

REFINITIV

DELTA REPORT

10-Q

AMERICAN INTERNATIONAL GR
10-Q - JUNE 30, 2024 COMPARED TO 10-Q - MARCH 31, 2024

The following comparison report has been automatically generated


TOTAL DELTAS	3737
CHANGES	435
DELETIONS	2034
ADDITIONS	1268

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** **June 30, 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

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American International Group, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

13-2592361

(I.R.S. Employer
Identification No.)

1271 Avenue of the Americas, New York, New York

(Address of principal executive offices)

10020

(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:

<u>Title of each class</u>	<u>Trading Symbol</u>	<u>Name of each exchange on which registered</u>
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** **July 26, 2024**, there were **663,668,009** **643,951,434** shares outstanding of the registrant's common stock.

FORM 10-Q

Item Number	Description	Page
Part I – Financial Information		
ITEM 1	Financial Statements	2
Note 1.	Basis of Presentation	8 9
Note 2.	Summary of Significant Accounting Policies	9 10
Note 3.	Segment Information	10
Note 4.	Held-For-Sale Classification & Discontinued Operations Presentation	12
Note 5.	Fair Value Measurements	13 15
Note 6.	Investments	27 29
Note 7.	Lending Activities	34 36
Note 8.	Reinsurance	37 39
Note 9.	Deferred Policy Acquisition Costs	39 41
Note 10.	Variable Interest Entities	40 41
Note 11.	Derivatives and Hedge Accounting	42
Note 12.	Insurance Liabilities	46 45
Note 14.	Separate Account Assets and Liabilities	57
Note 15, 13.	Contingencies, Commitments and Guarantees	58 49
Note 16, 14.	Equity	59 50
Note 17, 15.	Earnings Per Common Share (EPS)	63 55
Note 18, 16.	Income Taxes	64 56
ITEM 2	Management's Discussion and Analysis of Financial Condition and Results of Operations	67 58
	• Cautionary Statement Regarding Forward-Looking Information and Factors That May Affect Future Results	67 58
	• Use of Non-GAAP Measures	70 61
	• Critical Accounting Estimates	72 63
	• Executive Summary	73 63
	• Consolidated Results of Operations	76 66
	• Business Segment Operations	80 72
	• Investments	97 81
	• Insurance Reserves	106 90
	• Liquidity and Capital Resources	112 95
	• Enterprise Risk Management	119 101
	• Glossary	120 102
	• Acronyms	122 104
ITEM 3	Quantitative and Qualitative Disclosures About Market Risk	123 105
ITEM 4	Controls and Procedures	123 105
Part II – Other Information		
ITEM 1	Legal Proceedings	124 106
ITEM 1A	Risk Factors	124 106
ITEM 2	Unregistered Sales of Equity Securities and Use of Proceeds	124 107
ITEM 5	Other Information	125 107
ITEM 6	Exhibits	125 108
Signatures		126 109

