funding capacity and capital resources in comparison to internal benchmarks, expectations for capital generation, rating agency expectations for capital, regulatory standards for capital and capital distributions, and such other factors as our Board of Directors may deem relevant. The payment of dividends is also subject to the terms of AIG's outstanding Series A Preferred Stock, pursuant to which no dividends may be declared or paid on any AIG Common Stock unless the full dividends for the latest completed dividend period on all outstanding shares of Series A Preferred Stock have been declared and paid or provided for.

For a discussion of restrictions on payments of dividends to AIG Parent by its subsidiaries, see Note 20 to the Consolidated Financial Statements in the 2023 Annual Report.

Repurchase of AIG Common Stock

Shares may be repurchased from time to time in the open market, private purchases, through forward, derivative, accelerated repurchase or automatic repurchase transactions or otherwise. Certain of our share repurchases have been and may from time to time be effected through the Securities Exchange Act of 1934, as amended (the Exchange Act) Rule 10b5-1 repurchase plans. On April 30, 2024, the Board of Directors authorized the repurchase of$ 10.0 billion of AIG Common Stock (inclusive of the approximately $ 3.9 billion remaining under the Board's prior share repurchase authorization).

The timing of any future repurchases will depend on market conditions, our business and strategic plans, financial condition, results of operations, liquidity and other factors.

Pursuant to an Exchange Act Rule 10b5-1 repurchase plan, from April 1, 2024 to April 26, 2024, we repurchased approximately 7 million shares of AIG Common Stock for an aggregate purchase price of approximately $ 558 million.

DIVIDENDS DECLARED

On April 30, 2024, our Board of Directors declared a cash dividend on AIG Common Stock of $ 0.40 per share, an 11 percent increase from prior quarterly dividends on AIG Common Stock, payable on June 28, 2024 to shareholders of record on June 14, 2024.

ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The following table presents a rollforward of Accumulated other comprehensive income (loss):

(in millions)	Unrealized Appreciation (Depreciation) of Fixed Maturity Securities on Which Allowance for Credit Losses Was Taken	Unrealized Appreciation (Depreciation) of All Other Investments	Change in Fair Value of Market Risk Benefits Attributable to Changes in Our Own Credit Risk	Change in the discount rates used to measure traditional and limited payment long-duration insurance contracts	Foreign Currency Translation Adjustments	Retirement Plan Liabilities Adjustment	Total
Balance, December 31, 2023, net of tax	$ (106)	$ (10,888)	$ (476)	$ 1,233	$ (2,979)	$ (821)	$ (14,037)
Change in unrealized appreciation (depreciation) of investments*	72	(1,274)	—	—	—	—	(1,202)
Change in other	—	5	—	—	—	—	5
Change in fair value of market risk benefits, net	—	—	(29)	—	—	—	(29)
Change in discount rates	—	—	—	697	—	—	697
Change in future policy benefits	—	(126)	—	—	—	—	(126)
Change in foreign currency translation adjustments	—	—	—	—	(339)	—	(339)
Change in net actuarial loss	—	—	—	—	—	7	7
Change in prior service cost	—	—	—	—	—	2	2
Change in deferred tax asset (liability)	(15)	105	6	(152)	(14)	(2)	(72)
Total other comprehensive income (loss)	57	(1,290)	(23)	545	(353)	7	(1,057)
Corebridge noncontrolling interests	—	(83)	(5)	15	—	—	(73)
Noncontrolling interests	17	(559)	(11)	258	(3)	—	(298)
Balance, March 31, 2024, net of tax	$ (66)	$ (11,702)	$ (493)	$ 1,535	$ (3,329)	$ (814)	$ (14,869)
Balance, December 31, 2022, net of tax	$ (136)	$ (20,675)	$ (284)	$ 2,459	$ (3,056)	$ (924)	$ (22,616)
Change in unrealized appreciation (depreciation) of investments	9	4,996	—	—	—	—	5,005
Change in other	—	106	—	—	—	—	106
Change in fair value of market risk benefits, net	—	—	95	—	—	—	95
Change in discount rates	—	—	—	(527)	—	—	(527)
Change in future policy benefits	—	(100)	—	—	—	—	(100)
Change in foreign currency translation adjustments	—	—	—	—	(19)	—	(19)
Change in net actuarial loss	—	—	—	—	—	27	27
Change in deferred tax asset (liability)	(3)	(750)	(20)	107	(9)	1	(674)
Total other comprehensive income (loss)	6	4,252	75	(420)	(28)	28	3,913
Noncontrolling interests	4	706	17	(111)	10	—	626
Balance, March 31, 2023, net of tax	$ (134)	$ (17,129)	$ (226)	$ 2,150	$ (3,094)	$ (896)	$ (19,329)

* Includes net unrealized gains and losses attributable to businesses held for sale at March 31, 2024.

The following table presents the other comprehensive income (loss) reclassification adjustments for the three months ended March 31, 2024 and 2023, respectively:

(in millions)	Unrealized Appreciation (Depreciation) of Fixed Maturity Securities on Which Allowance for Credit Losses Was Taken	Unrealized Appreciation (Depreciation) of All Other Investments	Change in Fair Value of Market Risk Benefits Attributable to Changes in Our Own Credit Risk	Change in the discount rates used to measure traditional and limited payment long-duration insurance contracts	Foreign Currency Translation Adjustments	Retirement Plan Liabilities Adjustment	Total
Three Months Ended March 31, 2024							
Unrealized change arising during period	$ **66**	$ **(1,832)**	$ **(29)**	$ **697**	$ **(339)**	$ **2**	$ **(1,435)**
Less: Reclassification adjustments included in net income	**(6)**	**(437)**	**—**	**—**	**—**	**(7)**	**(450)**
Total other comprehensive income (loss), before of income tax expense (benefit)	**72**	**(1,395)**	**(29)**	**697**	**(339)**	**9**	**(985)**
Less: Income tax expense (benefit)	**15**	**(105)**	**(6)**	**152**	**14**	**2**	**72**
Total other comprehensive income (loss), net of income tax expense (benefit)	$ **57**	$ **(1,290)**	$ **(23)**	$ **545**	$ **(353)**	$ **7**	$ **(1,057)**
Three Months Ended March 31, 2023							
Unrealized change arising during period	$ (7)	$ 4,566	$ 95	$ (527)	$ (19)	$ 18	$ 4,126
Less: Reclassification adjustments included in net income	(16)	(436)	—	—	—	(9)	(461)
Total other comprehensive income (loss), before income tax expense (benefit)	9	5,002	95	(527)	(19)	27	4,587
Less: Income tax expense (benefit)	3	750	20	(107)	9	(1)	674
Total other comprehensive income (loss), net of income tax expense (benefit)	$ 6	$ 4,252	$ 75	$ (420)	$ (28)	$ 28	$ 3,913

The following table presents the effect of the reclassification of significant items out of AOCI on the respective line items in the Condensed Consolidated Statements of Income (Loss)[(a)]:

	Amount Reclassified from AOCI		Affected Line Item in the
	Three Months Ended March 31,		Condensed Consolidated
(in millions)	**2024**	2023	Statements of Income (Loss)
Unrealized appreciation (depreciation) of fixed maturity securities on which allowance for credit losses was taken			
Investments	**$ (6)**	$ (16)	Net realized gains (losses)
Total	**(6)**	(16)	
Unrealized appreciation (depreciation) of all other investments			
Investments	**(437)**	(436)	Net realized gains (losses)
Total	**(437)**	(436)	
Change in retirement plan liabilities adjustment			
Prior-service credit	**—**	(1)	(b)
Actuarial losses	**(7)**	(8)	(b)
Total	**(7)**	(9)	
Total reclassifications for the period	**$ (450)**	$ (461)	

(a) The following items are not reclassified out of AOCI and included in the Condensed Consolidated Statements of Income (Loss) and thus have been excluded from the table: (a) Change in fair value of market risk benefits attributable to changes in our own credit risk (b) Change in the discount rates used to measure traditional and limited-payment long-duration insurance contracts, and (c) Fair value of liabilities under fair value option attributable to changes in own credit risk.

(b) These AOCI components are included in the computation of net periodic pension cost.

17. Earnings Per Common Share (EPS)

The basic EPS computation is based on the weighted average number of common shares outstanding, adjusted to reflect all stock dividends and stock splits. The diluted EPS computation is based on those shares used in the basic EPS computation plus common shares that would have been outstanding assuming issuance of common shares for all dilutive potential common shares outstanding and adjusted to reflect all stock dividends and stock splits, using the treasury stock method or the if-converted method, as applicable.

The following table presents the computation of basic and diluted EPS:

Three Months Ended March 31, *(dollars in millions, except per common share data)*		2024		2023
Numerator for EPS:				
Income (loss) from continuing operations	$	1,600	$	(87)
Less: Net income (loss) from continuing operations attributable to noncontrolling interests		384		(117)
Less: Preferred stock dividends and preferred stock redemption premiums		22		7
Income (loss) attributable to AIG common shareholders from continuing operations		1,194		23
Income (loss) from discontinued operations, net of income tax expense		—		—
Net income (loss) attributable to AIG common shareholders	$	1,194	$	23
Denominator for EPS:				
Weighted average common shares outstanding - basic		682,576,848		738,661,428
Dilutive common shares		5,384,670		5,437,758
Weighted average common shares outstanding - diluted[(a)]		687,961,518		744,099,186
Income (loss) per common share attributable to AIG common shareholders:				
Basic:				
Income (loss) from continuing operations	$	1.75	$	0.03
Income from discontinued operations	$	—	$	—
Income (loss) attributable to AIG common shareholders	$	1.75	$	0.03
Diluted:				
Income (loss) from continuing operations	$	1.74	$	0.03
Income from discontinued operations	$	—	$	—
Income (loss) attributable to AIG common shareholders	$	1.74	$	0.03

(a) Potential dilutive common shares include our share-based employee compensation plans. The number of potential common shares excluded from diluted shares outstanding was 0.1 million and 4.5 million for the three months ended March 31, 2024 and 2023, respectively, because the effect of including those common shares in the calculation would have been anti-dilutive.

For information regarding our repurchases of AIG Common Stock, see Note 16.

18. Income Taxes

U.S. TAX LAW CHANGES

The Inflation Reduction Act of 2022 (H.R. 5376) includes a 15 percent corporate alternative minimum tax (CAMT) on adjusted financial statement income for corporations with average profits over $1 billion over a three-year period. Although the U.S. Treasury and Internal Revenue Service (IRS) issued interim CAMT guidance during 2023, many details and specifics of application of the CAMT remain subject to future guidance. We expect to be subject to CAMT in 2024.

BASIS OF PRESENTATION

We file a consolidated U.S. federal income tax return with our eligible U.S. subsidiaries. Income earned by subsidiaries operating outside the U.S. is taxed, and income tax expense is recorded, based on applicable U.S. and foreign laws.

Following the initial public offering of Corebridge on September 19, 2022, AIG's remaining ownership in Corebridge decreased below 80 percent, resulting in tax deconsolidation of Corebridge parent and its subsidiaries from the AIG consolidated U.S. federal income tax group as well as certain state and local jurisdictions where unitary returns are filed.

Subsequent to the tax deconsolidation from AIG, due to the application of relevant U.S. tax laws, American General Corporation and its directly owned life insurance subsidiaries will not be permitted to join in the filing of a consolidated U.S. federal income tax return with Corebridge parent and its non-life-insurance subsidiaries for a period of five years. Corebridge's net operating losses and tax credit carryforwards that have not been utilized prior to tax deconsolidation from AIG will remain with the relevant Corebridge entities and will be available for utilization by the respective Corebridge U.S. federal income tax groups. The realizability of the deferred tax assets related to such carryforwards is based on the positive and negative evidence applicable to each U.S. federal income tax group.

TAX ACCOUNTING POLICIES

We use an item-by-item approach to release the stranded or disproportionate income tax effects in AOCI related to our available-for-sale securities. Under this approach, a portion of the disproportionate tax effects is assigned to each individual security lot at the date the amount becomes lodged. When the individual securities are sold, mature, or are otherwise impaired on an other-than-temporary basis, the assigned portion of the disproportionate tax effect is reclassified from AOCI to income (loss) from continuing operations.

We consider our foreign earnings with respect to certain operations in Canada, South Africa, Japan, Latin America, Bermuda as well as the European, Asia Pacific and Middle East regions to be indefinitely reinvested. These earnings relate to ongoing operations and have been reinvested in active business operations. A deferred tax liability has not been recorded for those foreign subsidiaries whose earnings are considered to be indefinitely reinvested. If recorded, such deferred tax liability would not be material to our consolidated financial condition. Deferred taxes, if necessary, have been provided on earnings of non-U.S. affiliates whose earnings are not indefinitely reinvested.

Global Intangible Low-Taxed Income (GILTI) imposes U.S. taxes on the excess of a deemed return on tangible assets of certain foreign subsidiaries. Consistent with accounting guidance, we have made an accounting policy election to treat GILTI taxes as a period tax charge in the period the tax is incurred.

INTERIM TAX CALCULATION METHOD

We use the estimated annual effective tax rate method in computing our interim tax provision. Certain items, including those deemed to be unusual, infrequent or that cannot be reliably estimated, are excluded from the estimated annual effective tax rate. In these cases, the actual tax expense or benefit is reported in the same period as the related item. Certain tax effects are also not reflected in the estimated annual effective tax rate, primarily certain changes in uncertain tax positions and realizability of deferred tax assets and are recorded in the period in which the change occurs.

INTERIM TAX EXPENSE (BENEFIT)

For the three months ended March 31, 2024, the effective tax rate on income from continuing operations was 22.0 percent. The effective tax rate on income from continuing operations differs from the statutory tax rate of 21 percent primarily due to tax charges associated with the effect of foreign operations, U.S. federal and foreign valuation allowance changes, and state and local income taxes, partially offset by tax benefits related to tax exempt income and excess tax benefits related to share-based compensation payments recorded through the income statement. The effect of foreign operations is primarily related to income of our foreign operations taxed at statutory tax rates higher than 21 percent, other foreign taxes, and foreign income subject to U.S. taxation.

For the three months ended March 31, 2023, the effective tax rate on loss from continuing operations was 62.3 percent. The effective tax rate on loss from continuing operations differs from the statutory tax rate of 21 percent primarily due to tax benefits associated with tax exempt income, excess tax benefits related to share based compensation payments recorded through the income statement, tax adjustments related to prior year returns and reclassifications from AOCI to income from continuing operations related to the disposal of available for sale securities. These tax benefits were partially offset by tax charges associated with the effect of foreign operations, U.S. federal valuation allowance changes and state and local income taxes. The effect of foreign operations is primarily related to income of our foreign operations taxed at statutory tax rates higher than 21 percent, other foreign taxes, and foreign income subject to U.S. taxation.

ASSESSMENT OF DEFERRED TAX ASSET VALUATION ALLOWANCE

The evaluation of the recoverability of our deferred tax asset and the need for a valuation allowance requires us to weigh all positive and negative evidence to reach a conclusion that it is more likely than not that all or some portion of the deferred tax asset will not be realized. The weight given to the evidence is commensurate with the extent to which it can be objectively verified. The more negative evidence that exists, the more positive evidence is necessary and the more difficult it is to support a conclusion that a valuation allowance is not needed.

During the first quarter, taxable income projections were updated to reflect the latest projections of income for our insurance and non-insurance companies, and projections of taxable income generated from prudent and feasible tax planning strategies. Given there is a shorter carryforward period to utilize remaining net operating losses, we continue to consider multiple data points and stresses. Additionally, recent events, including changes in target interest rates by the Board of Governors of the Federal Reserve System, and significant market volatility, continue to impact actual and projected results of our business operations as well as our views on potential effectiveness of certain prudent and feasible tax planning strategies. In order to demonstrate the predictability and sufficiency of future taxable income necessary to support the realizability of the net operating losses and foreign tax credit carryforwards, we have considered forecasts of future income for each of our businesses, including assumptions about future macroeconomic and AIG-specific conditions and events, and any impact these conditions and events may have on our prudent and feasible tax planning strategies. We also subjected the forecasts to a variety of stresses of key assumptions and evaluated the effect on tax attribute utilization.

The 2022 tax deconsolidation of Corebridge from the AIG consolidated U.S. federal income tax group resulted in the formation of new federal tax filing groups requiring separate deferred tax asset realizability assessments.

To the extent that the valuation allowance is attributed to changes in forecast of current year taxable income, the impact is included in our estimated annualized effective tax rate. A valuation allowance related to changes in forecasts of income in future periods as well as other items not related to the current year is recorded discretely.

After factoring in multiple data points and assessing the relative weight of all positive and negative evidence, we concluded that valuation allowance of $ 300 million should remain on a portion of AIG's U.S. federal consolidated income tax group tax attribute carryforwards that are not more likely than not to be realized. Accordingly, during the three months ended March 31, 2024, we recorded no change in valuation allowance.

As of March 31, 2024, we reported a valuation allowance of $ 177 million related to Corebridge. The valuation allowance at Corebridge relates to a portion of both tax attribute carryforwards and certain other deferred tax assets of the Corebridge non-life insurance group that are not more-likely-than-not to be realized. For the three months ended March 31, 2024, Corebridge recorded a $ 15 million increase in valuation allowance.

For the three months ended March 31, 2024, recent changes in market conditions, including changes in interest rates, impacted the unrealized tax gains and losses in the available for sale securities portfolios of both our U.S. life insurance and non-life insurance companies, resulting in an increase to deferred tax assets related to net unrealized tax capital losses. The deferred tax assets relate to the unrealized tax capital losses for which the carryforward period has not yet begun, and as such, when assessing recoverability, we consider our ability and intent to hold the underlying securities to recovery. As of March 31, 2024, based on all available evidence, we concluded that a valuation allowance of $ 1.8 billion is necessary on a portion of the deferred tax assets related to unrealized tax capital losses that are not more-likely-than-not to be realized. Of the total valuation allowance, $ 1.2 billion relates to the unrealized tax capital losses in the U.S. Life Insurance Companies' available for sale securities portfolio and $ 561 million relates to the unrealized tax capital losses in the non-life insurance companies' available for sale securities portfolio. For the three months ended March 31, 2024, we recorded an increase in valuation allowance of $ 194 million associated with the unrealized tax capital losses in the U.S. Life Insurance Companies' available for sale securities portfolio and $ 11 million associated with the unrealized tax capital losses in the non-life insurance companies' available for sale securities portfolio. The valuation allowance increase was primarily allocated to other comprehensive income.

For the three months ended March 31, 2024, we recognized a net $ 3 million decrease in deferred tax asset valuation allowance associated with certain foreign jurisdictions.

TAX EXAMINATIONS

We are currently under examination by the IRS for the tax years 2011 through 2019, and are engaging in the Appeals process for certain disagreed issues related to tax years 2007 through 2010.

ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES

At both March 31, 2024 and December 31, 2023, our unrecognized tax benefits, excluding interest and penalties, were $ 1.4 billion. At both March 31, 2024 and December 31, 2023, the amounts of unrecognized tax benefits that, if recognized, would favorably affect the effective tax rate were $ 1.4 billion. Unrecognized tax benefits that would not affect the effective tax rate generally relate to such factors as the timing, rather than the permissibility of the deduction.

Interest and penalties related to unrecognized tax benefits are recognized in income tax expense. At both March 31, 2024 and December 31, 2023, we had accrued liabilities of $ 52 million, for the payment of interest (net of the federal benefit) and penalties. For the three months ended March 31, 2024 and March 31, 2023, we accrued benefit of $ 0 million and $ 7 million, respectively, for the payment of interest and penalties.

Although it is reasonably possible that a change in the balance of unrecognized tax benefits may occur within the next 12 months, based on the information currently available, we do not expect any change to be material to our consolidated financial condition.

ITEM 2 | Management's Discussion and Analysis of Financial Condition and Results of Operations

Glossary and Acronyms of Selected Insurance Terms and References

Throughout this Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A), we use certain terms and abbreviations, which are summarized in the Glossary and Acronyms.

American International Group, Inc. (AIG) has incorporated into this discussion a number of cross-references to additional information included throughout this Quarterly Report on Form 10-Q and in our Annual Report on Form 10-K for the year ended December 31, 2023 (the 2023 Annual Report) to assist readers seeking additional information related to a particular subject.

In this Quarterly Report on Form 10-Q, unless otherwise mentioned or unless the context indicates otherwise, we use the terms "AIG," "we," "us," "our" or "the Company" to refer to American International Group, Inc., a Delaware corporation, and its consolidated subsidiaries. We use the term "AIG Parent" to refer solely to American International Group, Inc., and not to any of its consolidated subsidiaries.

Cautionary Statement Regarding Forward-Looking Information and Factors That May Affect Future Results

This Quarterly Report on Form 10-Q and other publicly available documents may include, and members of AIG management may from time to time make and discuss, statements which, to the extent they are not statements of historical or present fact, may constitute "forward-looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements are intended to provide management's current expectations or plans for AIG's future operating and financial performance, based on assumptions currently believed to be valid and accurate. Forward-looking statements are often preceded by, followed by or include words such as "will," "believe," "anticipate," "expect," "expectations," "intend," "plan," "strategy," "prospects," "project," "anticipate," "should," "guidance," "outlook," "confident," "focused on achieving," "view," "target," "goal," "estimate" and other words of similar meaning in connection with a discussion of future operating or financial performance. These statements may include, among other things, projections, goals and assumptions that relate to future actions, prospective services or products, future performance or results of current and anticipated services or products, sales efforts, expense reduction efforts, the outcome of contingencies such as legal proceedings, anticipated organizational, business or regulatory changes, such as the separation of the Life and Retirement business from AIG, the effect of catastrophic events, both natural and man-made, and macroeconomic and/or geopolitical events, anticipated dispositions, monetization and/or acquisitions of businesses or assets, the successful integration of acquired businesses, management succession and retention plans, exposure to risk, trends in operations and financial results, and other statements that are not historical facts.

All forward-looking statements involve risks, uncertainties and other factors that may cause AIG’s actual results and financial condition to differ, possibly materially, from the results and financial condition expressed or implied in the forward-looking statements. Factors that could cause AIG’s actual results to differ, possibly materially, from those in specific projections, targets, goals, plans, assumptions and other forward-looking statements include, without limitation:

- the impact of adverse developments affecting economic conditions in the markets in which AIG and its businesses operate in the U.S. and globally, including adverse developments related to financial market conditions, macroeconomic trends, fluctuations in interest rates and foreign currency exchange rates, inflationary pressures, including social inflation, pressures on the commercial real estate market, an economic slowdown or recession, any potential U.S. federal government shutdown and geopolitical events or conflicts, including the conflict between Russia and Ukraine and the conflict in Israel and the surrounding areas;
- occurrence of catastrophic events, both natural and man-made, including the effects of climate change, geopolitical events and conflicts and civil unrest;
- disruptions in the availability or accessibility of AIG's or a third party’s information technology systems, including hardware and software, infrastructure or networks, and the inability to safeguard the confidentiality and integrity of customer, employee or company data due to cyberattacks, data security breaches, or infrastructure vulnerabilities;
- AIG’s ability to successfully dispose of, monetize and/or acquire businesses or assets or successfully integrate acquired businesses, and the anticipated benefits thereof;
- AIG's ability to realize expected strategic, financial, operational or other benefits from the separation of Corebridge Financial, Inc. (Corebridge) as well as AIG’s equity market exposure to Corebridge;
- AIG's ability to effectively implement restructuring initiatives and potential cost-savings opportunities;
- AIG's ability to effectively implement technological advancements, including the use of artificial intelligence (AI), and respond to competitors' AI and other technology initiatives;
- the effectiveness of strategies to retain and recruit key personnel and to implement effective succession plans;
- concentrations in AIG’s investment portfolios;
- AIG’s reliance on third-party investment managers;
- changes in the valuation of AIG’s investments;
- AIG’s reliance on third parties to provide certain business and administrative services;
- availability of adequate reinsurance or access to reinsurance on acceptable terms;
- concentrations of AIG’s insurance, reinsurance and other risk exposures;
- nonperformance or defaults by counterparties, including Fortitude Reinsurance Company Ltd. (Fortitude Re);
- AIG's ability to adequately assess risk and estimate related losses as well as the effectiveness of AIG’s enterprise risk management policies and procedures, including with respect to business continuity and disaster recovery plans;
- difficulty in marketing and distributing products through current and future distribution channels;
- actions by rating agencies with respect to AIG’s credit and financial strength ratings as well as those of its businesses and subsidiaries;
- changes to sources of or access to liquidity;
- changes in judgments concerning the recognition of deferred tax assets and the impairment of goodwill;
- changes in judgments or assumptions concerning insurance underwriting and insurance liabilities;
- changes in accounting principles and financial reporting requirements;
- the effects of sanctions, including those related to the conflict between Russia and Ukraine, and the failure to comply with those sanctions;
- the effects of changes in laws and regulations, including those relating to the regulation of insurance, in the U.S. and other countries in which AIG and its businesses operate;
- changes to tax laws in the U.S. and other countries in which AIG and its businesses operate;
- the outcome of significant legal, regulatory or governmental proceedings;
- AIG’s ability to effectively execute on sustainability targets and standards;
- AIG’s ability to address evolving stakeholder expectations and regulatory requirements with respect to environmental, social and governance matters;
- the impact of epidemics, pandemics and other public health crises and responses thereto; and
- such other factors discussed in:
  - Part I, Item 2. MD&A of this Quarterly Report on Form 10-Q; and
  - Part I, Item 1A. Risk Factors and Part II, Item 7. MD&A of the 2023 Annual Report.