Part I – Financial Information

Item 1. | Financial Statements

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

	March 31, 2024		December 31, 2023		June 30, 2023	
<i>(in millions, except for share data)</i>	<i>(in millions, except for share data)</i>	<i>(in millions, except for share data)</i>	<i>(in millions, except for share data)</i>	<i>(in millions, except for share data)</i>	<i>(in millions, except for share data)</i>	<i>(in millions, except for share data)</i>
Assets:						
Investments:						
Investments:						
Investments:						
Fixed maturity securities:						
Fixed maturity securities:						
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)*						
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)*						
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)*						
Other bond securities, at fair value (See Note 6)*						
Equity securities, at fair value (See Note 6)*						
Mortgage and other loans receivable, net of allowance for credit losses of \$38,501 in 2024 and \$38,473 in 2023*						
Other invested assets (portion measured at fair value: 2024 - \$11,510; 2023 - \$11,733)*						
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)*						
Bonds available for sale, at fair value, net of allowance for credit losses of \$33 in 2024 and \$34 in 2023 (amortized cost: 2024 - \$65,326; 2023 - \$68,119)*						
Bonds available for sale, at fair value, net of allowance for credit losses of \$33 in 2024 and \$34 in 2023 (amortized cost: 2024 - \$65,326; 2023 - \$68,119)*						
Bonds available for sale, at fair value, net of allowance for credit losses of \$33 in 2024 and \$34 in 2023 (amortized cost: 2024 - \$65,326; 2023 - \$68,119)*						
Other bond securities, at fair value (See Note 6)						
Equity securities, at fair value (See Note 6)						
Mortgage and other loans receivable, net of allowance for credit losses of \$37,799 in 2024 and \$37,776 in 2023*						
Other invested assets (portion measured at fair value: 2024 - \$12,386; 2023 - \$4,175)						
Short-term investments, including restricted cash of \$3 in 2024 and \$1 in 2023 (portion measured at fair value: 2024 - \$8,137; 2023 - \$9,363)*						
Total investments						
Cash*						
Cash						
Accrued investment income*						
Premiums and other receivables, net of allowance for credit losses and disputes of \$134 in 2024 and \$139 in 2023						
Premiums and other receivables, net of allowance for credit losses and disputes of \$126 in 2024 and \$138 in 2023						
Reinsurance assets - Fortitude Re, net of allowance for credit losses and disputes of \$0 in 2024 and \$0 in 2023						
Reinsurance assets - other, net of allowance for credit losses and disputes of \$224 in 2024 and \$236 in 2023						
Deferred income taxes						
Reinsurance assets - other, net of allowance for credit losses and disputes of \$211 in 2024 and \$206 in 2023						
Deferred income tax assets						
Deferred policy acquisition costs						
Market risk benefit assets, at fair value						
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)*						
Separate account assets, at fair value						
Goodwill						
Deposit accounting assets, net of allowance for credit losses of \$49 in 2024 and \$49 in 2023						

Other assets, including restricted cash of \$18 in 2024 and \$32 in 2023 (portion measured at fair value: 2024 - \$189; 2023 - \$374)*
Other assets, including restricted cash of \$18 in 2024 and \$32 in 2023 (portion measured at fair value: 2024 - \$189; 2023 - \$374)*
Other assets, including restricted cash of \$18 in 2024 and \$32 in 2023 (portion measured at fair value: 2024 - \$189; 2023 - \$374)*
Assets held for sale
Assets held for sale
Assets held for sale
Assets of discontinued operations

Total assets

Liabilities:
Liability for unpaid losses and loss adjustment expenses, including allowance for credit losses of \$14 in 2024 and \$14 in 2023
Liability for unpaid losses and loss adjustment expenses, including allowance for credit losses of \$14 in 2024 and \$14 in 2023
Liability for unpaid losses and loss adjustment expenses, including allowance for credit losses of \$14 in 2024 and \$14 in 2023
Unearned premiums
Future policy benefits for life and accident and health insurance contracts
Policyholder contract deposits (portion measured at fair value: 2024 - \$8,613; 2023 - \$7,997)
Market risk benefit liabilities, at fair value
Other policyholder funds
Fortitude Re funds withheld payable (portion measured at fair value: 2024 - \$(1,364); 2023 - \$(1,226))
Other liabilities (portion measured at fair value: 2024 - \$493; 2023 - \$624)*
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)
Other policyholder funds
Other policyholder funds
Fortitude Re funds withheld payable (portion measured at fair value: 2024 - \$(154); 2023 - \$(148))
Premiums and other related payables
Deposit accounting liabilities
Commissions and premium taxes payable
Current and deferred income tax liabilities
Other liabilities (portion measured at fair value: 2024 - \$323; 2023 - \$482)
Long-term debt
Debt of consolidated investment entities*
Separate account liabilities
Liabilities held for sale
Liabilities held for sale
Liabilities held for sale
Liabilities of discontinued operations