Forward-looking statements speak only as of the date of this report, or in the case of any document incorporated by reference, the date of that document. We are not under any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law. Additional information as to factors that may cause actual results to differ materially from those expressed or implied in any forward-looking statements is disclosed from time to time in other filings with the Securities and Exchange Commission (SEC).

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Use of Non-GAAP Measures

Throughout this MD&A, we present our financial condition and results of operations in the way we believe will be most meaningful and representative of our business results. Some of the measurements we use are “non-GAAP financial measures” under SEC rules and regulations. GAAP is the acronym for “generally accepted accounting principles” in the United States. The non-GAAP financial measures we present may not be comparable to similarly-named measures reported by other companies.

We use the following operating performance measures because we believe they enhance the understanding of the underlying profitability of continuing operations and trends of our business segments. We believe they also allow for more meaningful comparisons with our insurance competitors. When we use these measures, reconciliations to the most comparable GAAP measure are provided on a consolidated basis in the Consolidated Results of Operations section of this MD&A.

Book value per common share, excluding accumulated other comprehensive income (loss) (AOCI) adjusted for the cumulative unrealized gains and losses related to Fortitude Re funds withheld assets and deferred tax assets (DTA) (Adjusted book value per common share) is used to show the amount of our net worth on a per-common share basis after eliminating items that can fluctuate significantly from period to period including changes in fair value (1) of AIG’s available for sale securities portfolio, (2) of market risk benefits attributable to our own credit risk and (3) due to discount rates used to measure traditional and limited payment long-duration insurance contracts, foreign currency translation adjustments and U.S. tax attribute deferred tax assets. This measure also eliminates the asymmetrical impact resulting from changes in fair value of our available for sale securities portfolio wherein there is largely no offsetting impact for certain related insurance liabilities. In addition, we adjust for the cumulative unrealized gains and losses related to Fortitude Re funds withheld assets held by AIG in support of Fortitude Re’s reinsurance obligations to AIG post deconsolidation of Fortitude Re (Fortitude Re funds withheld assets) since these fair value movements are economically transferred to Fortitude Re. We exclude deferred tax assets representing U.S. tax attributes related to net operating loss carryforwards and foreign tax credits as they have not yet been utilized. Amounts for interim periods are estimates based on projections of full-year attribute utilization. As net operating loss carryforwards and foreign tax credits are utilized, the portion of the DTA utilized is included in these book value per common share metrics. Adjusted book value per common share is derived by dividing total AIG common shareholders’ equity, excluding AOCI adjusted for the cumulative unrealized gains and losses related to Fortitude Re funds withheld assets, and DTA (Adjusted common shareholders’ equity), by total common shares outstanding.

Return on common equity – Adjusted after-tax income excluding AOCI adjusted for the cumulative unrealized gains and losses related to Fortitude Re funds withheld assets and DTA (Adjusted return on common equity) is used to show the rate of return on common shareholders’ equity. We believe this measure is useful to investors because it eliminates items that can fluctuate significantly from period to period, including changes in fair value (1) of AIG’s available for sale securities portfolio, (2) of market risk benefits attributable to our own credit risk and (3) due to discount rates used to measure traditional and limited payment long-duration insurance contracts, foreign currency translation adjustments and U.S. tax attribute deferred tax assets. This measure also eliminates the asymmetrical impact resulting from changes in fair value of our available for sale securities portfolio wherein there is largely no offsetting impact for certain related insurance liabilities. In addition, we adjust for the cumulative unrealized gains and losses related to Fortitude Re funds withheld assets since these fair value movements are economically transferred to Fortitude Re. We exclude deferred tax assets representing U.S. tax attributes related to net operating loss carryforwards and foreign tax credits as they have not yet been utilized. Amounts for interim periods are estimates based on projections of full-year attribute utilization. As net operating loss carryforwards and foreign tax credits are utilized, the portion of the DTA utilized is included in Adjusted return on common equity. Adjusted return on common equity is derived by dividing actual or annualized adjusted after-tax income attributable to AIG common shareholders by average Adjusted common shareholders’ equity.

Adjusted after-tax income attributable to AIG common shareholdersis derived by excluding the tax effected adjusted pre-tax income (APTI) adjustments described below, dividends on preferred stock and preferred stock redemption premiums, noncontrolling interest on net realized gains (losses), other non-operating expenses and the following tax items from net income attributable to AIG:

- deferred income tax valuation allowance releases and charges;
- changes in uncertain tax positions and other tax items related to legacy matters having no relevance to our current businesses or operating performance; and
- net tax charge related to the enactment of the Tax Cuts and Jobs Act.

Adjusted revenues exclude Net realized gains (losses), income from non-operating litigation settlements (included in Other income for GAAP purposes), changes in fair value of securities used to hedge guaranteed living benefits (included in Net investment income for GAAP purposes) and income from elimination of the international reporting lag. Adjusted revenues is a GAAP measure for our segments.

Adjusted pre-tax income is derived by excluding the items set forth below from income from continuing operations before income tax. This definition is consistent across our segments. These items generally fall into one or more of the following broad categories: legacy matters having no relevance to our current businesses or operating performance; adjustments to enhance transparency to the underlying economics of transactions; and measures that we believe to be common to the industry. APTI is a GAAP measure for our segments. Excluded items include the following:

- changes in fair value of securities used to hedge guaranteed living benefits;
- net change in market risk benefits (MRBs);
- changes in benefit reserves related to net realized gains and losses;
- changes in the fair value of equity securities;
- net investment income on Fortitude Re funds withheld assets;
- following deconsolidation of Fortitude Re, net realized gains and losses on Fortitude Re funds withheld assets;
- loss (gain) on extinguishment of debt;
- all net realized gains and losses except earned income (periodic settlements and changes in settlement accruals) on derivative instruments used for non-qualifying (economic) hedging or for asset replication. Earned income on such economic hedges is reclassified from net realized gains and losses to specific APTI line items based on the economic risk being hedged (e.g. net investment income and interest credited to policyholder account balances);
- income or loss from discontinued operations;
- net loss reserve discount benefit (charge);
- pension expense related to lump sum payments to former employees;
- net gain or loss on divestitures and other;
- non-operating litigation reserves and settlements;
- restructuring and other costs related to initiatives designed to reduce operating expenses, improve efficiency and simplify our organization;
- the portion of favorable or unfavorable prior year reserve development for which we have ceded the risk under retroactive reinsurance agreements and related changes in amortization of the deferred gain;
- integration and transaction costs associated with acquiring or divesting businesses;
- losses from the impairment of goodwill;
- non-recurring costs associated with the implementation of non-ordinary course legal or regulatory changes or changes to accounting principles; and
- income from elimination of the international reporting lag.

- ***General Insurance***
  - **Ratios:** We, along with most property and casualty insurance companies, use the loss ratio, the expense ratio and the combined ratio as measures of underwriting performance. These ratios are relative measurements that describe, for every $100 of net premiums earned, the amount of losses and loss adjustment expenses (which for General Insurance excludes net loss reserve discount), and the amount of other underwriting expenses that would be incurred. A combined ratio of less than 100 indicates underwriting income and a combined ratio of over 100 indicates an underwriting loss. Our ratios are calculated using the relevant segment information calculated under GAAP, and thus may not be comparable to similar ratios calculated for regulatory reporting purposes. The underwriting environment varies across countries and products, as does the degree of litigation activity, all of which affect such ratios. In addition, investment returns, local taxes, cost of capital, regulation, product type and competition can have an effect on pricing and consequently on profitability as reflected in underwriting income and associated ratios.
  - **Accident year loss and accident year combined ratios, as adjusted (Accident year loss ratio, ex-CATs and Accident year combined ratio, ex-CATs):** both the accident year loss and accident year combined ratios, as adjusted, exclude catastrophe losses and related reinstatement premiums, prior year development, net of premium adjustments, and the impact of reserve discounting. Natural catastrophe losses are generally weather or seismic events, in each case, having a net impact on AIG in excess of $10 million and man-made catastrophe losses, such as terrorism and civil disorders that exceed the $10 million threshold. We believe that as adjusted ratios are meaningful measures of our underwriting results on an ongoing basis as they exclude catastrophes and the impact of reserve discounting which are outside of management's control. We also exclude prior year development to provide transparency related to current accident year results.
- ***Life and Retirement***
  - **Premiums and deposits:** includes direct and assumed amounts received and earned on traditional life insurance policies, group benefit policies and life-contingent payout annuities, as well as deposits received on universal life, investment-type annuity contracts, Federal Home Loan Bank (FHLB) funding agreements and mutual funds. We believe the measure of premiums and deposits is useful in understanding customer demand for our products, evolving product trends and our sales performance period over period.

Results from discontinued operations are excluded from all of these measures.

Critical Accounting Estimates

The preparation of financial statements in accordance with GAAP requires the application of accounting policies that often involve a significant degree of judgment.

The accounting policies that we believe are most dependent on the application of estimates and assumptions, which are critical accounting estimates, are related to the determination of:

- loss reserves;
- valuation of future policy benefit liabilities and recognition of measurement gains and losses;
- valuation of MRBs related to guaranteed benefit features of variable annuity, fixed annuity and fixed index annuity products;
- valuation of embedded derivative liabilities for fixed index annuity and index universal life products;
- reinsurance assets, including the allowance for credit losses and disputes;
- goodwill impairment;
- allowance for credit losses on certain investments, primarily on loans and available for sale fixed maturity securities;
- fair value measurements of certain financial assets and financial liabilities; and
- income taxes, in particular the recoverability of our deferred tax asset and establishment of provisions for uncertain tax positions.

These accounting estimates require the use of assumptions about matters, some of which are highly uncertain at the time of estimation. To the extent actual experience differs from the assumptions used, our consolidated financial condition, results of operations and cash flows could be materially affected.

For a complete discussion of our critical accounting estimates, see Part II, Item 7. MD&A – Critical Accounting Estimates in the 2023 Annual Report.

Executive Summary

OVERVIEW

This overview of the MD&A highlights selected information and may not contain all of the information that is important to current or potential investors in our securities. You should read this Quarterly Report on Form 10-Q, together with the 2023 Annual Report, in their entirety for a more detailed description of events, trends, uncertainties, risks and critical accounting estimates affecting us.

OPERATING STRUCTURE

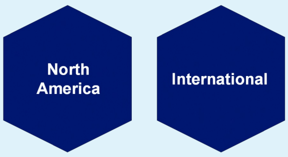
AIG reports the results of its businesses through three segments – General Insurance, Life and Retirement and Other Operations. General Insurance consists of two operating segments – North America and International. Life and Retirement consists of four operating segments – Individual Retirement, Group Retirement, Life Insurance and Institutional Markets. Other Operations is primarily comprised of corporate, our institutional asset management business and consolidation and eliminations.

For additional information on our business segments, see Note 3 to the Condensed Consolidated Financial Statements, and for information regarding the separation of Life and Retirement and AIG Life Limited (AIG Life), see Note 1 to the Condensed Consolidated Financial Statements.

Business Segments

General Insurance

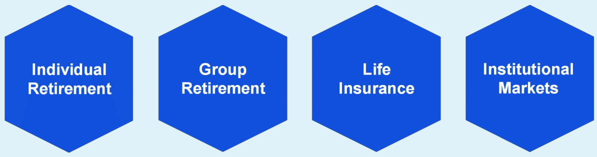
General Insurance is a leading provider of insurance products and services for commercial and personal insurance customers. It includes one of the world's most far-reaching property casualty networks. General Insurance offers a broad range of products to customers through a diversified, multichannel distribution network. Customers value General Insurance's strong capital position, extensive risk management and claims experience and its ability to be a market leader in critical lines of the insurance business.



General Insurance includes the following major operating companies: National Union Fire Insurance Company of Pittsburgh, Pa. (National Union); American Home Assurance Company (American Home); Lexington Insurance Company (Lexington); AIG General Insurance Company, Ltd.; AIG Asia Pacific Insurance, Pte, Ltd.; AIG Europe S.A.; American International Group UK Ltd.; Talbot Underwriting Ltd. (Talbot); Western World Insurance Company and Glatfelter Insurance Group (Glatfelter).

Life and Retirement

Life and Retirement is a unique franchise that brings together a broad portfolio of life insurance, retirement and institutional products offered through an extensive, multi-channel distribution network. It holds long-standing, leading market positions in many of the markets it serves in the U.S. With its strong capital position, customer-focused service, breadth of product expertise and deep distribution relationships across multiple channels, Life and Retirement is well positioned to serve growing market needs.



Life and Retirement includes the following major operating companies: American General Life Insurance Company (AGL); The Variable Annuity Life Insurance Company (VALIC); The United States Life Insurance Company in the City of New York (U.S. Life) and AIG Life.

Other Operations

Other Operations primarily consists of income from assets held by AIG Parent and other corporate subsidiaries, deferred tax assets related to tax attributes, corporate expenses and intercompany eliminations, our institutional asset management business and results of our consolidated investment entities, General Insurance portfolios in run-off as well as the historical results of our legacy insurance lines ceded to Fortitude Re.

REGULATORY, INDUSTRY AND ECONOMIC FACTORS

Regulatory Environment

Our operations around the world are subject to regulation by many different types of regulatory authorities, including insurance, securities, derivatives and investment advisory in the United States and abroad. The insurance and financial services industries are generally subject to close regulatory scrutiny and supervision.

On March 6, 2024, the U.S. Securities and Exchange Commission (SEC) adopted its climate-related disclosure rules, which require registrants to provide detailed climate-related disclosures in registration statements and periodic reports. We are evaluating the potential impacts of these new requirements at this time, including in connection with ongoing litigation challenging such requirements and the SEC's stay of the requirements pending judicial review. However, if these requirements are implemented following the completion of judicial review, they may significantly increase the complexity of AIG's periodic reporting as a U.S. public company.

In the European Union, the EU Digital Operational Resilience Act (DORA) will require covered entities, including insurance intermediaries, reinsurance intermediaries and ancillary insurance intermediaries, other than micro-, small, or medium enterprises, to comply with a wide range of organizational and technical requirements to identify, manage and mitigate operational risk arising from use of network and information systems and, in particular, the use of third party ICT service providers. Covered entities will be required to comply with DORA by January 2025.

On April 25, 2024, the Department of Labor (DOL) published a final rule in the Federal Register updating the definition for when a person is an "investment advice fiduciary" for purposes of transactions with ERISA qualified plans, related plan participants and IRAs. The DOL also published changes with respect to existing prohibited transactions exemptions (PTEs) relating to such advice, including PTE 84-24 and PTE 2020-02. The rule is effective September 23, 2024 and includes a one-year transition period thereafter for certain requirements. We are evaluating the potential impact of the DOL's rule to our business.

Our insurance subsidiaries are subject to regulation and supervision by the states and jurisdictions in which they do business. We expect that the domestic and international regulations applicable to us and our regulated entities will continue to evolve for the foreseeable future.

For information regarding our regulation and supervision by different regulatory authorities in the United States and abroad, see Part I, Item 1. Business – Regulation and Part I, Item 1A. Risk Factors – Regulation in the 2023 Annual Report.

Impact of Changes in the Interest Rate Environment and Equity Markets

Certain key U.S. benchmark rates continued to rise during the first three months of 2024 as markets reacted to heightened inflation measures, geopolitical risk, and the Board of Governors of the Federal Reserve System implementing multiple increases to short term interest rates. The yield pick of new investments over sales, maturities and paydowns and redemptions, excluding Fortitude Re, averaged 150 basis points during the first three months of 2024. This combined with resetting of coupon rates on floating rate securities and loans has improved the overall portfolio yields. However, the key benchmark rates remain highly volatile. We actively manage our exposure to the interest rate environment through portfolio construction and asset-liability management, including spread management strategies for our investment-oriented products and economic hedging of interest rate risk from guarantee features in our variable and fixed index annuities, but we may not be able to fully mitigate our interest rate risk by matching exposure of our assets relative to our liabilities.

Equity Markets

Our financial results are impacted by the performance of equity markets, which impacts the performance of our alternative investment portfolio, fee income and net amount at risk. For instance, in our variable annuity separate accounts, mutual fund assets and brokerage and advisory assets, we generally earn fee income based on the account value, which fluctuates with the equity markets as a significant amount of these assets are invested in equity funds. The impact of equity market returns, both increases and decreases, is reflected in our results due to the impact on the account value and the fair values of equity-exposed securities.

In Life and Retirement, hedging costs could also be significantly impacted by changes in the level of equity markets as rebalancing and option costs are tied to the equity market volatility. These hedging costs are partially offset by our rider fees that are tied to the level of the Chicago Board Options Exchange Volatility Index. As rebalancing and option costs increase or decrease, the rider fees will increase or decrease partially offsetting the hedging costs incurred.

Market and other economic factors may result in increased credit impairments, downgrades and losses across single or numerous asset classes due to lower collateral values or deteriorating cash flow and profitability by borrowers could lead to higher defaults on our investment portfolio, especially in geographic, industry or investment sectors where we have higher concentrations of exposure, such as real estate related borrowings. These factors can also cause widening of credit spreads which could reduce investment asset valuations, decrease fee income and increase statutory capital requirements, as well as reduce the availability of investments that are attractive from a risk-adjusted perspective.

Alternative investments include private equity funds which are generally reported on a one-quarter lag. Accordingly, changes in valuations driven by equity market conditions during the first quarter of 2024 may impact the private equity investments in the alternative investments portfolio in the second quarter of 2024.

Annuity Sales and Surrenders

The rising rate environment and our partnership with Blackstone Inc. and its investment advisory affiliates (Blackstone) have provided a strong tailwind for fixed and fixed index annuity sales, however, higher interest rates have also resulted in an increase in surrenders. Rising interest rates could continue to create the potential for increased sales, but could also drive higher surrenders relative to what we have already experienced. Fixed annuities have surrender charge periods, generally in the three-to-seven year range. Fixed index annuities have surrender charge periods, generally in the five-to-ten year range, and within our Group Retirement segment, certain of our fixed investment options are subject to other withdrawal restrictions, which may help mitigate increased early surrenders in a rising rate environment. In addition, older contracts that have higher minimum interest rates and continue to be attractive to contract holders have driven better than expected persistency in fixed annuities, although the reserves for such contracts have continued to decrease over time in amount and as a percentage of the total annuity portfolio. We closely monitor surrenders of fixed annuities as contracts with lower minimum interest rates come out of the surrender charge period.

Reinvestment and Spread Management

We actively monitor fixed income markets, including the level of interest rates, credit spreads and the shape of the yield curve. We also frequently review our interest rate assumptions and actively manage the crediting rates used for new and in-force business. Business strategies continue to evolve and we attempt to maintain profitability of the overall business in light of the interest rate environment. A rising interest rate environment results in improved yields on new investments and improves margins for our Life and Retirement business while also making certain products, such as fixed annuities, more attractive to potential customers. However, the rising rate environment has resulted in lower values on general and separate account assets, mutual fund assets and brokerage and advisory assets that hold investments in fixed income assets.

For additional information on our investment and asset-liability management strategies, see Investments.

For investment-oriented products, including universal life insurance, and variable, fixed and fixed index annuities, in our Individual Retirement, Group Retirement, Life Insurance and Institutional Markets businesses, our spread management strategies include disciplined pricing and product design for new business, modifying or limiting the sale of products that do not achieve targeted spreads, using asset-liability management to match assets to liabilities to the extent practicable, and actively managing crediting rates to help mitigate some of the pressure on investment spreads. Renewal crediting rate management is guided by specific contract provisions designed to allow crediting rates to be reset at pre-established intervals and subject to minimum crediting rate guarantees. We expect to continue to adjust crediting rates on in-force business, as appropriate, to be responsive to changing rate environments. As interest rates rise, we may need to raise crediting rates on in-force business for competitive and other reasons, potentially offsetting a portion of the additional investment income resulting from investing in a higher interest rate environment.

Of the aggregate fixed account values of our Individual Retirement and Group Retirement annuity products, 52 percent were crediting at the contractual minimum guaranteed interest rate as of March 31, 2024. The percentage of fixed account values of our annuity products that are currently crediting at rates above one percent were 49 percent and 50 percent as of March 31, 2024 and December 31, 2023, respectively. In the universal life products in our Life Insurance business, 59 percent and 59 percent of the account values were crediting at the contractual minimum guaranteed interest rate as of March 31, 2024 and December 31, 2023, respectively. These businesses continue to focus on pricing discipline and strategies to manage the minimum guaranteed interest crediting rates offered on new sales in the context of regulatory requirements and competitive positioning.

General Insurance

Our net investment income is significantly impacted by market interest rates as well as the deployment of asset allocation strategies to manage duration, enhance yield and manage interest rate risk. As interest rates increase, so too does our ability to reinvest future cash inflows from premiums, as well as sales and maturities of existing investments, at more favorable rates. *For additional information on our investment and asset-liability management strategies, see Investments.*

While the impact of rising interest rates on our General Insurance segment increases the benefit of investment income, the current and medium-term inflationary environment may also translate into higher loss cost trends. We monitor these trends closely, particularly loss cost trend uncertainty, to ensure that not only our pricing, but also our loss reserving assumptions are proactive to, and considerate of, current and future economic conditions.

For our General Insurance segment loss reserves, rising interest rates may favorably impact the statutory net loss reserve discount for workers' compensation and its associated amortization.

Impact of Currency Volatility

Currency volatility remains acute. Strengthening of the U.S. dollar against the Euro, British pound and the Japanese yen (the Major Currencies) impacts income for our businesses with substantial international operations. In particular, growth trends in net premiums written reported in U.S. dollars can differ significantly from those measured in original currencies. The net effect on underwriting results, however, is significantly mitigated, as both revenues and expenses are similarly affected.

These currencies may continue to fluctuate, especially as a result of central bank responses to inflation, concerns regarding future economic growth and other macroeconomic factors, and such fluctuations will affect net premiums written growth trends reported in U.S. dollars, as well as financial statement line item comparability.

General Insurance businesses are transacted in most major foreign currencies. The following table presents the average of the quarterly weighted average exchange rates of the Major Currencies, which have the most significant impact on our businesses:

Three Months Ended March 31, Rate for 1 USD	2024	2023	Percentage Change
Currency:			
GBP	0.79	0.82	(4) %
EUR	0.92	0.94	(2) %
JPY	146.61	132.82	10 %

Unless otherwise noted, references to the effects of foreign exchange in the General Insurance discussion of results of operations are with respect to movements in the Major Currencies included in the preceding table.

Consolidated Results of Operations

The following section provides a comparative discussion of our consolidated results of operations on a reported basis for the three months ended March 31, 2024 and 2023. Factors that relate primarily to a specific business are discussed in more detail within the business segment operations section.

For information regarding the critical accounting estimates that affect our results of operations, see Critical Accounting Estimates above and Part II, Item 7. MD&A – Critical Accounting Estimates in the 2023 Annual Report.

The following table presents our consolidated results of operations and other key financial metrics:

Three Months Ended March 31, *(in millions)*	2024	2023	Percentage Change
Revenues:			
Premiums	$ 8,167	$ 8,481	(4) %
Policy fees	714	698	2
Net investment income:			
Net investment income - excluding Fortitude Re funds withheld assets	3,535	3,087	15
Net investment income - Fortitude Re funds withheld assets	369	446	(17)
Total net investment income	3,904	3,533	11
Net realized gains (losses):			
Net realized losses - excluding Fortitude Re funds withheld assets and embedded derivative	(258)	(713)	64
Net realized losses on Fortitude Re funds withheld assets	(179)	(31)	(477)
Net realized gains (losses) on Fortitude Re funds withheld embedded derivative	13	(1,165)	NM
Total net realized losses	(424)	(1,909)	78
Other income	217	181	20
Total revenues	12,578	10,984	15
Benefits, losses and expenses:			
Policyholder benefits and losses incurred (including remeasurement losses of $100 and $64 for the three months ended March 31, 2024, and 2023, respectively)	6,320	6,397	(1)
Change in the fair value of market risk benefits, net	(369)	196	NM
Interest credited to policyholder account balances	1,204	1,040	16
Amortization of deferred policy acquisition costs	1,104	1,293	(15)
General operating and other expenses	2,014	1,980	2

Three Months Ended March 31, (in millions)	2024	2023	Percentage Change
Interest expense	260	307	(15)
Net (gain) loss on divestitures and other	(6)	2	NM
Total benefits, losses and expenses	10,527	11,215	(6)
Income (loss) from continuing operations before income tax expense (benefit)	2,051	(231)	NM
Income tax expense (benefit)	451	(144)	NM
Income (loss) from continuing operations	1,600	(87)	NM
Income (loss) from discontinued operations, net of income taxes	—	—	NM
Net income (loss)	1,600	(87)	NM
Less: Net income (loss) attributable to noncontrolling interests	384	(117)	NM
Net income attributable to AIG	1,216	30	NM
Less: Dividends on preferred stock and preferred stock redemption premiums	22	7	214
Net income attributable to AIG common shareholders	$ 1,194	$ 23	NM %

(in millions, except per common share data)	March 31, 2024	December 31, 2023
Balance sheet data:		
Total assets	$ 544,121	$ 539,306
Short-term and long-term debt	19,318	19,796
Debt of consolidated investment entities	2,617	2,591
Total AIG shareholders' equity	43,385	45,351
Book value per common share	64.66	65.14
Adjusted book value per common share	77.79	76.65

NET INCOME (LOSS) ATTRIBUTABLE TO AIG COMMON SHAREHOLDERS

Three Months Ended March 31, 2024 and 2023 Comparison

Net income (loss) attributable to AIG common shareholders increased $1.2 billion due to the following, on a pre-tax basis:

- an increase in Net realized gains on Fortitude Re funds withheld embedded derivative of $1.2 billion driven by interest rate movement partially offset by higher Net realized losses on Fortitude Re funds withheld assets of $148 million;
- an increase in Net realized gains excluding Fortitude Re funds withheld assets and embedded derivative of $455 million, driven by a $608 million increase in derivative and hedge activity and gains on Index-linked interest credited embedded derivatives, net of related hedges, partially offset by foreign exchange losses of $100 million;
- an increase in Net investment income of $371 million primarily driven by higher income on available for sale fixed maturity securities of $373 million and an increase in interest income on mortgages and other loans of $80 million, partially offset by a decrease in the fair value of fixed maturity securities where we elected the fair value option of $55 million and lower returns on our alternative investments of $66 million;
- an increase in Change in the fair value of market risk benefits, net of $565 million primarily driven by interest rate movement and equity market movements; and
- an increase in underwriting income in General Insurance of $94 million, reflecting lower catastrophe losses and improvement in the accident year loss ratio, primarily driven by changes in business mix along with continued positive rate change, focused risk selection and improved terms and conditions partially offset by lower net favorable prior year reserve development.

The increase in Net income (loss) attributable to AIG common shareholders was partially offset by the following, on a pre-tax basis:

- an increase in income attributable to noncontrolling interest of $501 million primarily driven by the increase in the noncontrolling interest on Corebridge as a result of an increase in net income at Corebridge compared to 2023 and lower ownership by AIG of Corebridge common stock.

The $595 million increase in income tax expense was primarily attributable to higher income from continuing operations.

INCOME TAX EXPENSE ANALYSIS

For the three months ended March 31, 2024 and 2023, the effective tax rate on income (loss) from continuing operations was 22.0 percent and 62.3 percent, respectively.

For additional information, see Note 18 to the Condensed Consolidated Financial Statements.

NON-GAAP RECONCILIATIONS

The following table presents a reconciliation of Book value per common share to Adjusted book value per common share, which is a non-GAAP measure. *For additional information, see Use of Non-GAAP Measures.*

(in millions, except per common share data)	March 31, 2024	December 31, 2023
Total AIG shareholders' equity	$ 43,385	$ 45,351
Preferred equity	—	485
Total AIG common shareholders' equity	43,385	44,866
Less: Deferred tax assets	4,153	4,313
Less: Accumulated other comprehensive income (loss)	(14,869)	(14,037)
Add: Cumulative unrealized gains and losses related to Fortitude Re funds withheld assets	(1,904)	(1,791)
Subtotal: AOCI plus cumulative unrealized gains and losses related to Fortitude Re funds withheld assets	(12,965)	(12,246)
Adjusted common shareholders' equity	$ 52,197	$ 52,799
Total common shares outstanding	671.0	688.8
Book value per common share	$ 64.66	$ 65.14
Adjusted book value per common share	77.79	76.65

The following table presents a reconciliation of Return on common equity to Adjusted return on common equity, which is a non-GAAP measure.*For additional information, see Use of Non-GAAP Measures.*

	Three Months Ended March 31,		Year Ended December 31,
(dollars in millions)	2024	2023	2023
Actual or annualized net income (loss) attributable to AIG common shareholders	$ 4,776	$ 92	$ 3,614
Actual or annualized adjusted after-tax income attributable to AIG common shareholders	4,864	4,844	4,921
Average AIG common shareholders' equity	$ 44,126	$ 41,659	$ 41,930
Less: Average DTA	4,233	4,531	4,322
Less: Average AOCI	(14,453)	(20,973)	(19,499)
Add: Average cumulative unrealized gains and losses related to Fortitude Re funds withheld assets	(1,848)	(2,640)	(2,475)
Subtotal: AOCI plus cumulative unrealized gains and losses related to Fortitude Re funds withheld assets	(12,605)	(18,333)	(17,024)
Average adjusted AIG common shareholders' equity	$ 52,498	$ 55,461	$ 54,632
Return on common equity	10.8 %	0.2 %	8.6 %
Adjusted return on common equity	9.3 %	8.7 %	9.0 %

The following table presents a reconciliation of revenues to adjusted revenues:

Three Months Ended March 31, *(in millions)*	2024	2023
Revenues	$ 12,578	$ 10,984
Changes in fair value of securities used to hedge guaranteed living benefits	(17)	(13)
Changes in the fair value of equity securities	(99)	(51)
Other (income) expense - net	(7)	7
Net investment income on Fortitude Re funds withheld assets	(369)	(446)
Net realized losses on Fortitude Re funds withheld assets	179	31
Net realized (gains) losses on Fortitude Re funds withheld embedded derivative	(13)	1,165
Net realized losses[(a)]	313	772
Non-operating litigation reserves and settlements	—	(1)
Net impact from elimination of international reporting lag[(b)]	—	(4)
Adjusted revenues	$ 12,565	$ 12,444

(a) Includes all net realized gains and losses except earned income (periodic settlements and changes in settlement accruals) on derivative instruments used for non-qualifying (economic) hedging or for asset replication and net realized gains and losses on Fortitude Re funds withheld assets.

(b) *For additional information, see Note 1 to the Consolidated Financial Statements in the 2023 Annual Report.*

The following table presents a reconciliation of pre-tax income (loss)/net income (loss) attributable to AIG to adjusted pre-tax income (loss)/adjusted after-tax income (loss) attributable to AIG:

Three Months Ended March 31,	**2024**				2023			
(in millions, except per common share data)	Pre-tax	Total Tax (Benefit) Charge	Non-controlling Interests(d)	After Tax	Pre-tax	Total Tax (Benefit) Charge	Non-controlling Interests(d)	After Tax
Pre-tax income (loss)/net income (loss), including noncontrolling interests	**$ 2,051**	**$ 451**	**$ —**	**$ 1,600**	$ (231)	$ (144)	$ —	$ (87)
Noncontrolling interests			**(384)**	**(384)**			117	117
Pre-tax income (loss)/net income attributable to AIG	**$ 2,051**	**$ 451**	**$ (384)**	**$ 1,216**	$ (231)	$ (144)	$ 117	$ 30
Dividends on preferred stock and preferred stock redemption premiums				**22**				7
Net income attributable to AIG common shareholders				**$ 1,194**				$ 23
Changes in uncertain tax positions and other tax adjustments		**14**	**—**	**(14)**		22	—	(22)
Deferred income tax valuation allowance charges		**(12)**	**—**	**12**		(19)	—	19
Changes in fair value of securities used to hedge guaranteed living benefits	**2**	**—**	**—**	**2**	3	1	—	2
Change in the fair value of market risk benefits, net (a)	**(369)**	**(78)**	**—**	**(291)**	196	41	—	155
Changes in benefit reserves related to net realized gains (losses)	**(2)**	**—**	**—**	**(2)**	(6)	(1)	—	(5)
Changes in the fair value of equity securities	**(99)**	**(21)**	**—**	**(78)**	(51)	(11)	—	(40)
Loss on extinguishment of debt and preferred stock redemption premiums	**—**	**—**	**—**	**15**	—	—	—	—
Net investment income on Fortitude Re funds withheld assets	**(369)**	**(77)**	**—**	**(292)**	(446)	(94)	—	(352)
Net realized losses on Fortitude Re funds withheld assets	**179**	**38**	**—**	**141**	31	7	—	24
Net realized (gains) losses on Fortitude Re funds withheld embedded derivative	**(13)**	**(3)**	**—**	**(10)**	1,165	245	—	920
Net realized losses(b)	**307**	**60**	**—**	**247**	766	208	—	558
Net loss (gain) on divestitures and other	**(6)**	**(1)**	**—**	**(5)**	2	—	—	2
Non-operating litigation reserves and settlements	**—**	**—**	**—**	**—**	(1)	—	—	(1)
Unfavorable (favorable) prior year development and related amortization changes ceded under retroactive reinsurance agreements	**2**	**—**	**—**	**2**	(19)	(4)	—	(15)
Net loss reserve discount (benefit) charge	**76**	**16**	**—**	**60**	64	13	—	51
Integration and transaction costs associated with acquiring or divesting businesses	**64**	**13**	**—**	**51**	52	11	—	41
Restructuring and other costs	**114**	**24**	**—**	**90**	117	25	—	92
Non-recurring costs related to regulatory or accounting changes	**4**	**1**	**—**	**3**	13	3	—	10
Net impact from elimination of international reporting lag (c)	**—**	**—**	**—**	**—**	(12)	(3)	—	(9)
Noncontrolling interests(d)			**91**	**91**			(242)	(242)
Adjusted pre-tax income (loss)/Adjusted after-tax income (loss) attributable to AIG common shareholders	**$ 1,941**	**$ 425**	**$ (293)**	**$ 1,216**	$ 1,643	$ 300	$ (125)	$ 1,211
Weighted average diluted shares outstanding				**688.0**				744.1
Income per common share attributable to AIG common shareholders (diluted)				**$ 1.74**				$ 0.03
Adjusted after-tax income per common share attributable to AIG common shareholders (diluted)				**$ 1.77**				$ 1.63

(a) Includes realized gains and losses on certain derivative instruments used for non-qualifying (economic) hedging.

(b) Includes all net realized gains and losses except earned income (periodic settlements and changes in settlement accruals) on derivative instruments used for non-qualifying (economic) hedging or for asset replication and net realized gains and losses on Fortitude Re funds withheld assets.

(c) *For additional information, see Note 1 to the Consolidated Financial Statements in the 2023 Annual Report.*

(d) Includes the portion of equity interest of non-operating income of Corebridge and consolidated investment entities that AIG does not own.

PRE-TAX INCOME (LOSS) COMPARISON

Three Months Ended March 31, 2024 and 2023 Comparison

Pre-tax income (loss) was $2.1 billion and $(231) million in the three months ended March 31, 2024 and 2023, respectively.

For the main drivers impacting AIG's results of operations, see – Net Income (Loss) Attributable to AIG Common Shareholders above.

ADJUSTED PRE-TAX INCOME (LOSS) COMPARISON

Three Months Ended March 31, 2024 and 2023 Comparison

Adjusted pre-tax income (loss) was $1.9 billion and $1.6 billion in the three months ended March 31, 2024 and 2023, respectively.

For the main drivers impacting AIG's adjusted pre-tax income (loss), see Business Segment Operations.

Business Segment Operations

Our business operations consist of General Insurance, Life and Retirement and Other Operations.

General Insurance consists of two operating segments: North America and International. Life and Retirement consists of four operating segments: Individual Retirement, Group Retirement, Life Insurance and Institutional Markets. Other Operations is primarily comprised of corporate, our institutional asset management business and consolidation and eliminations.

The following table summarizes Adjusted pre-tax income (loss) from our business segment operations. ***See also Note 3 to the Condensed Consolidated Financial Statements.***

Three Months Ended March 31, *(in millions)*	**2024**	2023
General Insurance		
North America - Underwriting income	**$ 224**	$ 299
International - Underwriting income	**372**	203
Net investment income	**762**	746
General Insurance	**1,358**	1,248
Life and Retirement		
Individual Retirement	**622**	533
Group Retirement	**199**	187
Life Insurance	**58**	82
Institutional Markets	**112**	84
Life and Retirement	**991**	886
Other Operations		
Other Operations before consolidation and eliminations	**(438)**	(434)
Consolidation and eliminations	**30**	(57)
Other Operations	**(408)**	(491)
Adjusted pre-tax income	**$ 1,941**	$ 1,643

General Insurance

General Insurance is managed by our geographic markets of North America and International. Our global presence is underpinned by our multinational capabilities to provide Commercial Lines and Personal Insurance products within these geographic markets.

PRODUCTS AND DISTRIBUTION

North America

North America consists of insurance businesses in the United States, Canada and Bermuda.

International

International consists of regional insurance businesses in Japan, the United Kingdom, Europe, Middle East and Africa (EMEA region), Asia Pacific, Latin America and Caribbean, and China. International also includes the results of Talbot as well as AIG's Global Specialty business.

Property: Products include commercial and industrial property, including business interruption, as well as package insurance products and services that cover exposures to man-made and natural disasters.

Liability: Products include general liability, environmental, commercial automobile liability, workers' compensation, excess casualty and crisis management insurance products. Casualty also includes risk-sharing and other customized structured programs for large corporate and multinational customers.

Financial Lines: Products include professional liability insurance for a range of businesses and risks, including directors and officers, mergers and acquisitions, fidelity, employment practices, fiduciary liability, cyber risk, kidnap and ransom, and errors and omissions insurance.

Specialty: Products include marine, energy-related property insurance products, aviation, political risk, trade credit, trade finance and portfolio solutions.

On July 3, 2023, AIG completed the sale of Crop Risk Services, Inc. (CRS) to American Financial Group, Inc. and in substance, AIG exited the crop business. For periods prior to the sale of CRS, the underwriting results are included in adjusted pre-tax income of General Insurance – North America.

On November 1, 2023, AIG completed the sale of Validus Reinsurance, Ltd. (Validus Re), including AlphaCat Managers Ltd. and Talbot Treaty reinsurance business to RenaissanceRe Holdings Ltd. (RenaissanceRe). For periods prior to the sale of Validus Re, the underwriting results are included in adjusted pre-tax income of General Insurance – North America.

For additional information, see Note 1 to the Consolidated Financial Statements in the 2023 Annual Report.

Accident & Health: Products include voluntary and sponsor-paid personal accident and supplemental health products for individuals, employees, associations and other organizations, as well as a broad range of travel insurance products and services for leisure and business travelers.

Personal Lines: Products include personal auto and personal property in selected markets, comprehensive extended warranty, device protection insurance, home warranty and related services, and insurance for high net-worth individuals offered through Private Client Select (PCS) in the U.S. that covers auto, homeowners, umbrella, yacht, fine art and collections.

General Insurance products in North America and International markets are distributed through various channels, including captive and independent agents, brokers, affinity partners, airlines and travel agents, and retailers. Our global platform enables writing multinational and cross-border risks in both Commercial Lines and Personal Insurance.

BUSINESS STRATEGY

Profitable Growth: Build on our high-quality portfolio by focusing on targeted growth through continued underwriting discipline, improved retentions and new business development. Deploy capital efficiently to act opportunistically and achieve growth in profitable lines, geographies and customer segments, while taking a disciplined underwriting approach to exposure management, terms and conditions and rate change to achieve our risk/return hurdles. Continue to be open to inorganic growth opportunities in profitable markets and segments to expand our capabilities and footprint.

Reinsurance Optimization: Strategically partner with reinsurers to effectively manage exposure to losses arising from frequency of large catastrophic events and severity from individual risk losses. We strive to optimize our reinsurance program to manage volatility and protect the balance sheet from tail events and unpredictable net losses in support of our profitable growth objectives.

Underwriting Excellence: Continue to enhance portfolio optimization through strength of underwriting framework and guidelines as well as clear communication of risk appetite and rate adequacy. Empower and increase accountability of the underwriter and continue to integrate underwriting, claims and actuarial to enable better decision making. Focus on enhancing risk selection, driving consistent underwriting best practices and building robust monitoring standards to improve underwriting results.

COMPETITION AND CHALLENGES

General Insurance operates in a highly competitive industry against global, national and local insurers and reinsurers and underwriting syndicates in specific market areas and product types. Insurance companies compete through a combination of risk acceptance criteria, product pricing, service levels and terms and conditions. We serve our business and individual customers on a global basis – from the largest multinational corporations to local businesses and individuals. General Insurance seeks to differentiate itself in the markets where we participate by providing leading expertise and insight to clients, distribution partners and other stakeholders, delivering underwriting excellence and value-driven insurance solutions and providing high quality, tailored end-to-end support to stakeholders. In doing so, we leverage our world-class global franchise, multinational capabilities, balance sheet strength and financial flexibility.

Our challenges include:

- ensuring adequate business pricing given passage of time to reporting and settlement for insurance business, particularly with respect to long-tail Commercial Lines exposures;
- impact of social and economic inflation on claim frequency and severity; and
- volatility in claims arising from natural and man-made catastrophes and other aggregations of risk exposure.

INDUSTRY AND ECONOMIC FACTORS

The results of General Insurance for the three months ended March 31, 2024 reflect continued strong performance from our Commercial Lines portfolio and focused execution on our portfolio management strategies within Personal Insurance. Across our North America and International Commercial Lines of business we have seen increased demand for our insurance products with continued positive rate change and improvement in terms and conditions. We continue to monitor the impact of inflation, ongoing labor force and supply chain disruptions and volatile commodity prices, among other factors, on rate adequacy and loss cost trends. Similarly, we are monitoring the responsive monetary policy actions taken or anticipated to be taken by central banks, to curb inflation and the corresponding impact on market interest rates.

General Insurance – North America

North America Commercial remains in a firm market amidst a backdrop of increasing claims severity due to elevated economic and social inflation, as well as a higher frequency and severity of natural catastrophe losses over recent years. While market discipline continues to support price increases across most lines, we are seeing capacity move back into the market in certain segments given the improved pricing levels which is putting pressure on rates. We have focused on retaining our best accounts which has led to improving retention across the portfolio. These retention rates are often coupled with an exposure limit management strategy to reduce volatility within the portfolio. We continue to proactively identify segment growth areas as market conditions warrant through effective portfolio management, while non-renewing unprofitable business.

Personal Insurance growth prospects are supported by the need for full life cycle products and coverage, increases in personal wealth accumulation, and awareness of insurance protection and risk management. We compete in the high net worth market, accident and health insurance, travel insurance, and warranty services.

General Insurance – International

We are continuing to pursue growth in our most profitable lines of business and diversify our portfolio across all regions by expanding key business lines while remaining a market leader in key developed and developing markets. Overall, Commercial Lines continue to show positive rate change, particularly in our Property and Casualty portfolios and across international markets where market events or withdrawal of capability and capacity have favorably impacted pricing. We are maintaining our underwriting discipline, reducing gross and net limits where appropriate, utilizing reinsurance to reduce volatility, as well as continuing our risk selection strategy to improve profitability.

Personal Insurance focuses on individual customers, as well as group and corporate clients. Although market competition within Personal Insurance has increased, we continue to benefit from the underwriting quality and portfolio diversity.

GENERAL INSURANCE RESULTS

Three Months Ended March 31, *(in millions)*	2024	2023	Change
Underwriting results:			
Net premiums written	$ 4,512	$ 6,965	(35) %
(Increase) decrease in unearned premiums	1,274	(706)	NM
Net premiums earned	5,786	6,259	(8)
Losses and loss adjustment expenses incurred[(a)]	3,353	3,752	(11)
Acquisition expenses:			
Amortization of deferred policy acquisition costs	828	912	(9)
Other acquisition expenses	275	316	(13)
Total acquisition expenses	1,103	1,228	(10)
General operating expenses	734	777	(6)
Underwriting income	596	502	19
Net investment income	762	746	2
Adjusted pre-tax income	$ 1,358	$ 1,248	9 %
Loss ratio[(a)]	58.0	59.9	(1.9)
Acquisition ratio	19.1	19.6	(0.5)
General operating expense ratio	12.7	12.4	0.3
Expense ratio	31.8	32.0	(0.2)
Combined ratio[(a)]	89.8	91.9	(2.1)
Adjustments for accident year loss ratio, as adjusted and accident year combined ratio, as adjusted:			
Catastrophe losses and reinstatement premiums	(1.9)	(4.2)	2.3
Prior year development, net of reinsurance and prior year premiums	0.5	1.0	(0.5)
Accident year loss ratio, as adjusted	56.6	56.7	(0.1)
Accident year combined ratio, as adjusted	88.4	88.7	(0.3)

(a) Consistent with our definition of APTI, excludes net loss reserve discount and the portion of favorable or unfavorable prior year reserve development for which we have ceded the risk under retroactive reinsurance agreements and related changes in amortization of the deferred gain.

The following table presents General Insurance net premiums written by operating segment, showing change on both reported and constant dollar basis:

Three Months Ended March 31,			Percentage Change in	
(in millions)	2024	2023	U.S. dollars	Original Currency
North America	$ 1,334	$ 3,680	(64) %	(64) %
International	3,178	3,285	(3)	(2)
Total net premiums written	**$ 4,512**	$ 6,965	(35) %	(35) %

The following tables present General Insurance accident year catastrophes[(a)] by geography and number of events:

(dollars in millions)	# of Events	North America	International	Total
Three Months Ended March 31, 2024				
Windstorms and hailstorms	**3**	**$ 42**	**$ —**	**$ 42**
Winter storms	**2**	**50**	**—**	**50**
Earthquakes	**1**	**—**	**15**	**15**
Reinstatement premiums		**—**	**(1)**	**(1)**
Total catastrophe-related charges	**6**	**$ 92**	**$ 14**	**$ 106**
Three Months Ended March 31, 2023				
Flooding, rainstorms and other	1	$ 10	$ 77	$ 87
Windstorms and hailstorms	5	67	39	106
Winter storms	2	25	22	47
Earthquakes	1	15	10	25
Reinstatement premiums		(1)	—	(1)
Total catastrophe-related charges	9	$ 116	$ 148	$ 264

(a) Natural catastrophe losses are generally weather or seismic events, in each case, having a net impact on AIG in excess of $10 million and man-made catastrophe losses, such as terrorism and civil unrest that exceed the $10 million threshold.

NORTH AMERICA RESULTS

Three Months Ended March 31, (in millions)	2024	2023	Change
Underwriting results:			
Net premiums written	$ 1,334	$ 3,680	(64) %
(Increase) decrease in unearned premiums	1,168	(700)	NM
Net premiums earned	2,502	2,980	(16)
Losses and loss adjustment expenses incurred[(a)]	1,572	1,808	(13)
Acquisition expenses:			
Amortization of deferred policy acquisition costs	340	410	(17)
Other acquisition expenses	97	146	(34)
Total acquisition expenses	437	556	(21)
General operating expenses	269	317	(15)
Underwriting income	$ 224	$ 299	(25) %
Loss ratio[(a)]	62.8	60.7	2.1
Acquisition ratio	17.5	18.7	(1.2)
General operating expense ratio	10.8	10.6	0.2
Expense ratio	28.3	29.3	(1.0)
Combined ratio[(a)]	91.1	90.0	1.1
Adjustments for accident year loss ratio, as adjusted and accident year combined ratio, as adjusted:			
Catastrophe losses and reinstatement premiums	(3.6)	(3.9)	0.3
Prior year development, net of reinsurance and prior year premiums	0.9	2.6	(1.7)
Accident year loss ratio, as adjusted	60.1	59.4	0.7
Accident year combined ratio, as adjusted	88.4	88.7	(0.3)

(a) Consistent with our definition of APTI, excludes net loss reserve discount and the portion of favorable or unfavorable prior year reserve development for which we have ceded the risk under retroactive reinsurance agreements and related changes in amortization of the deferred gain.

Business and Financial Highlights

Net Premiums Written Comparison for the Three Months Ended March 31, 2024 and 2023

Net premiums written decreased by $2.3 billion due to the decline in Commercial Lines ($2.3 billion), driven by the sales of AIG Re and CRS.