Total liabilities

Contingencies, commitments and guarantees (See Note 15)

Contingencies, commitments and guarantees (See Note 13)

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
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
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
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
Treasury stock, at cost; 2024 - 1,235,652,452 shares; 2023 - 1,217,831,721 shares of common stock
Treasury stock, at cost; 2024 - 1,256,808,687 shares; 2023 - 1,217,831,721 shares of common stock
Additional paid-in capital
Retained earnings
Accumulated other comprehensive loss

Total AIG shareholders' equity

Non-redeemable noncontrolling interests

Total equity

Total liabilities and equity

* 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)

	Three Months Ended March 31,	
	Three Months Ended March 31,	
	Three Months Ended March 31,	
	Three Months Ended	
	June 30,	
	Three Months Ended	
	June 30,	
	Three Months Ended	Six Months Ended
	June 30,	June 30,

(dollars in millions, except per common share data)

Revenues:

Revenues:

Revenues:

Premiums

Premiums

Premiums

Policy fees

Policy fees

Policy fees

Net investment income:

Net investment income:

Net investment income:

Net investment income - excluding Fortitude Re funds withheld assets

Net investment income - excluding Fortitude Re funds withheld assets

Net investment income - excluding Fortitude Re funds withheld assets

Net investment income - Fortitude Re funds withheld assets

Net investment income - Fortitude Re funds withheld assets

Net investment income - Fortitude Re funds withheld assets

Total net investment income

Total net investment income

Total net investment income

Net realized gains (losses):

Net realized gains (losses):

Net realized gains (losses):

Net realized losses - excluding Fortitude Re funds withheld assets and embedded derivative

Net realized losses - excluding Fortitude Re funds withheld assets and embedded derivative

Net realized losses - excluding Fortitude Re funds withheld assets and embedded derivative

Net realized losses on Fortitude Re funds withheld assets

Net realized losses on Fortitude Re funds withheld assets

Net realized losses on Fortitude Re funds withheld assets

Net realized gains (losses) on Fortitude Re funds withheld embedded derivative



Net realized gains (losses) on Fortitude Re funds withheld embedded derivative
Net realized gains (losses) on Fortitude Re funds withheld embedded derivative
Total net realized losses
Total net realized losses
Total net realized losses
Other income
Other income
Other income
Total revenues
Total revenues
Total revenues
Benefits, losses and expenses:
Benefits, losses and expenses:
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)
Policyholder benefits and losses incurred (including remeasurement losses of \$100 and \$64 for the three months ended March 31, 2024, and 2023, respectively)
Policyholder benefits and losses incurred (including remeasurement losses of \$100 and \$64 for the three months ended March 31, 2024, and 2023, respectively)
Change in the fair value of market risk benefits, net
Change in the fair value of market risk benefits, net
Change in the fair value of market risk benefits, net
Interest credited to policyholder account balances
Interest credited to policyholder account balances
Interest credited to policyholder account balances
Losses and loss adjustment expenses incurred
Losses and loss adjustment expenses incurred
Losses and loss adjustment expenses incurred
Amortization of deferred policy acquisition costs
Amortization of deferred policy acquisition costs
Amortization of deferred policy acquisition costs
General operating and other expenses
General operating and other expenses
General operating and other expenses
Interest expense
Interest expense
Interest expense
Loss on extinguishment of debt
Loss on extinguishment of debt
Loss on extinguishment of debt
Net (gain) loss on divestitures and other
Net (gain) loss on divestitures and other
Net (gain) loss on divestitures and other
Total benefits, losses and expenses
Total benefits, losses and expenses
Total benefits, losses and expenses
Income (loss) from continuing operations before income tax expense (benefit)
Income (loss) from continuing operations before income tax expense (benefit)
Income (loss) from continuing operations before income tax expense (benefit)
Income from continuing operations before income tax expense
Income from continuing operations before income tax expense
Income from continuing operations before income tax expense
Income tax expense (benefit)