Underwriting Income (Loss) Comparison for the Three Months Ended March 31, 2024 and 2023

Underwriting income decreased by $75 million primarily due to:

- lower net favorable prior year development (1.7 points or $58 million), primarily as a result of favorable development in Casualty recognized in 2023; and
- the impact of sales of AIG Re and CRS on accident year results

This decrease was partially offset by:

- a lower expense ratio of 1.0 points reflecting a lower acquisition ratio (1.2 points) primarily driven by changes in business mix and the sale of AIG Re, improved commission terms and reinsurance program changes, partially offset by an increase in general operating expense ratio (0.2 points); and
- lower catastrophe losses (0.3 points or $24 million).

INTERNATIONAL RESULTS

Three Months Ended March 31, *(in millions)*		2024		2023	Change
Underwriting results:					
Net premiums written	$	3,178	$	3,285	(3) %
(Increase) decrease in unearned premiums		106		(6)	NM
Net premiums earned		3,284		3,279	—
Losses and loss adjustment expenses incurred		1,781		1,944	(8)
Acquisition expenses:					
Amortization of deferred policy acquisition costs		488		502	(3)
Other acquisition expenses		178		170	5
Total acquisition expenses		666		672	(1)
General operating expenses		465		460	1
Underwriting income	$	372	$	203	83 %
Loss ratio		54.2		59.3	(5.1)
Acquisition ratio		20.3		20.5	(0.2)
General operating expense ratio		14.2		14.0	0.2
Expense ratio		34.5		34.5	—
Combined ratio		88.7		93.8	(5.1)
Adjustments for accident year loss ratio, as adjusted and accident year combined ratio, as adjusted:					
Catastrophe losses and reinstatement premiums		(0.4)		(4.5)	4.1
Prior year development, net of reinsurance and prior year premiums		0.1		(0.6)	0.7
Accident year loss ratio, as adjusted		53.9		54.2	(0.3)
Accident year combined ratio, as adjusted		88.4		88.7	(0.3)

Business and Financial Highlights

Net Premiums Written Comparison for the Three Months Ended March 31, 2024 and 2023

Net premiums written, excluding the impact of foreign exchange ($50 million), decreased by $57 million primarily due to the decline in Commercial Lines ($64 million) resulting from the sale of AIG Re and lower production in Specialty and Financial Lines, partially offset by increases in Casualty and Property.

Underwriting Income (Loss) Comparison for the Three Months Ended March 31, 2024 and 2023

Underwriting income increased by $169 million primarily due to:

- lower catastrophe losses (4.1 points or $134 million);
- net favorable prior year reserve development of $5 million in 2024 compared to net adverse prior year reserve development in 2023 of $21 million (0.7 points or $26 million), primarily as a result of unfavorable development in Property and Specialty recognized in 2023; and
- improvement in the accident year loss ratio, as adjusted (0.3 points) primarily driven by changes in business mix along with continued positive rate change, focused risk selection and improved terms and conditions.

Expense ratio remained flat reflecting an increase in the general operating expense ratio (0.2 points), partially offset by a lower acquisition ratio (0.2 points) primarily driven by changes in business mix and improved commission terms.

Life and Retirement

Life and Retirement consists of four operating segments: Individual Retirement, Group Retirement, Life Insurance and Institutional Markets. We offer a broad portfolio of products in the U.S. through a multichannel distribution network and life and health products in the UK.

PRODUCTS AND DISTRIBUTION

Individual Retirement

Fixed Annuities: Products include single premium fixed annuities, immediate annuities and deferred income annuities. Certain fixed deferred annuity products offer optional income protection features. The fixed annuities product line maintains an industry-leading position in the U.S. bank distribution channel and has broadened into the regional broker-dealer, wirehouse, and independent agent channels by leveraging our scale and investment capabilities.

Fixed Index Annuities: Products include fixed index annuities that provide growth potential based in part on the performance of a market index as well as optional living guaranteed features that provide lifetime income protection. Fixed index annuities are distributed primarily through banks, broker-dealers, independent marketing organizations and independent insurance agents.

Variable Annuities: Products include variable annuities that offer a combination of growth potential, death benefit features and income protection features. Variable annuities are distributed primarily through banks, wirehouses, and regional and independent broker-dealers.

Group Retirement

Group Retirement: Known in the marketplace as Corebridge Retirement Services. Services and products consist of recordkeeping, plan administration and compliance services, financial planning and advisory solutions offered to employer-defined contribution plan participants, along with proprietary and limited non-proprietary annuities and advisory and brokerage products offered outside of plans.

Retirement Services offers its products and services through VALIC and its subsidiaries, VALIC Financial Advisors, Inc. and VALIC Retirement Services Company.

Retirement Services employee financial professionals have the ability to serve clients throughout their financial journey from the workplace through retirement via our integrated financial planning model. Our financial professionals serve in-plan clients by providing enrollment support, education and financial guidance and serve out-of-plan clients with financial planning, annuity products, brokerage and advisory offerings.

Life Insurance

Life Insurance: In the U.S., products primarily include term life and universal life insurance distributed through independent marketing organizations, independent insurance agents, financial advisors and direct marketing. Corebridge previously announced agreements to sell Laya Healthcare Limited (Laya) and AIG Life. The sale of Laya closed on October 31, 2023 and the AIG Life sale closed on April 8, 2024.

Institutional Markets

Institutional Markets: Products primarily include stable value wrap products, structured settlement and pension risk transfer annuities (direct and assumed reinsurance), corporate- and bank-owned life insurance, high net worth products and guaranteed investment contracts (GICs). Institutional Markets products are primarily distributed through specialized marketing and consulting firms and structured settlement brokers.

FHLB Funding Agreements: Funding agreements are issued by our U.S. Life and Retirement companies to FHLBs in their respective districts at fixed or floating rates over specified periods, which can be prepaid at our discretion. Proceeds are generally invested in fixed income securities and other suitable investments to generate spread income. These investment contracts do not have mortality or morbidity risk and are similar to GICs.

BUSINESS STRATEGY

Deliver client-centric solutions through our unique franchise by bringing together a broad portfolio of life insurance, retirement and institutional products offered through an extensive, multichannel distribution network. Life and Retirement focuses on ease of doing business, offering valuable solutions, and expanding and deepening its distribution relationships across multiple channels.

Position market leading businesses to serve growing needs by continually enhancing product solutions, service delivery and digital capabilities while using data and analytics in an innovative manner to improve customer experience.

Individual Retirement will continue to capitalize on the opportunity to meet consumer demand for wealth accumulation and guaranteed income products by maintaining an innovative suite of fixed, variable and fixed index annuity products, while also managing risk from guarantee features through risk-mitigating product design and well-developed economic hedging capabilities.

Group Retirement continues to enhance its technology platform to improve the customer experience for plan sponsors and individual participants. Retirement Services' self-service tools paired with its employee financial advisors provide a compelling service platform. Group Retirement's strategy also involves providing financial planning services for its clients and meeting their need for income in retirement. In this role, Group Retirement's clients may invest in assets in which AIG or a third party is custodian.

Life Insurance in the U.S. will continue to position itself for growth and changing market dynamics while continuing to execute strategies to enhance returns. Our focus is on materializing success from a multi-year effort of building state-of-the-art platforms and underwriting innovations, which are expected to bring process improvements and cost efficiencies.

Institutional Markets continues to grow its assets under management across multiple product lines, including stable value wrap, GICs and pension risk transfer annuities. Our growth strategy is transactional and allows us to pursue select transactions that meet our risk-adjusted return requirements.

Enhance Operational Effectiveness by simplifying processes and operating environments to increase competitiveness, improve service and product capabilities and facilitate delivery of our target customer experience. We continue to invest in technology to improve operating efficiency and ease of doing business for our distribution partners and customers. We believe that simplifying our operating models will enhance productivity and support further profitable growth.

Manage our Balance Sheet through a rigorous approach to our products and portfolio. We match our product design and high-quality investments with our asset and liability exposures to support our cash and liquidity needs under various operating scenarios.

Deliver Value Creation and Manage Capital by striving to deliver solid earnings and returns on capital through disciplined pricing, sustainable underwriting improvements, expense efficiency, and diversification of risk, while optimizing capital allocation and efficiency within insurance entities to enhance return on common equity.

COMPETITION AND CHALLENGES

Life and Retirement operates in the highly competitive insurance and financial services industry in the U.S. and select international markets, competing against various financial services companies, including banks and other life insurance and mutual fund companies. Competition is primarily based on product pricing and design, distribution, financial strength, customer service and ease of doing business.

Our business remains competitive due to its long-standing market leading positions, innovative products, distribution relationships across multiple channels, customer-focused service and strong financial ratings.

Our primary challenges include:

- managing a rising rate environment. While a rising rate environment improves yields on new investment, improves margins on our business, and increases sales in certain products such as fixed annuities, it may also result in increased competition for certain products resulting in a need to increase crediting rates, and has resulted in lower separate account asset values for investments in fixed income which has reduced fee income;
- increased competition in our primary markets, including aggressive pricing of annuities by competitors, increased competition and consolidation of employer groups in the group retirement planning market, and competitors with different profitability targets in the pension risk transfer space as well as other product lines;
- increasingly complex new and proposed regulatory requirements, which have affected industry growth and costs; and
- upgrading our technology and underwriting processes while managing general operating expenses.

INDUSTRY AND ECONOMIC FACTORS

Individual Retirement

Increasing life expectancy and reduced expectations for traditional retirement income from defined benefit programs are leading Americans to seek additional financial security as they approach retirement. The strong demand for fixed index and fixed annuities with guaranteed living benefit features has attracted increased competition in this product space. In response to the ever changing interest rate environment we have developed guaranteed living benefits for variable, fixed index and fixed annuities with margins that are less sensitive to the level of interest rates. Changes in the capital markets (interest rate environment, credit spreads, equity markets, volatility) can have a significant impact on sales, surrender rates, investment returns, guaranteed income features, and net investment spreads in the annuity industry.

Group Retirement

Group Retirement competes in the defined contribution market under the Retirement Services brand. Retirement Services is a leading retirement plan provider in the U.S. for K-12 schools and school districts, higher education, healthcare, government and other not-for-profit institutions. The defined contribution market is a highly efficient and competitive market that requires support for both plan sponsors and individual participants. To meet this challenge, Retirement Services is investing in a client-focused technology platform to support improved compliance and self-service functionality. Retirement Services' model pairs self-service tools with its employee financial advisors who provide individual plan participants with enrollment support and comprehensive financial planning services.

Changes in the interest rates, credit spreads and equity market environment can have a significant impact on investment returns, fee income, advisory and other income, guaranteed income features, and net investment spreads, and a moderate impact on sales and surrender rates.

Life Insurance

Consumers have a significant need for life insurance, whether it is used for income replacement for their surviving family, estate planning or wealth transfer. Additionally, consumers use life insurance to provide living benefits in case of chronic, critical or terminal illnesses, and to supplement retirement income.

In response to consumer needs and a changing interest rate environment, our Life Insurance product portfolio will continue to promote products with less long-duration interest rate risk and mitigate exposure to products that have long-duration interest rate risk through sales levels and hedging strategies.

As life insurance ownership remains at historical lows in the U.S., efforts to expand the reach and increase the affordability of life insurance are critical. The industry is investing in consumer-centric efforts to reduce traditional barriers to securing life protection by simplifying the sales and service experience. Digitally enabled processes and tools provide a fast, friendly and simple path to life insurance protection.

Institutional Markets

Institutional Markets serves a variety of needs for corporate clients. Demand is driven by a number of factors including the macroeconomic and regulatory environment. We expect to see continued growth in the pension risk transfer market (direct and assumed reinsurance) as corporate plan sponsors look to transfer asset or liability, longevity, administrative and operational risks associated with their defined benefit plans.

Changes in interest rates and credit spreads can have a significant impact on investment returns and net investment spreads, impacting organic growth opportunities.

For additional information on the separation of Life and Retirement, see Part I, Item 1A. Risk Factors – Business and Operations – "No assurances can be given that the separation of our Life and Retirement business will be completed or as to the specific terms or timing thereof. In addition, we may not achieve the expected benefits of the separation and will have continuing equity market exposure to Corebridge until we fully divest our stake" in the 2023 Annual Report and Note 1 to the Condensed Consolidated Financial Statements.

For additional information on the impact of market interest rate movement on our Life and Retirement business, see Executive Summary – Regulatory, Industry and Economic Factors – Impact of Changes in the Interest Rate Environment and Equity Markets

LIFE AND RETIREMENT RESULTS

Three Months Ended March 31, (in millions)	2024	2023	Change
Adjusted revenues:			
Premiums	$ 2,362	$ 2,201	7 %
Policy fees	714	698	2
Net investment income	2,645	2,277	16
Advisory fee and other income	200	195	3
Total adjusted revenues	5,921	5,371	10
Benefits and expenses:			
Policyholder benefits	2,881	2,600	11
Interest credited to policyholder account balances	1,189	1,015	17
Amortization of deferred policy acquisition costs	276	259	7
Non deferrable insurance commissions	144	136	6
Advisory fee expenses	68	65	5
General operating expenses	372	407	(9)
Interest expense	—	3	NM
Total benefits and expenses	4,930	4,485	10
Adjusted pre-tax income	$ 991	$ 886	12 %

Our insurance companies generate significant revenues from investment activities. As a result, the operating segments in Life and Retirement are significantly impacted by variances in net investment income on the asset portfolios that support insurance liabilities and surplus.

For additional information on our investment strategy, asset-liability management process and invested asset composition, see Investments.

INDIVIDUAL RETIREMENT RESULTS

Three Months Ended March 31, (in millions)	2024	2023	Change
Adjusted revenues:			
Premiums	$ 41	$ 78	(47) %
Policy fees	191	174	10
Net investment income	1,338	1,129	19
Advisory fee and other income	116	103	13
Total adjusted revenues	1,686	1,484	14
Benefits and expenses:			
Policyholder benefits	36	65	(45)
Interest credited to policyholder account balances	639	519	23
Amortization of deferred policy acquisition costs	148	137	8
Non deferrable insurance commissions	90	86	5
Advisory fee expenses	35	34	3
General operating expenses	116	108	7
Interest expense	—	2	NM
Total benefits and expenses	1,064	951	12
Adjusted pre-tax income	$ 622	$ 533	17 %
Fixed annuities base net investment spread:			
Base yield*	5.33 %	4.83 %	50 bps
Cost of funds	3.18	2.82	36
Fixed annuities base net investment spread	2.15 %	2.01 %	14 bps
Variable and fixed index annuities base net investment spread:			
Base yield*	4.91 %	4.34 %	57 bps
Cost of funds	2.20	1.74	46
Variable and fixed index annuities base net investment spread	2.71 %	2.60 %	11 bps

* Includes returns from base portfolio including accretion and income (loss) from certain other invested assets.

Business and Financial Highlights

Adjusted Pre-Tax Income (Loss) Comparison for the Three Months Ended March 31, 2024 and 2023

Adjusted pre-tax income increased $89 million primarily due to higher net investment income, net of interest credited ($89 million) driven by higher base portfolio income, net of interest credited ($92 million) due to improved base yields and growth in invested assets driven by higher general account sales, partially offset by lower yield enhancement income ($2 million) and lower alternative investment income ($1 million).

INDIVIDUAL RETIREMENT GAAP PREMIUMS, PREMIUMS AND DEPOSITS, SURRENDERS AND NET FLOWS

Premiums and deposits is a non-GAAP financial measure that includes, in addition to direct and assumed premiums, deposits received on investment-type annuity contracts.

Net flows for annuity products in Individual Retirement represent premiums and deposits less death, surrender and other withdrawal benefits.

The following table presents a reconciliation of Individual Retirement GAAP premiums to premiums and deposits:

Three Months Ended March 31, *(in millions)*		2024		2023
Premiums	$	41	$	78
Deposits		4,822		4,807
Other		(2)		(2)
Premiums and deposits	$	4,861	$	4,883

The following table presents Individual Retirement premiums and deposits and net flows by product line:

Three Months Ended March 31,	Premiums and Deposits				Net Flows			
(in millions)		2024		2023		2024		2023
Fixed annuities	$	2,612	$	2,248	$	(211)	$	(90)
Fixed index annuities		1,883		2,057		925		1,389
Variable annuities		366		578		(1,228)		(636)
Total	$	4,861	$	4,883	$	(514)	$	663

Premiums and Deposits and Net Flow Comparison for the Three Months Ended March 31, 2024 and 2023

Fixed Annuities Net outflows increased by $121 million over the prior year, primarily due to higher surrenders and withdrawals of ($686 million), partially offset by higher premiums and deposits of ($364 million) due to strong sales execution as interest rates rose and lower death benefits of ($201 million).

Fixed Index Annuities Net inflows decreased ($464 million) primarily due to lower premiums and deposits ($174 million), higher surrenders and withdrawals ($270 million) and higher death benefits ($20 million).

Variable Annuities Net outflows increased ($592 million) primarily due to lower premiums and deposits of ($212 million) due to market volatility, and higher surrenders and withdrawals of ($364 million) and higher death benefits of ($16 million).

The following table presents surrenders rates:

Three Months Ended March 31,	2024	2023
Fixed annuities	20.6 %	15.1 %
Fixed index annuities	8.0	6.7
Variable annuities	9.4	7.1

The following table presents account value for fixed annuities and variable and fixed index annuities by surrender charge category:

	March 31, 2024			December 31, 2023		
(in millions)	Fixed Annuities	Fixed Index Annuities	Variable Annuities	Fixed Annuities	Fixed Index Annuities	Variable Annuities
No surrender charge	$ 20,884	$ 1,905	$ 31,352	$ 21,793	$ 1,727	$ 29,819
Greater than 0% - 2%	859	3,545	6,889	1,023	3,326	6,717
Greater than 2% - 4%	2,784	6,498	6,284	2,844	6,413	5,799
Greater than 4%	23,116	28,965	10,737	21,766	28,128	11,014
Non-surrenderable[(a)]	2,464	—	1,156	2,474	—	1,156
Total account value[(b)]	$ 50,107	$ 40,913	$ 56,418	$ 49,900	$ 39,594	$ 54,505

(a) The non-surrenderable portion of variable annuities relates to funding agreements.

(b) Includes payout immediate annuities and funding agreements.

Individual Retirement annuities are typically subject to a three- to ten-year surrender charge period, depending on the product. For fixed annuities, the proportion of account value subject to surrender charge at March 31, 2024 increased compared to December 31, 2023 primarily due to growth in the business. For fixed index annuities, the proportion of account value subject to surrender charge at March 31, 2024 was flat to December 31, 2023. The increase in the proportion of account value with no surrender charge for variable annuities as of March 31, 2024 compared to December 31, 2023 was principally due to normal aging of business.

GROUP RETIREMENT RESULTS

Three Months Ended March 31, *(in millions)*	2024	2023	Change
Adjusted revenues:			
Premiums	$ 5	$ 6	(17) %
Policy fees	107	100	7
Net investment income	494	500	(1)
Advisory fee and other income	83	77	8
Total adjusted revenues	689	683	1
Benefits and expenses:			
Policyholder benefits	3	9	(67)
Interest credited to policyholder account balances	298	291	2
Amortization of deferred policy acquisition costs	21	21	—
Non deferrable insurance commissions	29	28	4
Advisory fee expenses	33	29	14
General operating expenses	106	117	(9)
Interest expense	—	1	NM
Total benefits and expenses	490	496	(1)
Adjusted pre-tax income	$ 199	$ 187	6 %
Base net investment spread:			
Base yield*	4.42 %	4.22 %	20 bps
Cost of funds	2.89	2.70	19
Base net investment spread	1.53 %	1.52 %	1 bps

* Includes returns from base portfolio including accretion and income (loss) from certain other invested assets.

Business and Financial Highlights

Adjusted Pre-Tax Income (Loss) Comparison for the Three Months Ended March 31, 2024 and 2023

Adjusted pre-tax income increased $12 million primarily due to:

- lower general operating expenses ($11 million); and
- higher policy and advisory fee income, net of advisory fee expenses ($9 million) due to higher average separate account, advisory, and mutual fund assets driven by improved equity market performance.

This increase was partially offset by:

- lower net investment income, net of interest credited ($13 million) primarily driven by lower yield enhancements and alternative investment income ($9 million).

GROUP RETIREMENT GAAP PREMIUMS, PREMIUMS AND DEPOSITS, SURRENDERS AND NET FLOWS

Premiums and deposits are a non-GAAP financial measure that includes, in addition to direct and assumed premiums, deposits received on investment-type annuity contracts, FHLB funding agreements and mutual funds under administration.

Net flows for annuity products included in Group Retirement represent premiums and deposits less death, surrender and other withdrawal benefits. Net flows for mutual funds represent deposits less withdrawals. Client deposits into advisory and brokerage accounts less total client withdrawals from advisory and brokerage accounts, are not included in net flows, but do contribute to growth in assets under administration and advisory fee income.

The following table presents a reconciliation of Group Retirement GAAP premiums to premiums and deposits and net flows:

Three Months Ended March 31,				
(in millions)		**2024**		2023
Premiums	**$**	**5**	$	6
Deposits		**2,049**		2,240
Premiums and deposits*	**$**	**2,054**	$	2,246
Net Flows	**$**	**(1,891)**	$	(819)

* Excludes client deposits into advisory and brokerage accounts of $730 million and $541 million for the three months ended March 31, 2024 and 2023, respectively.

Premiums and Deposits and Net Flow Comparison for the Three Months Ended March 31, 2024 and 2023

Net outflows were ($1.1 billion) higher compared to the prior year primarily due to higher surrenders and withdrawals ($862 million), lower premiums and deposits ($192 million) and lower death and payout annuity benefits ($18 million). Large plan acquisitions and surrenders resulted in lower net flows of ($459 million) compared to the prior year. Excluding large plan acquisitions and surrenders, net outflows were concentrated in products with higher contractual guaranteed minimum crediting rates.

The following table presents Group Retirement surrenders rates:

Three Months Ended March 31,	**2024**	2023
Surrender rates	**13.6 %**	11.0 %

The following table presents account value for Group Retirement annuities by surrender charge category:

(in millions)		**March 31, 2024**[(a)]		December 31, 2023[(b)]
No surrender charge[(b)]	**$**	**71,578**	$	70,500
Greater than 0% - 2%		**1,274**		1,251
Greater than 2% - 4%		**1,629**		1,698
Greater than 4%		**6,197**		5,757
Non-surrenderable		**486**		490
Total account value[(c)]	**$**	**81,164**	$	79,696

(a) Excludes mutual fund assets under administration of $29.5 billion and $27.8 billion at March 31, 2024 and December 31, 2023, respectively.

(b) Group Retirement amounts in this category include account values in the general account of approximately $4.0 billion and $4.1 billion at March 31, 2024 and December 31, 2023, respectively, which are subject to 20 percent annual withdrawal limitations at the participant level and account value in the general account of $5.2 billion and $5.3 billion at March 31, 2024 and December 31, 2023, respectively, which are subject to 20 percent annual withdrawal limitations at the plan level.

(c) Includes payout immediate annuities and funding agreements.

Group Retirement annuity deposits are typically subject to a four- to seven-year surrender charge period, depending on the product. At March 31, 2024, Group Retirement annuity account value with no surrender charge increased compared to December 31, 2023 primarily due to an increase in assets under management from higher equity markets partially offset by negative net flows.

LIFE INSURANCE RESULTS

Three Months Ended March 31, (in millions)		2024		2023	Change
Adjusted revenues:					
Premiums	$	520	$	542	(4) %
Policy fees		368		375	(2)
Net investment income		326		317	3
Other income		—		15	NM
Total adjusted revenues		1,214		1,249	(3)
Benefits and expenses:					
Policyholder benefits		819		808	1
Interest credited to policyholder account balances		83		82	1
Amortization of deferred policy acquisition costs		104		99	5
Non deferrable insurance commissions		20		17	18
Advisory fee expenses		—		2	NM
General operating expenses		130		159	(18)
Total benefits and expenses		1,156		1,167	(1)
Adjusted pre-tax income	$	58	$	82	(29) %

Business and Financial Highlights

Adjusted Pre-Tax Income (Loss) Comparison for the Three Months Ended March 31, 2024 and 2023

Adjusted pre-tax income decreased $24 million primarily due to:

- higher policyholder benefits, net of premiums and fees ($40 million), primarily driven by one-time reinsurance adjustments; and
- lower other income ($15 million), primarily driven by the sale of Laya in October 2023.

This decrease was partially offset by:

- lower general operating expenses of $29 million primarily driven by the sale of Laya in October 2023 ($20 million). General other operating expenses excluding the impact from the sale of Laya decreased $9 million.