Income tax expense
Income tax expense (benefit)
Income tax expense
Income tax expense (benefit)
Income (loss) from continuing operations
Income (loss) from continuing operations
Income (loss) from continuing operations
Income tax expense
Income from continuing operations
Income from continuing operations
Income from continuing operations
Income (loss) from discontinued operations, net of income taxes
Income (loss) from discontinued operations, net of income taxes
Income (loss) from discontinued operations, net of income taxes
Net income (loss)
Net income (loss)
Net income (loss)
Less: Net income (loss) from continuing operations attributable to noncontrolling interests
Less: Net income (loss) from continuing operations attributable to noncontrolling interests
Less: Net income (loss) from continuing operations attributable to noncontrolling interests
Less: Net income (loss) attributable to noncontrolling interests
Less: Net income (loss) attributable to noncontrolling interests
Less: Net income (loss) attributable to noncontrolling interests
Net income (loss) attributable to AIG
Net income (loss) attributable to AIG
Net income (loss) attributable to AIG
Less: Dividends on preferred stock and preferred stock redemption premiums
Less: Dividends on preferred stock and preferred stock redemption premiums
Less: Dividends on preferred stock and preferred stock redemption premiums
Net income (loss) attributable to AIG common shareholders
Net income (loss) attributable to AIG common shareholders
Net income (loss) attributable to AIG common shareholders
Income per common share attributable to AIG common shareholders:
Income per common share attributable to AIG common shareholders:
Income per common share attributable to AIG common shareholders:
Basic:
Basic:
Basic:
Income (loss) from continuing operations
Income (loss) from continuing operations
Income (loss) from continuing operations
Income from discontinued operations
Income from discontinued operations
Income from discontinued operations
Income from continuing operations
Income from continuing operations
Income from continuing operations
Income (loss) from discontinued operations
Income (loss) from discontinued operations
Income (loss) from discontinued operations
Net income (loss) attributable to AIG common shareholders

Net income (loss) attributable to AIG common shareholders
Net income (loss) attributable to AIG common shareholders
Diluted:
Diluted:
Diluted:
Income (loss) from continuing operations
Income (loss) from continuing operations
Income (loss) from continuing operations
Income from discontinued operations
Income from discontinued operations
Income from discontinued operations
Income from continuing operations
Income from continuing operations
Income from continuing operations
Income (loss) from discontinued operations
Income (loss) from discontinued operations
Income (loss) from discontinued operations
Net income (loss) attributable to AIG common shareholders
Net income (loss) attributable to AIG common shareholders
Net income (loss) attributable to AIG common shareholders
Weighted average shares outstanding:
Weighted average shares outstanding:
Weighted average shares outstanding:
Basic
Basic
Basic
Diluted
Diluted
Diluted

See accompanying Notes to Condensed Consolidated Financial Statements.

[TABLE OF CONTENTS](#)

American International Group, Inc.

Condensed Consolidated Statements of Comprehensive Income (Loss) *(unaudited)*

	Three Months Ended
	Three Months Ended
	Three Months Ended
	March 31,
	March 31,
	March 31,
	June 30,
	June 30,
	June 30,

(in millions)