LIFE INSURANCE GAAP PREMIUMS AND PREMIUMS AND DEPOSITS

Premiums for Life Insurance represent amounts received on traditional life insurance policies, primarily term life and international life and health. Premiums and deposits for Life Insurance is a non-GAAP financial measure that includes direct and assumed premiums as well as deposits received on universal life insurance.

Premiums and deposits, excluding the effect of foreign exchange, increased $4 million in the three months ended March 31, 2024 compared to the same period in 2023 due to growth in domestic traditional life premiums.

The following table presents a reconciliation of Life Insurance GAAP premiums to premiums and deposits:

Three Months Ended March 31, (in millions)		2024		2023
Premiums	$	520	$	542
Deposits		393		398
Other*		257		216
Premiums and deposits	$	1,170	$	1,156

* Other principally consists of adding back ceded premiums to reflect the gross premiums and deposits.

INSTITUTIONAL MARKETS RESULTS

Three Months Ended March 31, (in millions)	2024	2023	Change
Adjusted revenues:			
Premiums	$ 1,796	$ 1,575	14 %
Policy fees	48	49	(2)
Net investment income	487	331	47
Other income	1	—	NM
Total adjusted revenues	2,332	1,955	19
Benefits and expenses:			
Policyholder benefits	2,023	1,718	18
Interest credited to policyholder account balances	169	123	37
Amortization of deferred policy acquisition costs	3	2	50
Non deferrable insurance commissions	5	5	—
General operating expenses	20	23	(13)
Total benefits and expenses	2,220	1,871	19
Adjusted pre-tax income	$ 112	$ 84	33 %

Business and Financial Highlights

Adjusted Pre-Tax Income (Loss) Comparison for the Three Months Ended March 31, 2024 and 2023

Adjusted pre-tax income increased $28 million primarily due to:

- higher premiums primarily on new pension risk transfer business ($221 million); and
- higher net investment income ($156 million) primarily driven by higher base portfolio income.

This increase was partially offset by:

- higher policyholder benefits (including interest accretion) primarily on new pension risk transfer business ($305 million); and
- higher interest credited on policyholder account balances, primarily related to the GIC business ($46 million).

INSTITUTIONAL MARKETS GAAP PREMIUMS AND PREMIUMS AND DEPOSITS

Premiums for Institutional Markets primarily represent amounts received on pension risk transfer or structured settlement annuities with life contingencies. Premiums increased $221 million in the three months ended March 31, 2024 compared to the same period in 2023 primarily driven by the transactional nature of the pension risk transfer business (direct and assumed reinsurance).

Premiums and deposits for Institutional Markets is a non-GAAP financial measure that includes direct and assumed premiums as well as deposits received on investment-type annuity contracts. Deposits primarily include GICs, FHLB funding agreements and structured settlement annuities with no life contingencies.

Premiums and deposits increased $423 million in the three months ended March 31, 2024, compared to the same period in 2023 primarily due to higher premiums on pension risk transfer business and higher deposits on new GICs.

The following table presents a reconciliation of Institutional Markets GAAP premiums to premiums and deposits:

Three Months Ended March 31, (in millions)	2024	2023
Premiums	$ 1,796	$ 1,575
Deposits	781	581
Other*	9	7
Premiums and deposits	$ 2,586	$ 2,163

* Other principally consists of adding back ceded premiums to reflect the gross premiums and deposits.

Other Operations

Other Operations primarily consists of income from assets held by AIG Parent and other corporate subsidiaries, deferred tax assets related to tax attributes, corporate expenses and intercompany eliminations, our institutional asset management business and results of our consolidated investment entities, General Insurance portfolios in run-off as well as the historical results of our legacy insurance lines ceded to Fortitude Re.

OTHER OPERATIONS RESULTS

Three Months Ended March 31, *(in millions)*	2024	2023	Change
Adjusted revenues:			
Premiums	$ 18	$ 17	6 %
Net investment income:			
Interest and dividends	110	116	(5)
Alternative investments	(72)	20	NM
Other investment loss	(4)	(14)	71
Investment expenses	(10)	(10)	—
Total net investment income	24	112	(79)
Other income	15	3	400
Total adjusted revenues	57	132	(57)
Benefits, losses and expenses:			
Policyholder benefits and losses incurred	3	4	(25)
Acquisition expenses:			
Amortization of deferred policy acquisition costs	—	—	NM
Other acquisition expenses	(2)	(1)	(100)
Total acquisition expenses	(2)	(1)	(100)
General operating expenses:			
Corporate and Other	224	238	(6)
Asset Management	13	7	86
Amortization of intangible assets	4	10	(60)
Total General operating expenses	241	255	(5)
Interest expense:			
Corporate and Other	227	240	(5)
Asset Management*	26	68	(62)
Total interest expense	253	308	(18)
Total benefits, losses and expenses	495	566	(13)
Adjusted pre-tax loss before consolidation and eliminations	(438)	(434)	(1)
Consolidation and eliminations	30	(57)	NM
Adjusted pre-tax loss	$ (408)	$ (491)	17 %
Adjusted pre-tax income (loss) by activities:			
Corporate and Other	$ (349)	$ (435)	20 %
Asset Management	(89)	1	NM
Consolidation and eliminations	30	(57)	NM
Adjusted pre-tax loss	$ (408)	$ (491)	17 %

* Interest – Asset Management primarily represents interest expense on consolidated investment entities of $23 million and $66 million in the three months ended March 31, 2024 and 2023, respectively.

THREE MONTHS ENDED MARCH 31, 2024 AND 2023 COMPARISON

Adjusted pre-tax loss before consolidation and eliminations of $438 million in 2024 compared to $434 million in 2023, an increase of $4 million, was primarily due to:

- lower net investment income associated with consolidated investment entities of $139 million, partially offset by higher income on AIG Parent portfolio of $46 million due to higher yields and higher average balance; and
- lower interest expense of $55 million primarily driven by interest savings of $22 million from $2.6 billion debt repurchases, through cash tender offers and debt redemption and maturity in 2023 and 2024 and lower interest expense of $42 million associated with consolidated investments entities as a result of deconsolidation and paydowns on debt, partially offset by interest expense of $9 million on the $750 million AIG Senior unsecured debt issued in March 2023.

Adjusted pre-tax loss on consolidation and eliminations of $30 million in 2024 compared to $57 million in 2023, a decrease of $87 million, was primarily due to the elimination of the insurance companies' net investment income from their investment in the consolidated investment entities of $106 million.

Investments

OVERVIEW

Our investment strategies are tailored to the specific business needs of each segment by targeting an asset allocation mix that supports estimated cash flows of our outstanding liabilities and provides diversification from an asset class, sector, issuer, and geographic perspective. The primary objectives are generation of investment income, preservation of capital, liquidity management and growth of surplus. The majority of assets backing our insurance liabilities consist of fixed maturity securities.

Inflation remains elevated relative to the Federal Reserve target however it has decreased over the past several quarters. Interest rates also remain elevated although credit spreads have narrowed for most asset classes as recession concerns began to recede and the likelihood for a soft landing increased.

Our Investment Management Agreements with Blackstone Inc.

In 2021, AIG entered into a long-term asset management relationship with Blackstone, pursuant to which Blackstone initially managed $50 billion of Corebridge's existing investment portfolio, with that amount increasing to an aggregate of $92.5 billion by the third quarter of 2027. As of March 31, 2024, Blackstone manages $63 billion in book value of assets in Corebridge's investment portfolio. As these assets run-off, we expect Blackstone to reinvest primarily in Blackstone-originated investments across a range of asset classes, including private and structured credit, and commercial and residential real estate securitized and whole loans. We continue to manage asset allocation and portfolio-level risk management decisions with respect to any assets managed by Blackstone, ensuring that we maintain a consistent level of oversight across our entire investment portfolio considering our asset-liability matching needs, risk appetite and capital positions.

Our Investment Management Agreements with BlackRock, Inc.

Since April 2022, AIG and Corebridge insurance company subsidiaries have entered into separate investment management agreements with BlackRock, Inc. and its investment advisory affiliates (BlackRock). Substantially all investment management agreements contemplated for AIG insurance company subsidiaries have been executed. A small number of insurance companies remain under discussion and expect to be resolved in 2024. As of March 31, 2024, BlackRock manages $133 billion of our investment portfolio, consisting of liquid fixed income and certain private placement assets, including $75 billion of Corebridge assets. In addition, liquid fixed income assets associated with the Fortitude Re funds withheld asset portfolio were separately transferred to BlackRock for management in 2022.

INVESTMENT HIGHLIGHTS IN THE THREE MONTHS ENDED MARCH 31, 2024

- Blended investment yields on new investments are higher than blended rates on investments that were sold, matured or called during this period. We continued to make investments in structured securities and other fixed maturity securities with attractive risk-adjusted return characteristics to improve yields and increase net investment income.
- The higher interest rate environment has contributed to higher income in the base portfolio for the three months ended March 31, 2024 compared to the same period in the prior year. Total Net investment income increased for the three months ended March 31, 2024 compared to the same period in the prior year, primarily due to higher returns in our fixed maturity securities, mortgage and other loans, short-term investments and hedge fund portfolios, partially offset by lower income in our private equity portfolio.

INVESTMENT STRATEGIES

Investment strategies are assessed at the segment level and involve considerations that include local and general market and economic conditions, duration and cash flow management, risk appetite and volatility constraints, rating agency and regulatory capital considerations, tax, regulatory and legal investment limitations, and, as applicable, environmental, social and governance considerations.

Some of our key investment strategies are as follows:

- Our fundamental strategy across the portfolios is to seek investments with similar duration and cash flow characteristics to the associated insurance liabilities to the extent practicable.
- We seek to purchase investments that offer enhanced yield through illiquidity premiums, such as private placements and commercial mortgage loans, which also add portfolio diversification. These assets typically afford credit protections through covenants, ability to customize structures that meet our insurance liability needs, and deeper due diligence given information access.
- Given our global presence, we seek investments that provide diversification from investments available in local markets. To the extent we purchase these investments, we generally hedge any currency risk using derivatives, which could provide opportunities to earn higher risk adjusted returns compared to investments in the functional currency.
- AIG Parent, included in Other Operations, actively manages its assets and liabilities, counterparties and duration. AIG Parent’s liquidity sources are held primarily in the form of cash and short-term investments. This strategy allows us to both diversify our sources of liquidity and reduce the cost of maintaining sufficient liquidity.
- Within the U.S., the Life and Retirement and General Insurance investments are generally split between reserve backing and surplus portfolios.
  - Insurance reserves are backed mainly by investment grade fixed maturity securities that meet our duration, risk-return, capital, tax, liquidity, credit quality and diversification objectives. We assess asset classes based on their fundamental underlying risk factors, including credit (public and private), commercial real estate and residential real estate, regardless of whether such investments are bonds, loans, or structured products.
  - Surplus investments seek to enhance portfolio returns and are generally comprised of a mix of fixed maturity investment grade and below investment grade securities and various alternative asset classes, including private equity, real estate equity, and hedge funds. Over the past few years, hedge fund investments have been reduced.
- Outside of the U.S., fixed maturity securities held by our insurance companies consist primarily of investment-grade securities generally denominated in the currencies of the countries in which we operate.
- We also utilize derivatives to manage our asset and liability duration as well as currency exposures.

Asset-Liability Management

The investment strategy within the General Insurance companies focuses on growth of surplus, maintenance of sufficient liquidity for unanticipated insurance claims, and preservation of capital. General Insurance invests primarily in fixed maturity securities issued by corporations, municipalities and other governmental agencies; structured securities collateralized by, among other assets, residential and commercial real estate; and commercial mortgage loans. Fixed maturity securities of the General Insurance companies have an average duration of 3.8 years, with an average of 4.0 years for North America and 3.5 years for International.

While invested assets backing reserves of the General Insurance companies are primarily invested in conventional liquid fixed maturity securities, we have continued to allocate to asset classes that offer higher yields through structural and illiquidity premiums, particularly in our North America operations. In addition, we continue to invest in both fixed rate and floating rate asset-backed investments to manage our exposure to potential changes in interest rates and inflation. We seek to diversify the portfolio across asset classes, sectors and issuers to mitigate idiosyncratic portfolio risks.

In addition, a portion of the surplus of General Insurance companies is invested in a diversified portfolio of alternative investments that seek to balance liquidity, volatility and growth of surplus. Although these alternative investments are subject to periodic earnings fluctuations, they have historically achieved yields in excess of the fixed maturity portfolio yields and have provided added diversification to the broader portfolio.

The investment strategy of the Life and Retirement companies is to provide net investment income to back liabilities that result in stable distributable earnings and enhance portfolio value, subject to asset-liability management, capital, liquidity and regulatory constraints.

The Life and Retirement companies use asset-liability management as a primary tool to monitor and manage risk in their businesses. The Life and Retirement companies maintain a diversified, high-to-medium quality portfolio of fixed maturity securities issued by corporations, municipalities and other governmental agencies; structured securities collateralized by, among other assets, residential and commercial real estate; and commercial mortgage loans that, to the extent practicable, match the duration characteristics of the liabilities. We seek to diversify the portfolio across asset classes, sectors, and issuers to mitigate idiosyncratic portfolio risks. The investment portfolio of each product line is tailored to the specific characteristics of its insurance liabilities, and as a result, duration varies between distinct portfolios. The interest rate environment has a direct impact on the asset-liability management profile of the businesses, and changes in the interest rate environment may result in the need to lengthen or shorten the duration of the portfolio. In a rising rate environment, we may shorten the duration of the investment portfolio.

Fixed maturity securities of the Life and Retirement companies' domestic operations have an average duration of 6.7 years.

In addition, the Life and Retirement companies seek to enhance surplus portfolio returns through investments in a diversified portfolio of alternative investments. Although these alternative investments are subject to periodic earnings fluctuations, they have historically achieved returns in excess of the fixed maturity portfolio returns.

National Association of Insurance Commissioners (NAIC) Designations of Fixed Maturity Securities

The Securities Valuation Office (SVO) of the NAIC evaluates the investments of U.S. insurers for statutory reporting purposes and assigns fixed maturity securities to one of six categories called NAIC Designations. In general, NAIC Designations of '1' highest quality, or '2' high quality, include fixed maturity securities considered investment grade, while NAIC Designations of '3' through '6' generally include fixed maturity securities referred to as below investment grade. NAIC Designations for non-agency Residential Mortgage Backed Securities (RMBS) and Commercial Mortgage Backed Securities (CMBS) are calculated using third party modeling results provided through the NAIC. These methodologies result in an improved NAIC Designation for such securities compared to the rating typically assigned by the three major rating agencies. The following tables summarize the ratings distribution of AIG subsidiaries' fixed maturity security portfolio by NAIC Designation, and the distribution by composite AIG credit rating, which is generally based on ratings of the three major rating agencies. For fixed maturity securities where no NAIC Designation is assigned or able to be calculated using third-party data, the NAIC Designation category used in the first table below reflects an internal rating.

The NAIC Designations presented below do not reflect the added granularity to the designation categories adopted by the NAIC in 2020, which further subdivide each category of fixed maturity securities by appending letter modifiers to the numerical designations.

For a full description of the composite AIG credit ratings, see – Credit Ratings below.

The following table presents the fixed maturity security portfolio categorized by NAIC Designation, at fair value:

March 31, 2024

(in millions)

NAIC Designation	1	2	Total Investment Grade	3	4	5	6	Total Below Investment Grade	Total
Other fixed maturity securities	$ 87,603	$ 67,422	$ 155,025	$ 6,266	$ 4,770	$ 652	$ 70	$ 11,758	$ 166,783
Mortgage-backed, asset-backed and collateralized	62,333	7,869	70,202	400	305	99	15	819	71,021
Total*	$ 149,936	$ 75,291	$ 225,227	$ 6,666	$ 5,075	$ 751	$ 85	$ 12,577	$ 237,804

* Excludes $86 million of fixed maturity securities for which no NAIC Designation is available.

The following table presents the fixed maturity security portfolio categorized by composite AIG credit rating, at fair value:

March 31, 2024

(in millions)

Composite AIG Credit Rating	AAA/AA/A	BBB	Total Investment Grade	BB	B	CCC and Lower	Total Below Investment Grade	Total
Other fixed maturity securities	$ 89,591	$ 65,054	$ 154,645	$ 6,286	$ 4,967	$ 885	$ 12,138	$ 166,783
Mortgage-backed, asset-backed and collateralized	56,964	8,756	65,720	535	507	4,259	5,301	71,021
Total*	$ 146,555	$ 73,810	$ 220,365	$ 6,821	$ 5,474	$ 5,144	$ 17,439	$ 237,804

* Excludes $86 million of fixed maturity securities for which no NAIC Designation is available.

CREDIT RATINGS

At March 31, 2024, approximately 89 percent of our fixed maturity securities were held by our domestic entities. Approximately 93 percent of these securities were rated investment grade by one or more of the principal rating agencies.

Moody's Investors Service Inc. (Moody's), Standard & Poor's Financial Services LLC, a subsidiary of S&P Global Inc. (S&P), or similar foreign rating services rate a significant portion of our foreign entities' fixed maturity securities portfolio. Rating services are not available for some foreign-issued securities. We closely monitor the credit quality of the foreign portfolio's non-rated fixed maturity securities. At March 31, 2024, approximately 93 percent of such investments were either rated investment grade or, on the basis of analysis of our investment managers, were equivalent from a credit standpoint to securities rated investment grade. Approximately 26 percent of the foreign entities' fixed maturity securities portfolio is comprised of sovereign fixed maturity securities supporting policy liabilities in the country of issuance.

Composite AIG Credit Ratings

With respect to our fixed maturity securities, the credit ratings in the table below and in subsequent tables reflect: (i) a composite of the ratings of the three major rating agencies, or when agency ratings are not available, the NAIC Designation assigned by the NAIC SVO (99 percent of total fixed maturity securities), or (ii) our internal ratings when these investments have not been rated by any of the major rating agencies or the NAIC. The "Non-rated" category in those tables consists of fixed maturity securities that have not been rated by any of the major rating agencies, the NAIC or us.

For information regarding credit risks associated with investments see Part II, Item 7. MD&A – Enterprise Risk Management in the 2023 Annual Report.

The following table presents the composite AIG credit ratings of our fixed maturity securities calculated on the basis of their fair value:

	Available for Sale		Other		Total	
(in millions)	**March 31, 2024**	December 31, 2023	**March 31, 2024**	December 31, 2023	**March 31, 2024**	December 31, 2023
Rating:						
Other fixed maturity securities						
AAA	**$ 7,488**	$ 7,668	**$ 37**	$ 38	**$ 7,525**	$ 7,706
AA	**37,992**	38,349	**972**	955	**38,964**	39,304
A	**42,848**	44,511	**250**	231	**43,098**	44,742
BBB	**63,683**	64,765	**1,374**	1,339	**65,057**	66,104
Below investment grade	**11,466**	11,693	**489**	467	**11,955**	12,160
Non-rated	**191**	178	**4**	6	**195**	184
Total	**$ 163,668**	$ 167,164	**$ 3,126**	$ 3,036	**$ 166,794**	$ 170,200
Mortgage-backed, asset-backed and collateralized						
AAA	**$ 18,095**	$ 16,477	**$ 259**	$ 212	**$ 18,354**	$ 16,689
AA	**29,013**	27,411	**760**	745	**29,773**	28,156
A	**8,473**	8,145	**371**	359	**8,844**	8,504
BBB	**8,022**	7,262	**734**	729	**8,756**	7,991
Below investment grade	**5,191**	5,248	**104**	109	**5,295**	5,357
Non-rated	**25**	26	**49**	51	**74**	77
Total	**$ 68,819**	$ 64,569	**$ 2,277**	$ 2,205	**$ 71,096**	$ 66,774
Total						
AAA	**$ 25,583**	$ 24,145	**$ 296**	$ 250	**$ 25,879**	$ 24,395
AA	**67,005**	65,760	**1,732**	1,700	**68,737**	67,460
A	**51,321**	52,656	**621**	590	**51,942**	53,246
BBB	**71,705**	72,027	**2,108**	2,068	**73,813**	74,095
Below investment grade	**16,657**	16,941	**593**	576	**17,250**	17,517
Non-rated	**216**	204	**53**	57	**269**	261
Total	**$ 232,487**	$ 231,733	**$ 5,403**	$ 5,241	**$ 237,890**	$ 236,974

Available-for-Sale Investments

The following table presents the fair value of our available-for-sale securities:

(in millions)	**March 31, 2024**	December 31, 2023
Bonds available for sale:		
U.S. government and government sponsored entities	**$ 5,789**	$ 5,616
Obligations of states, municipalities and political subdivisions	**10,093**	10,663
Non-U.S. governments	**11,968**	12,453
Corporate debt	**135,818**	138,432
Mortgage-backed, asset-backed and collateralized:		
RMBS	**21,421**	20,444
CMBS	**14,488**	14,128
CLO/ABS	**32,910**	29,997
Total mortgage-backed, asset-backed and collateralized	**68,819**	64,569
Total bonds available for sale*	**$ 232,487**	$ 231,733

* At March 31, 2024 and December 31, 2023, the fair value of bonds available for sale held by us that were below investment grade or not rated totaled $16.9 billion and $17.1 billion, respectively.

The following table presents the fair value of our aggregate credit exposures to non-U.S. governments for our fixed maturity securities:

(in millions)	March 31, 2024	December 31, 2023
Canada	$ 1,350	$ 1,411
Germany	933	929
France	653	677
Japan	648	699
United Kingdom	435	478
Indonesia	433	451
Chile	417	404
Mexico	366	374
Israel	361	337
Australia	331	314
Other	6,080	6,416
Total	$ 12,007	$ 12,490

The following table presents the fair value of our aggregate European credit exposures by major sector for our fixed maturity securities:

	March 31, 2024					December 31, 2023
(in millions)	Sovereign	Financial Institution	Non-Financial Corporates	Structured Products	Total	Total
Euro-Zone countries:						
Germany	$ 933	$ 296	$ 2,330	$ 16	$ 3,575	$ 3,558
France	653	1,749	1,022	14	3,438	3,482
Netherlands	159	941	994	44	2,138	2,128
Belgium	34	304	911	40	1,289	1,311
Spain	9	266	598	195	1,068	1,114
Ireland	9	54	422	457	942	1,163
Luxembourg	17	363	315	13	708	642
Italy	15	105	526	—	646	641
Denmark	221	76	132	—	429	441
Finland	20	61	31	1	113	118
Other Euro-Zone	210	24	50	—	284	299
Total Euro-Zone	$ 2,280	$ 4,239	$ 7,331	$ 780	$ 14,630	$ 14,897
Remainder of Europe:						
United Kingdom	$ 435	$ 4,384	$ 8,625	$ 723	$ 14,167	$ 14,018
Switzerland	15	546	748	3	1,312	1,360
Guernsey	—	—	—	594	594	624
Norway	232	85	212	—	529	558
Sweden	125	199	103	—	427	428
Russian Federation	2	—	33	—	35	35
Other - Remainder of Europe	30	172	44	46	292	303
Total - Remainder of Europe	$ 839	$ 5,386	$ 9,765	$ 1,366	$ 17,356	$ 17,326
Total	$ 3,119	$ 9,625	$ 17,096	$ 2,146	$ 31,986	$ 32,223

Investments in Municipal Bonds

At March 31, 2024, the U.S. municipal bond portfolio was composed primarily of essential service revenue bonds and high-quality tax-exempt bonds with 98 percent of the portfolio rated A or higher.

The following table presents the fair values of our available for sale U.S. municipal bond portfolio by state and municipal bond type:

(in millions)	March 31, 2024 State General Obligation	March 31, 2024 Local General Obligation	March 31, 2024 Revenue	March 31, 2024 Total Fair Value	December 31, 2023 Total Fair Value
California	$ 497	$ 416	$ 1,403	$ 2,316	$ 2,361
New York	42	174	1,684	1,900	1,984
Texas	15	289	527	831	923
Illinois	81	57	545	683	725
Massachusetts	197	20	262	479	495
Ohio	16	—	322	338	371
Pennsylvania	56	2	272	330	360
Georgia	83	34	184	301	319
Florida	4	—	229	233	240
Washington	69	17	145	231	256
New Jersey	3	2	197	202	263
Missouri	—	—	178	178	184
Virginia	8	3	144	155	221
All other states	288	148	1,480	1,916	1,961
Total	$ 1,359	$ 1,162	$ 7,572	$ 10,093	$ 10,663

Investments in Corporate Debt Securities

The following table presents the fair value of our available for sale corporate debt securities by industry categories:

Industry Category *(in millions)*	March 31, 2024	December 31, 2023
Financial institutions:		
Money center/Global bank groups	$ 8,763	$ 8,744
Regional banks – other	472	456
Life insurance	2,405	2,439
Securities firms and other finance companies	536	555
Insurance non-life	4,927	4,937
Regional banks – North America	5,114	5,279
Other financial institutions	17,981	18,300
Utilities	19,481	19,643
Communications	8,596	8,799
Consumer noncyclical	16,375	16,973
Capital goods	5,890	6,194
Energy	10,854	11,091
Consumer cyclical	8,877	8,682
Basic materials	4,456	4,632
Other	21,091	21,708
Total*	$ 135,818	$ 138,432

* At March 31, 2024 and December 31, 2023, approximately 92 percent and 92 percent, respectively, of these investments were rated investment grade.

Investments in RMBS

The following table presents the fair value of AIG's RMBS available for sale securities:

(in millions)	March 31, 2024	December 31, 2023
Agency RMBS	$ 6,582	$ 7,045
Alt-A RMBS	5,220	4,844
Subprime RMBS	1,643	1,649
Prime non-agency	3,366	3,132
Other housing related	4,610	3,774
Total RMBS[(a)(b)]	**$ 21,421**	$ 20,444

(a) Includes approximately $4.0 billion and $4.1 billion at March 31, 2024 and December 31, 2023, respectively, of certain RMBS that had experienced deterioration in credit quality since their origination. This excludes impact of U.S. debt downgrade of Fannie Mae and Freddie Mac. *For additional information on purchased credit deteriorated securities, see Note 6 to the Condensed Consolidated Financial Statements.*

(b) The weighted average expected life was six years and seven years at March 31, 2024 and December 31, 2023, respectively.

Our investments guidelines for investing in RMBS, CLO and other asset-backed securities (ABS) take into consideration the quality of the originator, the manager, the servicer, security credit ratings, underlying characteristics of the mortgages, borrower characteristics, and the level of credit enhancement in the transaction.

Investments in CMBS

The following table presents the fair value of our CMBS available for sale securities:

(in millions)	March 31, 2024	December 31, 2023
CMBS (traditional)	$ 12,842	$ 12,205
Agency	1,402	1,434
Other	244	489
Total	**$ 14,488**	$ 14,128

The fair value of CMBS holdings remained stable during the three months ended March 31, 2024. The majority of our investments in CMBS are in tranches that contain substantial credit protection features through collateral subordination. The majority of CMBS holdings are traditional conduit transactions, broadly diversified across property types and geographical areas.

Investments in CLO/ABS

The following table presents the fair value of our CLO/ABS available for sale securities by collateral type:

(in millions)	March 31, 2024	December 31, 2023
Collateral Type:		
ABS	$ 18,182	$ 15,762
Bank loans	14,724	14,104
Other	4	131
Total	**$ 32,910**	$ 29,997

Unrealized Losses of Fixed Maturity Securities

The following table shows the aging of the unrealized losses of fixed maturity securities, the extent to which the fair value is less than amortized cost or cost, and the number of respective items in each category:

March 31, 2024	Less Than or Equal to 20% of Cost [b]			Greater Than 20% to 50% of Cost [b]			Greater Than 50% of Cost [b]			Total		
Aging[a]		Unrealized			Unrealized			Unrealized			Unrealized	
(dollars in millions)	Cost[c]	Loss[d]	Items[e]	Cost[c]	Loss[d]	Items[e]	Cost[c]	Loss[d]	Items[e]	Cost[c]	Loss[d]	Items[e]
Investment grade bonds												
0-6 months	$ 21,724	$ 513	3,426	$ 3,746	$ 1,178	249	$ 13	$ 7	3	$ 25,483	$ 1,698	3,678
7-11 months	8,543	428	1,160	1,879	576	122	—	—	—	10,422	1,004	1,282
12 months or more	109,488	10,015	16,531	39,693	11,590	3,433	433	242	30	149,614	21,847	19,994
Total	$ 139,755	$ 10,956	21,117	$ 45,318	$ 13,344	3,804	$ 446	$ 249	33	$ 185,519	$ 24,549	24,954
Below investment grade bonds												
0-6 months	$ 1,838	$ 64	571	$ 54	$ 18	36	$ 21	$ 19	13	$ 1,913	$ 101	620
7-11 months	731	37	163	103	33	17	14	14	6	848	84	186
12 months or more	6,930	423	2,258	827	234	166	42	30	20	7,799	687	2,444
Total	$ 9,499	$ 524	2,992	$ 984	$ 285	219	$ 77	$ 63	39	$ 10,560	$ 872	3,250
Total bonds												
0-6 months	$ 23,562	$ 577	3,997	$ 3,800	$ 1,196	285	$ 34	$ 26	16	$ 27,396	$ 1,799	4,298
7-11 months	9,274	465	1,323	1,982	609	139	14	14	6	11,270	1,088	1,468
12 months or more	116,418	10,438	18,789	40,520	11,824	3,599	475	272	50	157,413	22,534	22,438
Total[d]	$ 149,254	$ 11,480	24,109	$ 46,302	$ 13,629	4,023	$ 523	$ 312	72	$ 196,079	$ 25,421	28,204

(a) Represents the number of consecutive months that fair value has been less than cost by any amount.

(b) Represents the percentage by which fair value is less than cost.

(c) For bonds, represents amortized cost net of allowance.

(d) At March 31, 2024, includes mark to market movement relating to embedded derivatives.

(e) Item count is by CUSIP by subsidiary.

The allowance for credit losses was $6 million for investment grade bonds and $119 million for below investment grade bonds as of March 31, 2024.

Commercial Mortgage Loans

At March 31, 2024, we had direct commercial mortgage loan exposure of $38.5 billion.

The following table presents the commercial mortgage loan exposure by location and class of loan based on amortized cost:

	Number	Class							Percent
(dollars in millions)	of Loans	Apartments	Offices	Retail	Industrial	Hotel	Others	Total	of Total
March 31, 2024									
State:									
New York	79	$ 1,552	$ 4,106	$ 486	$ 564	$ 101	$ —	$ 6,809	18 %
California	62	838	1,102	155	1,293	618	12	4,018	10
New Jersey	79	2,394	80	357	879	—	31	3,741	10
Texas	44	898	849	344	279	18	128	2,516	7
Massachusetts	19	660	840	549	22	—	—	2,071	5
Florida	47	742	106	504	87	535	—	1,974	5
Illinois	22	610	466	3	70	—	20	1,169	3
Pennsylvania	20	159	133	229	279	23	—	823	2
Ohio	22	140	9	159	431	—	—	739	2
Colorado	15	274	93	131	70	168	—	736	2
Other states	127	2,796	475	669	1,001	172	—	5,113	13
Foreign	78	4,205	1,404	827	1,597	404	332	8,769	23
Total*	614	$ 15,268	$ 9,663	$ 4,413	$ 6,572	$ 2,039	$ 523	$ 38,478	100 %

(dollars in millions)	Number of Loans	Class: Apartments	Offices	Retail	Industrial	Hotel	Others	Total	Percent of Total
December 31, 2023									
State:									
New York	78	$ 1,508	$ 4,172	$ 488	$ 440	$ 101	$ —	$ 6,709	18 %
California	62	829	1,123	157	1,309	621	12	4,051	11
New Jersey	78	2,316	80	358	753	—	32	3,539	9
Texas	42	894	884	145	280	18	—	2,221	6
Florida	48	729	107	507	106	535	—	1,984	5
Massachusetts	19	662	750	542	22	—	—	1,976	5
Illinois	21	609	467	3	44	—	20	1,143	3
Colorado	17	308	93	179	70	168	—	818	2
Pennsylvania	20	151	133	249	218	23	—	774	2
Ohio	22	141	10	161	431	—	—	743	2
Other states	127	2,787	457	675	943	173	47	5,082	13
Foreign	78	4,195	1,432	842	1,751	414	335	8,969	24
Total*	612	$ 15,129	$ 9,708	$ 4,306	$ 6,367	$ 2,053	$ 446	$ 38,009	100 %

* Does not reflect allowance for credit losses.

For additional information on commercial mortgage loans, see Note 7 to the Condensed Consolidated Financial Statements and Note 7 to the Consolidated Financial Statements in the 2023 Annual Report.

Net Realized Gains and Losses

The following table presents the components of Net realized gains (losses):

Three Months Ended March 31,	**2024**			2023		
(in millions)	Excluding Fortitude Re Funds Withheld Assets	Fortitude Re Funds Withheld Assets	Total	Excluding Fortitude Re Funds Withheld Assets	Fortitude Re Funds Withheld Assets	Total
Sales of fixed maturity securities	**$ (406)**	**$ (37)**	**$ (443)**	$ (387)	$ (65)	$ (452)
Intent to sell	**(16)**	**(32)**	**(48)**	—	—	—
Change in allowance for credit losses on fixed maturity securities	**(62)**	**(6)**	**(68)**	(16)	—	(16)
Change in allowance for credit losses on loans	**(23)**	**1**	**(22)**	(42)	(21)	(63)
Foreign exchange transactions	**14**	**(14)**	**—**	114	16	130
Index-linked interest credited embedded derivatives, net of related hedges	**90**	**—**	**90**	(178)	—	(178)
All other derivatives and hedge accounting*	**123**	**(90)**	**33**	(217)	38	(179)
Sales of alternative investments and real estate investments	**30**	**(1)**	**29**	4	1	5
Other	**(8)**	**—**	**(8)**	9	—	9
Net realized gains (losses) – excluding Fortitude Re funds withheld embedded derivative	**(258)**	**(179)**	**(437)**	(713)	(31)	(744)
Net realized gains (losses) on Fortitude Re funds withheld embedded derivative	**—**	**13**	**13**	—	(1,165)	(1,165)
Net realized gains (losses)	**$ (258)**	**$ (166)**	**$ (424)**	$ (713)	$ (1,196)	$ (1,909)

* Derivative activity related to hedging MRBs is recorded in Change in the fair value of MRBs, net. *For additional disclosures about MRBs, see Note 13 to the Condensed Consolidated Financial Statements.*

Lower Net realized losses excluding Fortitude Re funds withheld assets in the three months ended March 31, 2024 compared to 2023 were primarily due to derivative gains in the current period compared to the prior year period.

Index-linked interest credited embedded derivatives, net of related hedges, reflected higher gains in the three months ended March 31, 2024 compared to 2023. Fair value gains or losses in the hedging portfolio are typically not fully offset by increases or decreases in liabilities due to the non-performance or “own credit” risk adjustment used in the valuation of index-linked interest credited embedded derivatives, which are not hedged as part of our economic hedging program, and other risk margins used for valuation that cause the embedded derivatives to be less sensitive to changes in market rates than the hedge portfolio.

Net realized gains (losses) on Fortitude Re funds withheld assets primarily reflect changes in the valuation of the modified coinsurance and funds withheld assets. Increases in the valuation of these assets result in losses to AIG as the appreciation on the assets under those reinsurance arrangements must be transferred to Fortitude Re. Decreases in valuation of the assets result in

gains to AIG as the depreciation on the assets under those reinsurance arrangements must be transferred to Fortitude Re.*For additional information on the impact of the funds withheld arrangements with Fortitude Re, see Note 8 to the Condensed Consolidated Financial Statements.*

For additional information on market risk management related to these product features, see Part II, Item 7. MD&A – Enterprise Risk Management – Insurance Risks – Life and Retirement Companies' Key Risks – Variable Annuity, Fixed Index Annuity and Index Universal Life Risk Management and Hedging Programs in the 2023 Annual Report. For additional information on the economic hedging target and the impact to pre-tax income of this program, see Insurance Reserves – Life and Annuity Future Policy Benefits, Policyholder Contract Deposits and Market Risk Benefits – Variable Annuity Guaranteed Benefits and Hedging Results in this MD&A.

For additional information on our investment portfolio, see Note 6 to the Condensed Consolidated Financial Statements.

Change in Unrealized Gains and Losses on Investments

The change in net unrealized gains and losses on investments in the three months ended March 31, 2024 was primarily attributable to a change in the fair value of fixed maturity securities. For the three months ended March 31, 2024, net unrealized losses were $1.2 billion due to higher interest rates, partially offset by tighter credit spreads.

The change in net unrealized gains and losses on investments in the three months ended March 31, 2023 was primarily attributable to an increase in the fair value of fixed maturity securities. For the three months ended March 31, 2023, net unrealized gains were $5.0 billion primarily due to lower interest rates.

For additional information on our investment portfolio, see Note 6 to the Condensed Consolidated Financial Statements.

Insurance Reserves

LIABILITY FOR UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES (LOSS RESERVES)

The following table presents the components of our gross and net loss reserves by segment and major lines of business[(a)]:

	March 31, 2024			December 31, 2023		
(in millions)	Net liability for unpaid losses and loss adjustment expenses	Reinsurance recoverable on unpaid losses and loss adjustment expenses	Gross liability for unpaid losses and loss adjustment expenses	Net liability for unpaid losses and loss adjustment expenses	Reinsurance recoverable on unpaid losses and loss adjustment expenses	Gross liability for unpaid losses and loss adjustment expenses
General Insurance:						
U.S. Workers' Compensation (net of discount)	**$ 2,676**	**$ 4,095**	**$ 6,771**	$ 2,655	$ 4,099	$ 6,754
U.S. Excess Casualty	**3,389**	**3,254**	**6,643**	3,321	3,272	6,593
U.S. Other Casualty	**4,141**	**3,675**	**7,816**	4,112	3,676	7,788
U.S. Financial Lines	**5,700**	**1,622**	**7,322**	5,672	1,622	7,294
U.S. Property and Special Risks	**4,381**	**1,341**	**5,722**	4,403	1,494	5,897
U.S. Personal Insurance	**754**	**2,129**	**2,883**	767	2,163	2,930
UK/Europe Casualty and Financial Lines	**7,409**	**1,976**	**9,385**	7,447	1,951	9,398
UK/Europe Property and Special Risks	**2,932**	**1,758**	**4,690**	2,913	1,665	4,578
UK/Europe and Japan Personal Insurance	**1,396**	**675**	**2,071**	1,483	671	2,154
Other product lines[(b)]	**5,486**	**5,172**	**10,658**	5,416	5,182	10,598
Unallocated loss adjustment expenses [(b)]	**1,136**	**836**	**1,972**	1,298	841	2,139
Total General Insurance	**39,400**	**26,533**	**65,933**	39,487	26,636	66,123
Other Operations Run-Off:						
U.S. run-off long tail insurance lines (net of discount)	**215**	**3,346**	**3,561**	283	3,360	3,643
Other run-off product lines	**188**	**61**	**249**	228	60	288
Blackboard U.S. Holdings, Inc.	**80**	**115**	**195**	91	119	210
Unallocated loss adjustment expenses	**8**	**114**	**122**	15	114	129
Total Other Operations Run-Off	**491**	**3,636**	**4,127**	617	3,653	4,270
Total	**$ 39,891**	**$ 30,169**	**$ 70,060**	$ 40,104	$ 30,289	$ 70,393

(a) Includes net loss reserve discount of $1.2 billion and $1.2 billion at March 31, 2024 and December 31, 2023, respectively. *For information regarding loss reserve discount, see Note 12 to the Condensed Consolidated Financial Statements.*

(b) Other product lines and Unallocated loss adjustment expenses includes Gross liability for unpaid losses and loss adjustment expense and Reinsurance recoverable on unpaid losses and loss adjustment expense for the Fortitude Re reinsurance of $2.9 billion at both March 31, 2024 and December 31, 2023, respectively.

Prior Year Development

The following table summarizes incurred (favorable) unfavorable prior year development net of reinsurance by segment:

Three Months Ended March 31, (in millions)		2024		2023
General Insurance:				
North America	$	(32)	$	(82)
International		(2)		14
Total General Insurance*	$	(34)	$	(68)
Other Operations Run-Off		—		—
Total prior year favorable development	$	(34)	$	(68)

* Includes the amortization attributed to the deferred gain at inception from the National Indemnity Company (NICO) adverse development reinsurance agreement of $34 million and $41 million for the three months ended March 31, 2024 and 2023, respectively. Consistent with our definition of APTI, the amount excludes the related changes in amortization of the deferred gain of $(2) million and $19 million for the three months ended March 31, 2024 and 2023, respectively.

Net Loss Development

In the three months ended March 31, 2024, we recognized favorable prior year loss reserve development of $34 million. The key components of this development were:

North America

- Amortization benefit related to the deferred gain on the adverse development cover.

In the three months ended March 31, 2023, we recognized favorable prior year loss reserve development of $68 million. The key components of this development were:

North America

- Favorable development in U.S. Workers' Compensation reflecting continued favorable loss experience.
- Amortization benefit related to the deferred gain on the adverse development cover.
- Unfavorable development driven by U.S. Property and Special Risks driven by prior year catastrophes.

International

- Unfavorable development on prior year catastrophes.

The following tables summarize incurred (favorable) unfavorable prior year development net of reinsurance, by segment and major lines of business, and by accident year groupings:

Three Months Ended March 31, 2024 (in millions)		Total		2023		2022 & Prior
General Insurance North America:						
U.S. Workers' Compensation	$	(11)	$	—	$	(11)
U.S. Excess Casualty		(8)		—		(8)
U.S. Other Casualty		(8)		—		(8)
U.S. Financial Lines		(5)		—		(5)
U.S. Property and Special Risks		—		—		—
U.S. Personal Insurance		—		—		—
Other Product Lines		—		—		—
Total General Insurance North America	$	(32)	$	—	$	(32)
General Insurance International:						
UK/Europe Casualty and Financial Lines	$	—	$	—	$	—
UK/Europe Property and Special Risks		—		—		—
UK/Europe and Japan Personal Insurance		—		—		—
Other product lines		(2)		—		(2)
Total General Insurance International	$	(2)	$	—	$	(2)
Other Operations Run-Off		—		—		—
Total Prior Year (Favorable) Unfavorable Development	$	(34)	$	—	$	(34)

Three Months Ended March 31, 2023 *(in millions)*	Total	2022	2021 & Prior
General Insurance North America:			
U.S. Workers' Compensation	$ (36)	$ —	$ (36)
U.S. Excess Casualty	(10)	—	(10)
U.S. Other Casualty	(27)	(25)	(2)
U.S. Financial Lines	(7)	—	(7)
U.S. Property and Special Risks	18	70	(52)
U.S. Personal Insurance	(3)	12	(15)
Other Product Lines	(17)	(29)	12
Total General Insurance North America	$ (82)	$ 28	$ (110)
General Insurance International:			
UK/Europe Casualty and Financial Lines	$ (1)	$ 4	$ (5)
UK/Europe Property and Special Risks	11	47	(36)
UK/Europe and Japan Personal Insurance	(6)	(2)	(4)
Other product lines	10	1	9
Total General Insurance International	$ 14	$ 50	$ (36)
Total Prior Year (Favorable) Unfavorable Development	$ (68)	$ 78	$ (146)

We note that for certain categories of claims (e.g., construction defect claims and environmental claims) and for reinsurance recoverable, losses may sometimes be reclassified to an earlier or later accident year as more information about the date of occurrence becomes available to us.

Significant Reinsurance Agreements

In the first quarter of 2017, we entered into an adverse development reinsurance agreement with NICO, under which we transferred to NICO 80 percent of the reserve risk on substantially all of our U.S. Commercial long-tail exposures for accident years 2015 and prior. Under this agreement, we ceded to NICO 80 percent of the losses on subject business paid on or after January 1, 2016 in excess of $25 billion of net paid losses, up to an aggregate limit of $25 billion. We account for this transaction as retroactive reinsurance. This transaction resulted in a gain, which under GAAP retroactive reinsurance accounting is deferred and amortized into income over the settlement period. NICO created a collateral trust account as security for their claim payment obligations to us, into which they deposited the consideration paid under the agreement, and Berkshire Hathaway Inc. has provided a parental guarantee to secure NICO's obligations under the agreement.

For a description of AIG's catastrophe reinsurance protection for 2023, see Part II, Item 7. MD&A – Enterprise Risk Management – Insurance Risks – General Insurance Companies' Key Risks – Natural Catastrophe Risk in the 2023 Annual Report.

The table below shows the calculation of the deferred gain on the adverse development reinsurance agreement, the effect of discounting of loss reserves and amortization of the deferred gain.

(in millions)	**March 31, 2024**	December 31, 2023
Gross Covered Losses		
Covered reserves before discount	**$ 10,628**	$ 10,849
Inception to date losses paid	**30,378**	30,157
Attachment point	**(25,000)**	(25,000)
Covered losses above attachment point	**$ 16,006**	$ 16,006
Deferred Gain Development		
Covered losses above attachment ceded to NICO (80%)	**$ 12,805**	$ 12,805
Consideration paid including interest	**(10,188)**	(10,188)
Pre-tax deferred gain before discount and amortization	**2,617**	2,617
Discount on ceded losses[(a)]	**(1,049)**	(1,104)
Pre-tax deferred gain before amortization	**1,568**	1,513
Inception to date amortization of deferred gain at inception	**(1,462)**	(1,428)
Inception to date amortization attributed to changes in deferred gain[(b)]	**71**	64
Deferred gain liability reflected in AIG's balance sheet	**$ 177**	$ 149

(a) The accretion of discount and a reduction in effective interest rates is offset by changes in estimates of the amount and timing of future recoveries.

(b) Excluded from APTI.

The following table presents the rollforward of activity in the deferred gain from the adverse development reinsurance agreement:

Three Months Ended March 31, (in millions)		2024		2023
Balance at beginning of year, net of discount	**$**	**149**	$	205
(Favorable) unfavorable prior year reserve development ceded to NICO[(a)]		**—**		—
Amortization attributed to deferred gain at inception[(b)]		**(34)**		(41)
Amortization attributed to changes in deferred gain[(c)]		**7**		(12)
Changes in discount on ceded loss reserves		**55**		70
Balance at end of period, net of discount	**$**	**177**	$	222

(a) Prior year reserve development ceded to NICO under the retroactive reinsurance agreement is deferred under GAAP.

(b) Represents amortization of the deferred gain recognized in APTI.

(c) Excluded from APTI.

The lines of business subject to this agreement include those with longer tails, which carry a higher degree of uncertainty. Since inception, there have been periods of unfavorable prior year development, with more recent favorable development. This agreement will continue to reduce the impact of volatility in the development on our ultimate loss estimates over time. The agreement has resulted in lower capital charges for reserve risks at our U.S. insurance subsidiaries. In addition, net investment income declined as a result of lower invested assets.

Fortitude Re was established during the first quarter of 2018 in a series of reinsurance transactions related to our run-off operations. Those reinsurance transactions were designed to consolidate most of our insurance run-off lines into a single legal entity. As of March 31, 2024, approximately $26.9 billion of reserves from our Life and Retirement Run-Off Lines and approximately $2.9 billion of reserves from our General Insurance Run-Off Lines related to business written by multiple wholly-owned AIG subsidiaries, had been ceded to Fortitude Re under these reinsurance transactions.

LIFE AND ANNUITY FUTURE POLICY BENEFITS, POLICYHOLDER CONTRACT DEPOSITS AND MARKET RISK BENEFITS

The following section provides discussion of life and annuity future policy benefits, policyholder contract deposits and market risk benefits.

Variable Annuity Guaranteed Benefits and Hedging Results

Our Individual Retirement and Group Retirement businesses offer variable annuity products with riders that provide guaranteed benefits. The liabilities are accounted for as MRBs and measured at fair value. The fair value of the MRBs may fluctuate significantly based on market interest rates, equity prices, credit spreads, market volatility, policyholder behavior and other factors.

In addition to risk-mitigating features in our variable annuity product design, we have an economic hedging program designed to manage market risk from GMWBs, including exposures to changes in interest rates, equity prices, credit spreads and volatility. The hedging program includes all in-force GMWB policies and utilizes derivative instruments, including but not limited to equity options, futures contracts and interest rate swap and option contracts, as well as fixed maturity securities.

For additional information on market risk management related to these product features, see Part II, Item 7. MD&A – Enterprise Risk Management – Insurance Risks – Life and Retirement Companies' Key Risks – Variable Annuity, Fixed Index Annuity and Index Universal Life Risk Management and Hedging Programs in the 2023 Annual Report.

Differences in Valuation of MRBs and Economic Hedge Target

The variable annuity hedging program utilizes an economic hedge target, which represents an estimate of the underlying economic risks in our GMWB riders. The economic hedge target differs from the GAAP valuation of the MRBs, creating volatility in our net income (loss) primarily due to the following:

- The MRBs include both the GMWB riders and the GMDB riders while the hedge program is targeting the economic risks of just the GMWB rider;
- The hedge program is designed to offset moves in the GMWB economic liability and therefore has a lower sensitivity to equity market changes than the MRBs;
- The economic hedge target includes 100 percent of the GMWB rider fees in present value calculations;
- The GAAP valuation reflects those fees attributed to the MRBs, such that the initial value at contract issue equals zero. Since the MRB includes GMWBs and GMDBs, these attributed fees are typically larger than just the GMWB rider fees;
- The economic hedge target uses best estimate actuarial assumptions and excludes explicit risk margins used for GAAP valuation, such as margins for policyholder behavior, mortality, and volatility; and
- The economic hedge target excludes our own credit risk changes (non-performance adjustments) used in the GAAP valuation, which are recognized in Other comprehensive income (loss) (OCI). The GAAP valuation has different sensitivities to movements in interest rates and other market factors, and to changes from actuarial assumption updates, than the economic hedge target.