Net income (loss)
Net income (loss)
Net income (loss)
Other comprehensive income (loss), net of tax
Other comprehensive income (loss), net of tax
Other comprehensive income (loss), net of tax
Change in unrealized appreciation (depreciation) of fixed maturity securities on which allowance for credit losses was taken
Change in unrealized appreciation (depreciation) of fixed maturity securities on which allowance for credit losses was taken
Change in unrealized appreciation (depreciation) of fixed maturity securities on which allowance for credit losses was taken
Change in unrealized appreciation of fixed maturity securities on which allowance for credit losses was taken
Change in unrealized appreciation of fixed maturity securities on which allowance for credit losses was taken
Change in unrealized appreciation of fixed maturity securities on which allowance for credit losses was taken
Change in unrealized appreciation (depreciation) of all other investments
Change in unrealized appreciation (depreciation) of all other investments
Change in 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 fair value of market risk benefits attributable to changes in our own credit risk
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
Change in the discount rates used to measure traditional and limited payment long-duration insurance contracts
Change in the discount rates used to measure traditional and limited payment long-duration insurance contracts
Change in foreign currency translation adjustments
Change in foreign currency translation adjustments
Change in foreign currency translation adjustments
Change in retirement plan liabilities adjustment
Change in retirement plan liabilities adjustment
Change in retirement plan liabilities adjustment
Change in other comprehensive income (loss) related to discontinued operations
Change in other comprehensive income (loss) related to discontinued operations
Change in other comprehensive income (loss) related to discontinued operations
Corebridge Deconsolidation
Corebridge Deconsolidation
Corebridge Deconsolidation
Other comprehensive income (loss)
Other comprehensive income (loss)
Other comprehensive income (loss)
Comprehensive income (loss)
Comprehensive income (loss)
Comprehensive income (loss)
Comprehensive income (loss) attributable to noncontrolling interests
Comprehensive income (loss) attributable to noncontrolling interests
Comprehensive income (loss) attributable to noncontrolling interests
Comprehensive income (loss) attributable to AIG
Comprehensive income (loss) attributable to AIG
Comprehensive income (loss) attributable to AIG

See accompanying Notes to Condensed Consolidated Financial Statements.

American International Group, Inc.

Condensed Consolidated Statements of Equity (unaudited)

	Preferred Stock and Additional Paid-in Capital		Common Stock	Treasury Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity	Non-AIG redeemable Non-controlling Interests	Total Equity	Preferred Stock and Additional Paid-in Capital		Common Stock	Treasury Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)		Total Shareholders' Equity	Non-AIG redeemable Non-controlling Interests	Total Equity
(in millions, except per share data)	(in millions, except per share data)	(in millions, except per share data)									(in millions, except per share data)	(in millions, except per share data)									
Three Months Ended March 31, 2024																					
Balance, beginning of the year																					
Balance, beginning of the year																					
Balance, beginning of the year																					
Three Months Ended June 30, 2024																					
Balance, beginning of period																					
Balance, beginning of period																					
Balance, beginning of period																					
Common stock issued under stock plans																					
Purchase of common stock																					
Net income (loss) attributable to AIG or noncontrolling interests																					
Common stock issued under stock plans																					
Common stock issued under stock plans																					
Common stock issued under stock plans																					
Redemption of preferred stock																					
Purchase of common stock																					
Purchase of common stock																					
Purchase of common stock																					
Net income attributable to AIG or noncontrolling interests																					
Dividends on preferred stock (\$365.625 per share) and preferred stock redemption premiums																					
Dividends on common stock (\$0.36 per share)																					
Other comprehensive loss																					
Dividends on common stock (\$0.40 per share)																					
Dividends on common stock (\$0.40 per share)																					
Dividends on common stock (\$0.40 per share)																					
Other comprehensive income																					
Net decrease due to divestitures and acquisitions																					
Contributions from noncontrolling interests																					
Distributions to noncontrolling interests																					

Other

Balance, end of period

Three Months Ended March 31, 2023

Three Months Ended March 31, 2023

Three Months Ended March 31, 2023

Balance, beginning of year

Balance, beginning of year

Balance, beginning of year

Common stock issued under stock plans

Common stock issued under stock plans

Three Months Ended June 30, 2023

Three Months Ended June 30, 2023

Three Months Ended June 30, 2023

Balance, beginning of period

Balance, beginning of period

Balance, beginning of period

Common stock issued under stock plans

Purchase of common stock

Net income (loss) attributable

to AIG or noncontrolling
interests

Net income attributable to AIG

or noncontrolling interests

Dividends on preferred stock

(\$365.625 per share)