For additional information on our valuation methodology for MRBs, see Note 5 to the Condensed Consolidated Financial Statements.

The market value of the hedge portfolio compared to the economic hedge target at any point in time may be different and is not expected to be fully offsetting. In addition to the derivatives held in conjunction with the variable annuity hedging program, the Life and Retirement companies generally have cash and invested assets available to cover future claims payable under these guarantees. The primary sources of difference between the change in the fair value of the hedging portfolio and the economic hedge target include:

- basis risk due to the variance between expected and actual fund returns, which may be either positive or negative;
- realized volatility versus implied volatility;
- actual versus expected changes in the hedge target driven by assumptions not subject to hedging, particularly policyholder behavior; and
- risk exposures that we have elected not to explicitly or fully hedge.

The following table presents a reconciliation between the fair value of the GAAP MRBs and the value of our economic hedge target:

(in millions)	March 31, 2024	December 31, 2023
Reconciliation of market risk benefits and economic hedge target:		
Market risk benefits liability, net	$ 571	$ 1,340
Exclude non-performance risk adjustment	(814)	(826)
Market risk benefits liability, excluding NPA	(243)	514
Adjustments for risk margins and differences in valuation	667	522
Economic hedge target liability	$ 424	$ 1,036

Impact on Pre-tax Income (Loss)

The impact on our pre-tax income (loss) of variable annuity guaranteed benefits and related hedging results includes changes in the fair value of MRBs, and changes in the fair value of related derivative hedging instruments, and along with attributed rider fees and net of benefits associated with MRBs are together recognized in Change in the fair value of MRBs, net, with the exception of our own credit risk changes, which are recognized in OCI. Changes in the fair value of MRBs, net are excluded from adjusted pre-tax income of Individual Retirement and Group Retirement.

The change in the fair value of the MRBs and the change in the value of the hedging portfolio are not expected to be fully offsetting, primarily due to the differences in valuation between the economic hedge target, the GAAP MRBs and the fair value of the hedging portfolio, as discussed above. When corporate credit spreads widen, the change in the non-performance risk adjustment (NPA) spread generally reduces the fair value of the MRBs liabilities, resulting in a gain in AOCI, and when corporate credit spreads tighten, the change in the NPA spread generally increases the fair value of the MRBs liabilities, resulting in a loss in AOCI. In addition to changes driven by credit market-related movements in the NPA spread, the NPA balance also reflects changes in business activity and in the net amount at risk from the underlying guaranteed living benefits.

Change in Economic Hedge Target

The decrease in the economic hedge target liability in the three months ended March 31, 2024 was primarily driven by higher interest rates and equity markets.

The following table presents the impact on pre-tax income (loss) and other comprehensive income (loss) of Variable Annuity MRBs and Hedging:

Three Months Ended March 31,	2024			2023		
(in millions)	MRB Liability*	Hedge Assets	Net	MRB Liability*	Hedge Assets	Net
Issuances	$ 1	$ —	$ 1	$ (3)	$ —	$ (3)
Interest accrual	(9)	(61)	(70)	(15)	(55)	(70)
Attributed fees	(189)	—	(189)	(251)	—	(251)
Expected claims	18	—	18	26	—	26
Effect of changes in interest rates	297	(341)	(44)	(367)	346	(21)
Effect of changes in interest rate volatility	14	(39)	(25)	81	(60)	21
Effect of changes in equity markets	580	(359)	221	421	(262)	159
Effect of changes in equity index volatility	15	31	46	(12)	(7)	(19)
Actual outcome different from model expected outcome	29	—	29	(61)	—	(61)
Effect of changes in other future expected assumptions	(1)	—	(1)	96	—	96
Foreign exchange Impact	2	—	2	—	—	—
Total impact on balance before other and changes in our own credit risk	757	(769)	(12)	(85)	(38)	(123)
Other	(2)	2	—	—	(20)	(20)
Effect of changes in our own credit risk	12	17	29	(378)	2	(376)
Total income (loss) impact on market risk benefits	767	(750)	17	(463)	(56)	(519)
Less: Impact on OCI	12	(48)	(36)	(378)	56	(322)
Add: Fees net of claims and ceded premiums and benefits	168	—	168	224	—	224
Net impact on pre-tax income (loss)	$ 923	$ (702)	$ 221	$ 139	$ (112)	$ 27
Net change in value of economic hedge target and related hedges						
Net impact on economic gains (losses)			$ 3			$ (208)

* MRB Liability is partially offset by MRB Assets.

Three Months Ended March 31, 2024

Net impact on pre-tax income of $221 million was primarily driven by increases in equity markets.

On an economic basis, the changes in the fair value of the hedge portfolio were partially offset by the changes in the economic hedge target. In the three months ended March 31, 2024, we had a net mark-to-market gain of approximately $3 million from our hedging activities related to our economic hedge target.

Three Months Ended March 31, 2023

Net impact on pre-tax income of $27 million was primarily driven by increases in equity markets and the impact of the LIBOR to SOFR transition.

The hedge program is designed to offset moves in the GMWB economic liability and therefore has a lower sensitivity to equity market changes than the MRBs.

With the transition of risk free rates to the SOFR curve our discounting of fees has been reduced, resulting in a one-time favorable impact to the MRB liability.

On an economic basis, the changes in the fair value of the hedge portfolio were partially offset by the changes in the economic hedge target. In the three months ended March 31, 2023, we had a net mark-to-market loss of approximately $208 million from our hedging activities related to our economic hedge target primarily driven by tightening credit spreads and lower equity volatility.

Liquidity and Capital Resources

OVERVIEW

Liquidity refers to the ability to generate sufficient cash resources to meet the cash requirements of our business operations and payment obligations.

Capital refers to the long-term financial resources available to support the operation of our businesses, fund business growth and cover financial and operational needs that arise from adverse circumstances. Our primary source of ongoing capital generation is derived from the profitability of our insurance subsidiaries. We must comply with numerous constraints on our capital positions. These constraints drive the requirements for capital adequacy at AIG and the individual businesses and are based on internally defined risk tolerances, regulatory requirements, rating agency and creditor expectations and business needs.

For information regarding our liquidity risk framework, see Part II, Item 7. MD&A – Enterprise Risk Management – Risk Appetite, Limits, Identification and Measurement and Part II, Item 7. MD&A – Enterprise Risk Management – Liquidity Risk Management in the 2023 Annual Report.

We believe that we have sufficient liquidity and capital resources to satisfy future requirements and meet our obligations to policyholders, customers, creditors and debt-holders, including those arising from reasonably foreseeable contingencies or events. Nevertheless, some circumstances may cause our cash or capital needs to exceed projected liquidity or readily deployable capital resources.

For information regarding risks associated with our liquidity and capital resources, see Part I, Item 1A. – Risk Factors – Liquidity, Capital and Credit in the 2023 Annual Report.

Depending on market conditions, regulatory and rating agency considerations and other factors, we may take various liability and capital management actions. Liability management actions may include, but are not limited to, repurchasing or redeeming outstanding debt, issuing new debt or engaging in debt exchange offers. Capital management actions may include, but are not limited to, issuing preferred stock, paying dividends to our shareholders on AIG Common Stock, par value $2.50 per share (AIG Common Stock) and repurchases of AIG Common Stock.

LIQUIDITY AND CAPITAL RESOURCES HIGHLIGHTS

SOURCES

Liquidity to AIG Parent from Subsidiaries

During the three months ended March 31, 2024, our General Insurance companies distributed dividends of $675 million to AIG Parent or applicable intermediate holding companies.

During the three months ended March 31, 2024, Corebridge distributed $75 million of dividends to AIG Parent in its capacity as a public company shareholder of Corebridge.

USES

AIG General Borrowings

During the three months ended March 31, 2024,we repaid $459 million aggregate principal amount of our 4.125% Notes due February 15, 2024.

We made interest payments on our general borrowings totaling $119 million during the three months ended March 31, 2024.

AIG Dividends

During the three months ended March 31, 2024:

- We made a cash dividend payment of $365.625 per share on AIG's Series A5.85% Non-Cumulative Perpetual Preferred Stock (Series A Preferred Stock) totaling $7 million.
- We made a cash dividend payment in the amount of $0.36 per share on AIG Common Stock totaling $243 million.

Repurchases of AIG Common Stock[(a)]

During the three months ended March 31, 2024, AIG Parent repurchased approximately 23 million shares of AIG Common Stock, for an aggregate purchase price of approximately $1.7 billion.

Redemption of Preferred Stock

On March 15, 2024, we redeemed all 20,000 outstanding shares of our Series A Preferred Stock and all 20,000,000 of the corresponding Depositary Shares (the Depositary Shares), each representing a 1/1,000th interest in a share of Series A Preferred Stock, for a redemption price of $25,000 per share (equivalent to $25.00 per Depositary Share) for an aggregate redemption price of $500 million, paid in cash.

(a) Pursuant to a Securities Exchange Act of 1934 (the Exchange Act) Rule 10b5-1 repurchase plan, from April 1, 2024 to April 26, 2024, AIG Parent repurchased approximately 7 million shares of AIG Common Stock for an aggregate purchase price of approximately $558 million.

ANALYSIS OF SOURCES AND USES OF CASH

Operating Cash Flow Activities

Insurance companies generally receive most premiums in advance of the payment of claims or policy benefits. The ability of insurance companies to generate positive cash flow is affected by the frequency and severity of losses under their insurance policies, policy retention rates, effective management of our investment portfolio and operating expense discipline.

Interest payments totaled $181 million and $165 million in the three months ended March 31, 2024 and 2023, respectively. Excluding interest payments, AIG had operating cash inflows of $700 million in the three months ended March 31, 2024 compared to operating cash inflows of $662 million in the prior year period.

Investing Cash Flow Activities

Net cash provided by investing activities in the three months ended March 31, 2024 was $308 million compared to net cash used in investing activities of $1.5 billion in the prior year period.

Financing Cash Flow Activities

Net cash used in financing activities in the three months ended March 31, 2024 totaled $1.1 billion, reflecting:

- $243 million to pay quarterly dividends of $0.36 per share on AIG Common Stock;
- $22 million to pay quarterly dividends of $365.625 per share on AIG's Series A Preferred Stock and redemption premiums;
- $1.6 billion to repurchase approximately 23 million shares of AIG Common Stock;
- $68 million paid by Corebridge in the form of quarterly cash dividends on Corebridge common stock to shareholders other than AIG;
- $243 million paid by Corebridge to repurchase approximately 9.5 million shares of Corebridge common stock from shareholders other than AIG;
- $461 million in net outflows from the issuance and repayment of long-term debt; and
- $64 million in net outflows from the issuance and repayment of debt of consolidated investment entities.

Net cash provided by financing activities in the three months ended March 31, 2023 totaled $817 million reflecting:

- $234 million to pay quarterly dividends of $0.32 per share on AIG Common Stock;
- $7 million to pay quarterly dividends of $365.625 per share on AIG's Series A Preferred Stock;
- $34 million paid by Corebridge in the form of quarterly cash dividends on Corebridge common stock to shareholders other than AIG;
- $577 million to repurchase approximately 11 million shares of AIG Common Stock;
- $742 million in net inflows from the issuance and repayment of long-term debt; and
- $91 million in net outflows from the issuance and repayment of debt of consolidated investment entities.

LIQUIDITY AND CAPITAL RESOURCES OF AIG PARENT AND SUBSIDIARIES

AIG Parent

As of March 31, 2024 and December 31, 2023, respectively, AIG Parent and applicable intermediate holding companies had approximately $9.6 billion and $12.1 billion in liquidity sources held in the form of cash, short-term investments and AIG Parent's committed, revolving syndicated credit facility of $4.5 billion. As a public company shareholder of Corebridge, AIG receives its pro rata share of dividends paid by Corebridge on Corebridge common stock. AIG Parent's primary sources of liquidity are dividends, distributions, loans and other payments from subsidiaries and credit facilities. AIG Parent's primary uses of liquidity are for debt service, capital and liability management, operating expenses and dividends on AIG Common Stock.

We expect to access the debt and preferred equity markets from time to time to meet funding requirements as needed.

We utilize our capital resources to support our businesses, with the majority of capital allocated to our insurance operations. Should we have or generate more capital than is needed to support our business strategies (including organic or inorganic growth opportunities) or mitigate risks inherent to our business, we may develop plans to distribute such capital to shareholders via dividends or AIG Common Stock repurchase authorizations or deploy such capital towards liability management.

Insurance Companies

We expect that our insurance companies will be able to continue to satisfy reasonably foreseeable future liquidity requirements and meet their obligations, including those arising from reasonably foreseeable contingencies or events, through cash from operations and, to the extent necessary, monetization of invested assets.

Our insurance companies' liquidity resources are primarily held in the form of cash, short-term investments and publicly traded, investment grade rated fixed maturity securities. Each of our material insurance companies' liquidity is monitored through various internal liquidity risk measures. The primary sources of liquidity are premiums, fees, reinsurance recoverables and investment income and maturities. Certain of our U.S. Life and Retirement companies also supplement liquidity from time to time through FHLB borrowings (as described below) and securities lending programs. The primary uses of liquidity are paid losses, reinsurance payments, benefit claims, surrenders, withdrawals, interest payments, dividends, expenses, investment purchases and collateral requirements.

Our insurance companies may require additional funding to meet capital or liquidity needs under certain circumstances. For example, large catastrophes may require us to provide additional support to the affected operations of our General Insurance companies, and a shift in interest rates may require us to provide support to the affected operations of our Life and Retirement companies.

Certain of our U.S. Life and Retirement insurance companies are members of the FHLBs in their respective districts. Our borrowings from FHLBs are non-puttable and are used to supplement liquidity or for other uses deemed appropriate by management. Our U.S. Life and Retirement companies had $5.7 billion and $5.7 billion which were due to FHLBs in their respective districts at March 31, 2024 and December 31, 2023, respectively, under funding agreements issued through our Individual Retirement, Group Retirement and Institutional Markets operating segments, which were reported in Policyholder contract deposits. Proceeds from funding agreements are generally invested in fixed income securities and other investments intended to generate spread income.

AIG Parent and/or certain subsidiaries are parties to several letter of credit agreements with various financial institutions, which issue letters of credit from time to time in support of our insurance companies. These letters of credit are subject to reimbursement by AIG Parent and/or certain subsidiaries in the event of a drawdown of these letters of credit. Letters of credit issued in support of the General Insurance companies totaled approximately $2.2 billion at March 31, 2024. Letters of credit issued in support of the Life and Retirement companies totaled approximately $191 million at March 31, 2024, which are subject to reimbursement by Corebridge with no recourse to AIG Parent.

CREDIT FACILITIES

AIG Parent maintains a committed, revolving syndicated credit facility (the Facility) with aggregate commitments by the bank syndicate to provide AIG Parent with unsecured revolving loans and/or standby letters of credit of up to $4.5 billion without any limits on the type of borrowings. The Facility is scheduled to expire in November 2026.

Our ability to utilize the Facility is conditioned on the satisfaction of certain legal, operating, administrative and financial covenants and other requirements contained in the Facility. These include covenants relating to our maintenance of a specified total consolidated net worth and total consolidated debt to total consolidated capitalization. Failure to satisfy these and other requirements contained in the Facility would restrict our access to the Facility and could have a material adverse effect on our financial condition, results of operations and liquidity.

As of March 31, 2024, a total of $4.5 billion remained available under the Facility.

Corebridge maintains a committed, revolving syndicated credit facility (the Corebridge Facility) with aggregate commitments by the bank syndicate to provide Corebridge with unsecured revolving loans and/or standby letters of credit of up to $2.5 billion without any limits on the type of borrowings and with no recourse to AIG Parent. The Corebridge Facility is scheduled to expire in May 2027.

As of March 31, 2024, a total of $2.5 billion remained available under the Corebridge Facility.

Corebridge also maintains a 3-Year Delayed Draw Term Loan Agreement (the DDTL Facility), which is scheduled to mature in February 2025. As of March 31, 2024, a total of $250 million of borrowings are outstanding under the DDTL Facility, with no recourse to AIG Parent.

CONTRACTUAL OBLIGATIONS

As of March 31, 2024, there have been no material changes in our contractual obligations from December 31, 2023, a description of which may be found in *Part II, Item 7. MD&A – Liquidity and Capital Resources – Contractual Obligations in the 2023 Annual Report.*

OFF-BALANCE SHEET ARRANGEMENTS AND COMMERCIAL COMMITMENTS

As of March 31, 2024, there have been no material changes in our off-balance sheet arrangements and commercial commitments from December 31, 2023, a description of which may be found in *Part II, Item 7. MD&A – Liquidity and Capital Resources – Off-Balance Sheet Arrangements and Commercial Commitments in the 2023 Annual Report*.

DEBT

AIG expects to service and repay general borrowings through maturing investments and dispositions of invested assets, future cash flows from operations, cash flows generated from invested assets, future debt or preferred stock issuances and other financing arrangements.

For additional information on guaranteed investment agreements (GIAs) and associated collateral posted, see Note 6 to the Condensed Consolidated Financial Statements.

The following table provides the rollforward of AIG's total debt outstanding:

Three Months Ended March 31, 2024 *(in millions)*	Balance, Beginning of Year	Issuances	Maturities and Repayments	Effect of Foreign Exchange	Other Changes	**Balance, End of Period**
Debt issued or guaranteed by AIG:						
AIG general borrowings:						
Notes and bonds payable	$ 9,079	$ —	$ (459)	$ (22)	$ 7	**$ 8,605**
Junior subordinated debt	992	—	—	(1)	—	**991**
AIG Japan Holdings Kabushiki Kaisha	267	—	—	(18)	—	**249**
Total AIG general borrowings	10,338	—	(459)	(41)	7	**9,845**
AIG borrowings supported by assets:						
AIG notes and bonds payable	19	—	—	—	—	**19**
Series AIGFP matched notes and bonds payable	18	—	—	—	—	**18**
Total AIG borrowings supported by assets	37	—	—	—	—	**37**
Total debt issued or guaranteed by AIG	10,375	—	(459)	(41)	7	**9,882**
Corebridge debt:						
CRBGLH notes and bonds payable[(a)]	200	—	(2)	—	2	**200**
CRBGLH junior subordinated debt[(a)]	227	—	—	—	—	**227**
Corebridge senior unsecured notes - not guaranteed by AIG	7,702	—	—	—	—	**7,702**
Corebridge junior subordinated debt - not guaranteed by AIG	989	—	—	—	—	**989**
DDTL facility - not guaranteed by AIG	250	—	—	—	—	**250**
Total Corebridge debt	9,368	—	(2)	—	2	**9,368**
GIAs, at fair value - supported by Corebridge assets[(b)]	53	—	—	—	15	**68**
Total Short-term and long-term debt	$ 19,796	$ —	$ (461)	$ (41)	$ 24	**$ 19,318**
Debt of consolidated investment entities - not guaranteed by AIG[(c)]	$ 2,591	$ 57	(122)	5	86 [(d)]	**$ 2,617**

(a) We have entered into a guarantee reimbursement agreement with Corebridge and Corebridge Life Holdings, Inc. (CRBGLH) (formerly known as AIG Life Holdings, Inc.) which provides that Corebridge and CRBGLH will reimburse AIG for the full amount of any payment made by or on behalf of AIG pursuant to AIG's guarantee of the CRBGLH notes and junior subordinated debt. We have also entered into a collateral agreement with Corebridge and CRBGLH which provides that in the event of: (i) a ratings downgrade of Corebridge or CRBGLH long-term unsecured indebtedness below specified levels or (ii) the failure by CRBGLH to pay principal and interest on the CRBGLH debt when due, Corebridge and CRBGLH must collateralize an amount equal to the sum of: (i) 100 percent of the principal amount outstanding, (ii) accrued and unpaid interest, and (iii) 100 percent of the net present value of scheduled interest payments through the maturity dates of the CRBGLH debt.

(b) Collateral posted to third parties was $77 million and $63 million at March 31, 2024 and December 31, 2023, respectively. This collateral primarily consists of securities of the U.S. government and government sponsored entities and generally cannot be repledged or resold by the counterparties.

(c) At March 31, 2024, includes debt of consolidated investment entities primarily related to real estate investments of $1.5 billion and other securitization vehicles of $1.1 billion. At December 31, 2023, includes debt of consolidated investment entities related to real estate investments of $1.5 billion and other securitization vehicles of $1.1 billion.

(d) Includes the effect of consolidating previously unconsolidated partnerships.

Debt Maturities

The following table summarizes maturing short-term and long-term debt at March 31, 2024 of AIG for the next four quarters:

(in millions)	Second Quarter 2024	Third Quarter 2024	Fourth Quarter 2024	First Quarter 2025	Total
DDTL facility*	—	250	—	—	**250**
Total	$ —	$ 250	$ —	$ —	**$ 250**

* Corebridge has the ability to further continue this borrowing through February 25, 2025.

The following table presents maturities of short-term and long-term debt (including unamortized original issue discount, hedge accounting valuation adjustments and fair value adjustments, when applicable):

March 31, 2024		Remainder	Year Ending					
(in millions)	Total	of 2024	2025	2026	2027	2028	2029	Thereafter
Debt issued or guaranteed by AIG:								
AIG general borrowings:								
Notes and bonds payable	**$ 8,605**	$ —	$ 146	$ 266	$ 884	$ 340	$ 191	$ 6,778
Junior subordinated debt	**991**	—	—	—	—	—	—	991
AIG Japan Holdings Kabushiki Kaisha	**249**	—	249	—	—	—	—	—
Total AIG general borrowings	**9,845**	**—**	**395**	**266**	**884**	**340**	**191**	**7,769**
AIG borrowings supported by assets:								
AIG notes and bonds payable	**19**	—	12	7	—	—	—	—
Series AIGFP matched notes and bonds payable	**18**	—	—	—	—	—	—	18
Total AIG borrowings supported by assets	**37**	**—**	**12**	**7**	**—**	**—**	**—**	**18**
Total debt issued or guaranteed by AIG	**9,882**	**—**	**407**	**273**	**884**	**340**	**191**	**7,787**
Corebridge debt:								
CRBGLH notes and bonds payable	**200**	—	101	—	—	—	99	—
CRBGLH junior subordinated debt	**227**	—	—	—	—	—	—	227
Corebridge senior unsecured notes	**7,702**	—	997	—	1,244	—	994	4,467
Corebridge junior subordinated debt	**989**	—	—	—	—	—	—	989
DDTL facility[(a)]	**250**	250	—	—	—	—	—	—
Total Corebridge debt	**9,368**	**250**	**1,098**	**—**	**1,244**	**—**	**1,093**	**5,683**
GIAs, at fair value - supported by Corebridge assets	**68**	—	—	—	—	—	—	68
Total[(b)]	**$ 19,318**	**$ 250**	**$ 1,505**	**$ 273**	**$ 2,128**	**$ 340**	**$ 1,284**	**$ 13,538**

(a) Corebridge has the ability to further continue this borrowing through February 25, 2025.

(b) Does not reflect $2.6 billion of notes issued by consolidated investment entities, for which recourse is limited to the assets of the respective investment entities and for which there is no recourse to the general credit of AIG.

CREDIT RATINGS

Credit ratings estimate a company's ability to meet its obligations and may directly affect the cost and availability of financing to that company. The following table presents the credit ratings of AIG and certain of its subsidiaries as of the date of this filing. Figures in parentheses indicate the relative ranking of the ratings within the agency's rating categories; that ranking refers only to the major rating category and not to the modifiers assigned by the rating agencies.

	Short-Term Debt		Senior Long-Term Debt		
	Moody's	S&P	Moody's[(a)]	S&P[(b)]	Fitch[(c)]
American International Group, Inc.	**P-2 (2nd of 4)**	**A-2 (2nd of 5)**	**Baa 2 (4th of 9) / *Positive***	**BBB+ (4th of 9) / *Positive***	**BBB+ (4th of 9) / *Stable***
Corebridge Financial, Inc.			**Baa 2 (4th of 9) / *Stable***	**BBB+ (4th of 9) / *Stable***	**BBB+ (4th of 9) / *Stable***

(a) Moody's appends numerical modifiers 1, 2 and 3 to the generic rating categories to show relative position within the rating categories.

(b) S&P ratings may be modified by the addition of a plus or minus sign to show relative standing within the major rating categories.

(c) Fitch Ratings Inc. (Fitch) ratings may be modified by the addition of a plus or minus sign to show relative standing within the major rating categories.

These credit ratings are current opinions of the rating agencies. They may be changed, suspended or withdrawn at any time by the rating agencies as a result of changes in, or unavailability of, information or based on other circumstances. Ratings may also be withdrawn at our request.

We are party to some agreements that contain "ratings triggers." Depending on the ratings maintained by one or more rating agencies, these triggers could result in (i) the termination or limitation of credit availability or a requirement for accelerated repayment, (ii) the termination of business contracts or (iii) a requirement to post collateral for the benefit of counterparties.

In the event of a downgrade of AIG's long-term senior debt ratings, certain AIG entities would be required to post additional collateral under some derivative and other transactions, or certain of the counterparties of such AIG entities would be permitted to terminate such transactions early.

The actual amount of collateral that we would be required to post to counterparties in the event of such downgrades, or the aggregate amount of payments that we could be required to make, depends on market conditions, the fair value of outstanding affected transactions and other factors prevailing at the time of the downgrade.

FINANCIAL STRENGTH RATINGS

Financial Strength ratings estimate an insurance company's ability to pay its obligations under an insurance policy. The following table presents the ratings of our significant insurance subsidiaries as of the date of this filing.

	A.M. Best	S&P	Fitch	Moody's
National Union Fire Insurance Company of Pittsburgh, Pa.	A	A+	A+	A2
Lexington Insurance Company	A	A+	A+	A2
American Home Assurance Company	A	A+	A+	A2
American General Life Insurance Company	A	A+	A+	A2
The Variable Annuity Life Insurance Company	A	A+	A+	A2
United States Life Insurance Company in the City of New York	A	A+	A+	A2
AIG Europe S.A.	NR	A+	NR	A2
American International Group UK Ltd.	A	A+	NR	A2
AIG General Insurance Co. Ltd.	NR	A+	NR	NR

On February 15, 2024, S&P revised its outlook on AIG and its core General Insurance subsidiaries to positive from stable and affirmed the 'BBB+/A-2' issuer credit ratings on AIG and 'A+' financial strength ratings on AIG's core General Insurance entities.

On January 26, 2024, A.M. Best upgraded the Long-Term Issuer Credit Ratings (Long-Term ICR) of AIG General Insurance subsidiaries to 'a+' from 'a', the Long-Term ICR of AIG to 'bbb+' from 'bbb', and revised the outlook of the Long-Term ICRs to stable from positive. A.M. Best also affirmed the 'A' Financial Strength Rating of the AIG General Insurance subsidiaries with stable outlook.

These financial strength ratings are current opinions of the rating agencies. They may be changed, suspended or withdrawn at any time by the rating agencies as a result of changes in, or unavailability of, information or based on other circumstances.

For information regarding the effects of downgrades in our credit ratings and financial strength ratings, see Part I, Item 1A. Risk Factors – Liquidity, Capital and Credit – "A downgrade by one or more of the rating agencies in the Insurer Financial Strength ratings of our insurance or reinsurance companies could limit their ability to write or prevent them from writing new business and impair their retention of customers and in-force business, and a downgrade in our credit ratings could adversely affect our business, results of operations, financial condition and liquidity" in the 2023 Annual Report and Note 11 to the Condensed Consolidated Financial Statements.

REGULATION AND SUPERVISION

For a discussion of our regulation and supervision by different regulatory authorities in the United States and abroad, including with respect to our liquidity and capital resources, see Part I, Item 1. Business – Regulation and Part I, Item 1A. Risk Factors – Regulation in the 2023 Annual Report, and Executive Summary – Regulatory, Industry and Economic Factors – Regulatory Environment in this MD&A.

DIVIDENDS

On April 30, 2024, our Board of Directors declared a cash dividend on AIG Common Stock of $0.40 per share, an 11 percent increase from prior quarterly dividends on AIG Common Stock, payable on June 28, 2024 to shareholders of record on June 14, 2024.

The payment of any future dividends will be at the discretion of our Board of Directors and will depend on various factors*For further detail on our dividends, see Note 16 to the Condensed Consolidated Financial Statements.*

REPURCHASES OF AIG COMMON STOCK

Our Board of Directors has authorized the repurchase of shares of AIG Common Stock through a series of actions. During the three months ended March 31, 2024, AIG Parent repurchased approximately 23 million shares of AIG Common Stock for an aggregate purchase price of $1.7 billion. Pursuant to an Exchange Act Rule 10b5-1 repurchase plan, from April 1, 2024 to April 26, 2024, we repurchased approximately 7 million shares of AIG Common Stock for an aggregate purchase price of approximately $558 million. On April 30, 2024, the Board of Directors authorized the repurchase of $10.0 billion of AIG Common Stock (inclusive of the approximately $3.9 billion remaining under the Board's prior share repurchase authorization).

The timing of any future share repurchases will depend on market conditions, our business and strategic plans, financial condition, results of operations, liquidity and other factors, as discussed further in Note 16 to the Condensed Consolidated Financial Statements.

DIVIDEND RESTRICTIONS

Payments of dividends to AIG by its insurance subsidiaries are subject to certain restrictions imposed by regulatory authorities.

For information regarding restrictions on payments of dividends by our subsidiaries, see Note 20 to the Consolidated Financial Statements in the 2023 Annual Report.

Enterprise Risk Management

Risk management includes the identification and measurement of various forms of risk, the establishment of risk thresholds and the creation of processes intended to maintain risks within these thresholds while optimizing returns. We consider risk management an integral part of managing our core businesses and a key element of our approach to corporate governance.

OVERVIEW

Risk management is an integral part of our business strategy and a key element of our approach to corporate governance. We have an integrated process for managing risks throughout our organization in accordance with our firm-wide risk appetite. Our Board of Directors has oversight responsibility for the management of risk. Our Enterprise Risk Management (ERM) Department oversees and integrates the risk management functions in each of our business units, providing senior management with a consolidated view of AIG’s major risk positions. ERM embeds risk management in our key day-to-day business processes. Nevertheless, our risk management efforts may not always be successful and material adverse effects on our business, results of operations, cash flows, liquidity or financial condition may occur. *For further information regarding the risks associated with our business and operations, see Part I, Item 1A. Risk Factors.*

AIG employs a Three Lines of Defense model. AIG’s business leaders assume full accountability for the risks and controls in their segments, and ERM performs a review, challenge and oversight function. The third line consists of our Internal Audit Group that provides independent assurance to AIG’s Board of Directors.

For additional information on AIG’s risk management program, see Part II, Item 7. MD&A — Enterprise Risk Management in the 2023 Annual Report.

The scope and magnitude of our market risk exposures is managed under a robust framework that contains defined risk limits and minimum standards for managing market risk in a manner consistent with our risk appetite statement. *A description of our market risk exposures may be found in Part II, Item 7A. Quantitative and Qualitative Disclosures about Market Risk in the 2023 Annual Report. See Part I, Item 1A. Risk Factors in the 2023 Annual Report on how difficult conditions in the financial markets and the economy generally may materially adversely affect our business and results of our operations.*

Glossary

Accident year The annual calendar accounting period in which loss events occurred, regardless of when the losses are actually reported, booked or paid.

Accident year combined ratio, as adjusted (Accident year combined ratio, ex-CAT) The combined ratio excluding catastrophe losses and related reinstatement premiums, prior year development, net of premium adjustments, and the impact of reserve discounting.

Accident year loss ratio, as adjusted (Accident year loss ratio, ex-CAT) The loss ratio excluding catastrophe losses and related reinstatement premiums, prior year development, net of premium adjustments, and the impact of reserve discounting.

Acquisition ratio Acquisition costs divided by net premiums earned. Acquisition costs are those costs incurred to acquire new and renewal insurance contracts and also include the amortization of VOBA and DAC. Acquisition costs vary with sales and include, but are not limited to, commissions, premium taxes, direct marketing costs and certain costs of personnel engaged in sales support activities such as underwriting.

Adjusted revenues exclude Net realized gains (losses), income from non-operating litigation settlements (included in Other income for GAAP purposes), changes in fair value of securities used to hedge guaranteed living benefits (included in Net investment income for GAAP purposes) and income from elimination of the international reporting lag. Adjusted revenues is a GAAP measure for our segments.

Assets under administration include assets under management and Group Retirement mutual fund assets that we sell or administer.

Attritional losses are losses recorded in the current accident year, which are not catastrophe losses.

AUM *Assets under management* include assets in the general and separate accounts of our subsidiaries that support liabilities and surplus related to our life and annuity insurance products and the notional value of stable value wrap contracts.

Base yield Net investment income excluding income from alternative investments and other enhancements, as a percentage of average base invested asset portfolio, which excludes alternative investments, other bond securities and certain other investments for which the fair value option has been elected.

Book value per common share, excluding accumulated other comprehensive income (loss) (AOCI) adjusted for the cumulative unrealized gains and losses related to Fortitude Re funds withheld assets and deferred tax assets (DTA) (Adjusted book value per common share) is a non-GAAP measure and is used to show the amount of our net worth on a per-common share basis. Adjusted book value per common share is derived by dividing total AIG common shareholders' equity, excluding AOCI adjusted for the cumulative unrealized gains and losses related to Fortitude Re funds withheld assets and DTA (Adjusted common shareholders' equity), by total common shares outstanding.

Casualty insurance Insurance that is primarily associated with the losses caused by injuries to third persons, i.e., not the insured, and the legal liability imposed on the insured as a result.

Combined ratio Sum of the loss ratio and the acquisition and general operating expense ratios.

Credit Support Annex A legal document generally associated with an ISDA Master Agreement that provides for collateral postings which could vary depending on ratings and threshold levels.

Credit Valuation Adjustment (CVA)/Non-Performance Risk Adjustment (NPA) The CVA/NPA adjusts the valuation of derivatives to account for nonperformance risk of our counterparty with respect to all net derivative assets positions. The CVA/NPA also accounts for our own credit risk in the fair value measurement of all derivative net liability positions and liabilities where AIG has elected the fair value option, when appropriate.

DAC *Deferred Policy Acquisition Costs* Deferred costs that are incremental and directly related to the successful acquisition of new business or renewal of existing business.

Deferred gain on retroactive reinsurance Retroactive reinsurance is a reinsurance contract in which an assuming entity agrees to reimburse a ceding entity for liabilities incurred as a result of past insurable events. If the amount of premium paid by the ceding reinsurer is less than the related ceded loss reserves, the resulting gain is deferred and amortized over the settlement period of the reserves. Any related development on the ceded loss reserves recoverable under the contract would increase the deferred gain if unfavorable, or decrease the deferred gain if favorable.

DSI *Deferred Sales Inducements* Represents enhanced crediting rates or bonus payments to contract holders on certain annuity and investment contract products that meet the criteria to be deferred and amortized over the life of the contract.

Expense ratio Sum of acquisition expenses and general operating expenses, divided by net premiums earned.

General operating expense ratio General operating expenses divided by net premiums earned. General operating expenses are those costs that are generally attributed to the support infrastructure of the organization and include but are not limited to personnel costs, projects and bad debt expenses. General operating expenses exclude losses and loss adjustment expenses incurred, acquisition expenses, and investment expenses.

GIC/GIA *Guaranteed Investment Contract/Guaranteed Investment Agreement* A contract whereby the seller provides a guaranteed repayment of principal and a fixed or floating interest rate for a predetermined period of time.

IBNR *Incurred But Not Reported* Estimates of claims that have been incurred but not reported to us.

ISDA Master Agreement An agreement between two counterparties, which may have multiple derivative transactions with each other governed by such agreement, that generally provides for the net settlement of all or a specified group of these derivative transactions, as well as pledged collateral, through a single payment, in a single currency, in the event of a default on, or affecting any, one derivative transaction or a termination event affecting all, or a specified group of, derivative transactions.

Loan-to-value ratio Principal amount of loan amount divided by appraised value of collateral securing the loan.

Loss Adjustment Expenses The expenses directly attributed to settling and paying claims of insureds and include, but are not limited to, legal fees, adjuster's fees and the portion of general expenses allocated to claim settlement costs.

Loss ratio Losses and loss adjustment expenses incurred divided by net premiums earned.

Loss reserve development The increase or decrease in incurred losses and loss adjustment expenses related to prior years as a result of the re-estimation of loss reserves at successive valuation dates for a given group of claims.

Loss reserves Liability for unpaid losses and loss adjustment expenses. The estimated ultimate cost of settling claims relating to insured events that have occurred on or before the balance sheet date, whether or not reported to the insurer at that date.

Master netting agreement An agreement between two counterparties who have multiple derivative contracts with each other that provides for the net settlement of all contracts covered by such agreement, as well as pledged collateral, through a single payment, in a single currency, in the event of default on or upon termination of any one such contract.

MRB *Market risk benefit* is an amount that a policyholder would receive in addition to the account balance upon the occurrence of a specific event or circumstance, such as death, annuitization, or periodic withdrawal that involves protection from capital market risk.

Natural catastrophe losses are generally weather or seismic events having a net impact on AIG in excess of $10 million each and man-made catastrophe losses, such as terrorism and civil disorders that exceed the $10 million threshold.

Net premiums written represent the sales of an insurer, adjusted for reinsurance premiums assumed and ceded, during a given period. Net premiums earned are the revenue of an insurer for covering risk during a given period. Net premiums written are a measure of performance for a sales period, while net premiums earned are a measure of performance for a coverage period.

Noncontrolling interests The portion of equity ownership in a consolidated subsidiary not attributable to the controlling parent company.

Policy fees An amount added to a policy premium, or deducted from a policy cash value or contract holder account, to reflect the cost of issuing a policy, establishing the required records, sending premium notices and other related expenses.

Pool A reinsurance arrangement whereby all of the underwriting results of the pool members are combined and then shared by each member in accordance with its pool participation percentage.

Premiums and deposits – Life and Retirement includes direct and assumed amounts received and earned on traditional life insurance policies, group benefit policies and life-contingent payout annuities, as well as deposits received on universal life, investment-type annuity contracts, FHLB funding agreements and mutual funds.

Prior year development *See Loss reserve development*.

RBC *Risk-Based Capital* A formula designed to measure the adequacy of an insurer's statutory surplus compared to the risks inherent in its business.

Reinstatement premiums Premiums on an insurance policy over and above the initial premium imposed at the beginning of the policy payable to reinsurers or receivable from insurers to restore coverage limits that have been reduced or exhausted as a result of reinsured losses under certain excess of loss reinsurance contracts.

Reinsurance The practice whereby one insurer, the reinsurer, in consideration of a premium paid to that insurer, agrees to indemnify another insurer, the ceding company, for part or all of the liability of the ceding company under one or more policies or contracts of insurance which it has issued.

Reinsurance recoverables are comprised of paid losses recoverable, ceded loss reserves, ceded reserves for unearned premiums, and Life and Annuity reinsurance recoverables (ceded policy and claim reserves and policyholder contract deposits).

Retroactive reinsurance *See Deferred gain on retroactive reinsurance*.

Return on common equity – Adjusted after-tax income excluding AOCI adjusted for the cumulative unrealized gains and losses related to Fortitude Re funds withheld assets and DTA (Adjusted return on common equity) is a non-GAAP measure and is used to show the rate of return on common shareholders' equity. Adjusted return on common equity is derived by dividing actual or annualized adjusted after-tax income attributable to AIG common shareholders by average Adjusted common shareholders' equity.

Subrogation The amount of recovery for claims we have paid our policyholders, generally from a negligent third party or such party's insurer.

Surrender charge A charge levied against an investor for the early withdrawal of funds from a life insurance or annuity contract, or for the cancellation of the agreement.

Surrender rate represents annualized surrenders and withdrawals as a percentage of average reserves and Group Retirement mutual fund assets under administration.

Unearned premium reserve Liabilities established by insurers and reinsurers to reflect unearned premiums, which are usually refundable to policyholders if an insurance or reinsurance contract is canceled prior to expiration of the contract term.

VOBA *Value of Business Acquired* Present value of future pre-tax profits from in-force policies of acquired businesses discounted at yields applicable at the time of purchase. VOBA is reported in DAC in the Condensed Consolidated Balance Sheets.

Acronyms

A&H	Accident and Health Insurance
ABS	Asset-Backed Securities
APTI	Adjusted pre-tax income
AUM	Assets Under Management
CDS	Credit Default Swap
CLO	Collateralized Loan Obligations
CMBS	Commercial Mortgage-Backed Securities
ERM	Enterprise Risk Management
FASB	Financial Accounting Standards Board
GAAP	Accounting Principles Generally Accepted in the United States of America
GIA	Guaranteed Investment Agreements
GIC	Guaranteed Investment Contracts
GMDB	Guaranteed Minimum Death Benefits
GMWB	Guaranteed Minimum Withdrawal Benefits
ISDA	International Swaps and Derivatives Association, Inc.
Moody's	Moody's Investors' Service Inc.
MRBs	Market Risk Benefits
NAIC	National Association of Insurance Commissioners
NM	Not Meaningful
ORR	Obligor Risk Ratings
RMBS	Residential Mortgage-Backed Securities
S&P	Standard & Poor's Financial Services LLC
SEC	Securities and Exchange Commission
URR	Unearned Revenue Reserve
VIE	Variable Interest Entity

ITEM 3 | Quantitative and Qualitative Disclosures About Market Risk

The information required by this item is set forth in the Enterprise Risk Management section of Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations and is incorporated herein by reference.

ITEM 4 | Controls and Procedures

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures are designed to ensure that information required to be disclosed in reports filed or submitted under the Securities Exchange Act of 1934, as amended (the Exchange Act), is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and that such information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosures. In connection with the preparation of this Quarterly Report on Form 10-Q, an evaluation was carried out by American International Group, Inc. (AIG) management, with the participation of AIG's Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act), as of March 31, 2024. Based on this evaluation, AIG's Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of March 31, 2024.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There have been no changes in our internal control over financial reporting (as defined in Rule 13a-15(f)) that have occurred during the quarter ended March 31, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Part II – Other Information

ITEM 1 | Legal Proceedings

For a discussion of legal proceedings, see Note 15 to the Condensed Consolidated Financial Statements, which is incorporated herein by reference.

ITEM 1A | Risk Factors

In addition to the other information set forth in this Quarterly Report on Form 10-Q, you should carefully consider the risk factors discussed in Part I, Item 1A. Risk Factors in the 2023 Annual Report.

ITEM 2 | Unregistered Sales of Equity Securities and Use of Proceeds

The following table provides information about purchases made by or on behalf of AIG or any "affiliated purchaser" (as defined in Rule 10b-18(a)(3) under the Securities Exchange Act of 1934 (the Exchange Act)) of AIG Common Stock during the three months ended March 31, 2024:

Period	Total Number of Shares Repurchased	Average Price Paid per Share*	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (in millions)
January 1-31	8,017,057	$ 68.51	8,017,057	$ 5,614
February 1-29	7,816,140	70.02	7,816,140	5,067
March 1-31	7,557,502	75.57	7,557,502	4,495
Total	**23,390,699**	**$ 71.30**	**23,390,699**	**$ 4,495**

* Excludes excise tax of $14 million due to the Inflation Reduction Act of 2022 for the three months ended March 31, 2024.

During the three months ended March 31, 2024, AIG Parent repurchased approximately 23 million shares of AIG Common Stock, par value $2.50 per share (AIG Common Stock) for an aggregate purchase price of $1.7 billion. From April 1, 2024 to April 26, 2024, we repurchased approximately 7 million shares of AIG Common Stock for an aggregate purchase price of approximately $558 million. On April 30, 2024, the Board of Directors authorized the repurchase of $10.0 billion of AIG Common Stock (inclusive of the approximately $3.9 billion remaining under the Board's prior share repurchase authorization).

Shares may be repurchased from time to time in the open market, private purchases, through forward, derivative, accelerated repurchase or automatic repurchase transactions or otherwise. Certain of our share repurchases have been and may from time to time be effected through Exchange Act Rule 10b5-1 repurchase plans. The timing of any future share repurchases will depend on market conditions, our business and strategic plans, financial condition, results of operations, liquidity and other factors. The repurchase of AIG Common Stock is also subject to the terms of AIG's Series A 5.85% Non-Cumulative Preferred Stock (Series A Preferred Stock), pursuant to which AIG may not (other than in limited circumstances) purchase, redeem or otherwise acquire AIG Common Stock unless the full dividends for the latest completed dividend period on all outstanding shares of Series A Preferred Stock have been declared and paid or provided for.

ITEM 5 | Other Information

Our officers and directors (as defined in Rule 16a-1 under the Exchange Act) may, with Board approval, enter into plans for the purchase or sale of AIG Common Stock that are intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act. Other than as described below, during the three months ended March 31, 2024, none of the Company's directors or officers adopted or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408 of Regulation S-K.

- Peter Zaffino , our Chairman & CEO , entered into a new trading plan on March 13, 2024 . The plan's maximum duration is until July 24, 2024, and first trades may not occur until June 12, 2024, at the earliest. The trading plan is intended to permit Mr. Zaffino to exercise up to 667,000 stock options expiring on July 24, 2024 and immediately sell the acquired shares.

The Rule 10b5-1 trading arrangement described above was adopted and precleared in accordance with AIG's Insider Trading Policy and actual sale transactions made pursuant to such trading arrangements will be disclosed publicly in future Section 16 filings with the SEC.

ITEM 6 | Exhibits

Exhibit Index

Exhibit Number	Description	Location
10	(1) AIG Long Term Incentive Plan (as amended and restated effective February 1, 2024)*	Incorporated by reference to Exhibit 10.50 to AIG's Annual Report on Form 10-K, filed with the SEC on February 14, 2024 (File No. 1-8787).
	(2) AIG Annual Short-Term Incentive Plan (as amended and restated effective February 1, 2024)*	Incorporated by reference to Exhibit 10.51 to AIG's Annual Report on Form 10-K, filed with the SEC on February 14, 2024 (File No. 1-8787).
22	Guaranteed Securities	None.
31	Rule 13a-14(a)/15d-14(a) Certifications	Filed herewith.
32	Section 1350 Certifications**	Filed herewith.
101	Interactive data files pursuant to Rule 405 of Regulation S-T formatted in iXBRL (Inline eXtensible Business Reporting Language): (i) the Condensed Consolidated Balance Sheets as of March 31, 2024 and December 31, 2023, (ii) the Condensed Consolidated Statements of Income (Loss) for the three months ended March 31, 2024 and 2023, (iii) the Condensed Consolidated Statements of Equity for the three months ended March 31, 2024 and 2023, (iv) the Condensed Consolidated Statements of Cash Flows for the three months ended March 31, 2024 and 2023, (v) the Condensed Consolidated Statements of Comprehensive Income (Loss) for the three months ended March 31, 2024 and 2023 and (vi) the Notes to the Condensed Consolidated Financial Statements	Filed herewith.
104	Cover Page Interactive Data File (formatted as inline XBRL with applicable taxonomy extension information contained in Exhibits 101)	Filed herewith.

* This exhibit is a management contract or compensatory arrangement.

** This information is furnished and not filed for purposes of Sections 11 and 12 of the Securities Act of 1933 and Section 18 of the Securities Exchange Act of 1934.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

AMERICAN INTERNATIONAL GROUP, INC.

(Registrant)

/S/ SABRA R. PURTILL

Sabra R. Purtill

Executive Vice President and

Chief Financial Officer

(Principal Financial Officer)

/S/ KATHLEEN CARBONE

Kathleen Carbone

Vice President and

Chief Accounting Officer

(Principal Accounting Officer)

Dated: May 2, 2024

Exhibit 31

CERTIFICATIONS

I, Peter Zaffino, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of American International Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: May 2, 2024

/S/ PETER ZAFFINO

Peter Zaffino

Chairman and Chief Executive Officer

CERTIFICATIONS

I, Sabra R. Purtill, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of American International Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 2, 2024

/S/ SABRA R. PURTILL

Sabra R. Purtill

Executive Vice President and

Chief Financial Officer

Exhibit 32

CERTIFICATION

In connection with this Quarterly Report on Form 10-Q of American International Group, Inc. (the "Company") for the quarter ended March 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Peter Zaffino, Chairman and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, that to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 2, 2024

/S/ PETER ZAFFINO

Peter Zaffino

Chairman and Chief Executive Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

CERTIFICATION

In connection with this Quarterly Report on Form 10-Q of American International Group, Inc. (the “Company”) for the quarter ended March 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Sabra R. Purtill, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, that to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 2, 2024

/S/ SABRA R. PURTILL

Sabra R. Purtill
Executive Vice President and
Chief Financial Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.