Dividends on common stock

(\$0.32 per share)

Other comprehensive income

Contributions from noncontrolling interests

Contributions from noncontrolling interests

Dividends on common stock

(\$0.36 per share)

Other comprehensive loss

Net increase (decrease) due to

divestitures and acquisitions

Other

Balance, end of period

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

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	Preferred Stock and Additional			Additional			Accumulated	Total	Non- redeemable		
	Paid-in	Common	Treasury	Paid-in	Retained		Other	Share-	controlling	Non-	Total
(in millions, except per share data)	Capital	Stock	Stock	Capital	Earnings		Comprehensive	holders' Equity	Interests	Equity	Equity
Six Months Ended June 30, 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	—	—	293	(310)	—		—	(17)	—		(17)
Redemption of preferred stock	(485)	—	—	—	—		—	(485)	—		(485)
Purchase of common stock	—	—	(3,359)	—	—		—	(3,359)	—		(3,359)
Net income (loss) attributable to AIG or noncontrolling interests	—	—	—	—	(2,761)		—	(2,761)	477		(2,284)
Dividends on preferred stock (\$365.625 per share) and preferred stock redemption premiums	—	—	—	—	(22)		—	(22)	—		(22)
Dividends on common stock (\$0.76 per share)	—	—	—	—	(504)		—	(504)	—		(504)
Other comprehensive income (loss)	—	—	—	—	—		5,935	5,935	(298)		5,637
Net increase (decrease) due to divestitures and acquisitions	—	—	—	(418)	—		537	119	(6,004)		(5,885)
Contributions from noncontrolling interests	—	—	—	—	—		—	—	28		28
Distributions to noncontrolling interests	—	—	—	—	—		—	—	(72)		(72)
Other	—	—	—	192	(4)		—	188	(51)		137
Balance, end of period	\$ —	\$ 4,766	\$ (62,255)	\$ 75,274	\$ 34,225		\$ (7,565)	\$ 44,445	\$ 30		\$ 44,475
Six Months Ended June 30, 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	—	—	230	(370)	—		—	(140)	—		(140)
Purchase of common stock	—	—	(1,165)	—	—		—	(1,165)	—		(1,165)
Net income attributable to AIG or noncontrolling interests	—	—	—	—	1,523		—	1,523	81		1,604
Dividends on preferred stock (\$731.25 per share)	—	—	—	—	(15)		—	(15)	—		(15)
Dividends on common stock (\$0.68 per share)	—	—	—	—	(494)		—	(494)	—		(494)
Other comprehensive income	—	—	—	—	—		1,807	1,807	368		2,175
Net increase (decrease) due to divestitures and acquisitions	—	—	—	(1,913)	—		1,827	(86)	1,261		1,175
Contributions from noncontrolling interests	—	—	—	—	—		—	—	27		27
Distributions to noncontrolling interests	—	—	—	—	—		—	—	(252)		(252)
Other	—	—	—	45	9		—	54	68		122
Balance, end of period	\$ 485	\$ 4,766	\$ (57,408)	\$ 77,677	\$ 35,916		\$ (18,982)	\$ 42,454	\$ 4,037		\$ 46,491

See accompanying Notes to Condensed Consolidated Financial Statements.

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

		Three Months Ended March 31,
		Three Months Ended March 31,
		Three Months Ended March 31,
		Six Months Ended June 30,
		Six Months Ended June 30,
		Six Months Ended June 30,

(in millions)

Cash flows from operating activities:

Cash flows from operating activities:

Cash flows from operating activities:

Net income (loss)

Net income (loss)

Net income (loss)

(Income) loss from discontinued operations

(Income) loss from discontinued operations

(Income) loss from discontinued operations

Adjustments to reconcile net income (loss) to net cash provided by operating activities:

Adjustments to reconcile net income (loss) to net cash provided by operating activities:

Adjustments to reconcile net income (loss) to net cash provided by operating activities:

Noncash revenues, expenses, gains and losses included in income (loss):

Noncash revenues, expenses, gains and losses included in income (loss):

Noncash revenues, expenses, gains and losses included in income (loss):

Net losses on sales of securities available for sale and other assets

Net losses on sales of securities available for sale and other assets

Net losses on sales of securities available for sale and other assets

Net (gain) loss on divestitures and other

Net (gain) loss on divestitures and other

Net (gain) loss on divestitures and other

(Gain) loss on extinguishment of debt

(Gain) loss on extinguishment of debt

(Gain) loss on extinguishment of debt

Unrealized gains in earnings - net

Unrealized gains in earnings - net

Unrealized gains in earnings - net

Unrealized (gains) losses in earnings - net

Equity in (income) loss from equity method investments, net of dividends or distributions

Unrealized (gains) losses in earnings - net

Equity in (income) loss from equity method investments, net of dividends or distributions

Unrealized (gains) losses in earnings - net

Change in the fair value of market risk benefits in earnings, net

Change in the fair value of market risk benefits in earnings, net

Change in the fair value of market risk benefits in earnings, net

Equity in (income) loss from equity method investments, net of dividends or distributions

Equity in (income) loss from equity method investments, net of dividends or distributions

Equity in (income) loss from equity method investments, net of dividends or distributions

Depreciation and other amortization

Depreciation and other amortization

Depreciation and other amortization

Impairments of assets

Impairments of assets

Impairments of assets

Changes in operating assets and liabilities:

Changes in operating assets and liabilities:

Changes in operating assets and liabilities:

Insurance reserves

Insurance reserves

Insurance reserves

Premiums and other receivables and payables - net

Premiums and other receivables and payables - net
Premiums and other receivables and payables - net
Reinsurance assets, net
Reinsurance assets, net
Reinsurance assets, net
Capitalization of deferred policy acquisition costs
Capitalization of deferred policy acquisition costs
Capitalization of deferred policy acquisition costs
Current and deferred income taxes - net
Current and deferred income taxes - net
Current and deferred income taxes - net
Other, net
Other, net
Other, net
Total adjustments
Total adjustments
Total adjustments
Net cash provided by operating activities - continuing operations
Net cash provided by operating activities - continuing operations
Net cash provided by operating activities - continuing operations
Net cash used in operating activities - discontinued operations
Net cash used in operating activities - discontinued operations
Net cash used in operating activities - discontinued operations
Net cash provided by operating activities
Net cash provided by operating activities
Net cash provided by operating activities
Cash flows from investing activities:
Cash flows from investing activities:
Cash flows from investing activities:
Proceeds from (payments for)
Proceeds from (payments for)
Proceeds from (payments for)
Sales or distributions of:
Sales or distributions of:
Sales or distributions of:
Available for sale securities
Available for sale securities
Available for sale securities
Other securities
Other securities
Other securities
Other invested assets
Other invested assets
Other invested assets
Divestitures, net
Divestitures, net
Divestitures, net
Maturities of fixed maturity securities available for sale
Maturities of fixed maturity securities available for sale
Maturities of fixed maturity securities available for sale
Principal payments received on and sales of mortgage and other loans receivable

Principal payments received on and sales of mortgage and other loans receivable

Principal payments received on and sales of mortgage and other loans receivable

Purchases of:

Purchases of:

Purchases of:

Available for sale securities

Available for sale securities

Available for sale securities

Other securities

Other securities

Other securities

Other invested assets

Other invested assets

Other invested assets

Mortgage and other loans receivable

Mortgage and other loans receivable

Mortgage and other loans receivable

Net change in short-term investments

Net change in short-term investments

Net change in short-term investments

Other, net

Other, net

Other, net

Net cash provided by (used in) investing activities
Net cash provided by (used in) investing activities
Net cash provided by (used in) investing activities
Net cash provided by investing activities - continuing operations
Net cash provided by investing activities - continuing operations
Net cash provided by investing activities - continuing operations
Net cash used in investing activities - discontinued operations
Net cash used in investing activities - discontinued operations
Net cash used in investing activities - discontinued operations
Net cash used in investing activities
Net cash used in investing activities
Net cash used in investing activities
Cash flows from financing activities:
Cash flows from financing activities:
Cash flows from financing activities:
Proceeds from (payments for)
Proceeds from (payments for)
Proceeds from (payments for)
Policyholder contract deposits
Policyholder contract deposits
Policyholder contract deposits
Policyholder contract withdrawals
Policyholder contract withdrawals
Policyholder contract withdrawals
Issuance of long-term debt
Issuance of long-term debt
Issuance of long-term debt
Issuance of debt of consolidated investment entities

Issuance of debt of consolidated investment entities
Issuance of debt of consolidated investment entities
Repayments of long-term debt
Repayments of long-term debt
Repayments of long-term debt
Repayments of debt of consolidated investment entities
Repayments of debt of consolidated investment entities
Repayments of debt of consolidated investment entities
Purchase of common stock
Purchase of common stock
Purchase of common stock
Redemption of preferred stock
Redemption of preferred stock
Redemption of preferred stock
Dividends on preferred stock and preferred stock redemption premiums
Dividends on preferred stock and preferred stock redemption premiums
Dividends on preferred stock and preferred stock redemption premiums
Dividends on common stock
Dividends on common stock
Dividends on common stock
Other, net
Other, net
Other, net
Net cash provided by (used in) financing activities
Net cash provided by (used in) financing activities
Net cash provided by (used in) financing activities
Net cash used in financing activities - continuing operations
Net cash used in financing activities - continuing operations
Net cash used in financing activities - continuing operations
Net cash provided by financing activities - discontinued operations
Net cash provided by financing activities - discontinued operations
Net cash provided by financing activities - discontinued operations
Net cash used in financing activities
Net cash used in financing activities
Net cash used in financing activities
Effect of exchange rate changes on cash and restricted cash
Effect of exchange rate changes on cash and restricted cash
Effect of exchange rate changes on cash and restricted cash
Net decrease in cash and restricted cash
Net decrease in cash and restricted cash
Net decrease in cash and restricted cash
Net increase (decrease) in cash and restricted cash
Net increase (decrease) in cash and restricted cash
Net increase (decrease) in cash and restricted cash
Cash and restricted cash at beginning of year
Cash and restricted cash at beginning of year
Cash and restricted cash at beginning of year
Cash and restricted cash of held for sale assets
Cash and restricted cash of held for sale assets
Cash and restricted cash of held for sale assets
Cash and restricted cash at end of period

Cash and restricted cash at end of period

Cash and restricted cash at end of period

[TABLE OF CONTENTS](#)

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,
	Three Months Ended March 31,
	Three Months Ended March 31,
	Six Months Ended June 30,
	Six Months Ended June 30,
	Six Months Ended June 30,

(in millions)

Cash
Cash
Cash
Restricted cash included in Short-term investments*
Restricted cash included in Short-term investments*
Restricted cash included in Short-term investments*
Restricted cash included in Other assets*
Restricted cash included in Other assets*
Restricted cash included in Other assets*
Total cash and restricted cash shown in the Condensed Consolidated Statements of Cash Flows
Total cash and restricted cash shown in the Condensed Consolidated Statements of Cash Flows
Total cash and restricted cash shown in the Condensed Consolidated Statements of Cash Flows
Cash paid during the period for:
Cash paid during the period for:
Cash paid during the period for:
Interest
Interest
Interest
Taxes
Taxes
Taxes
Non-cash investing activities:
Non-cash investing activities:
Non-cash investing activities:
Fixed maturity securities available for sale received in connection with pension risk transfer transactions
Fixed maturity securities available for sale received in connection with pension risk transfer transactions
Fixed maturity securities available for sale received in connection with pension risk transfer transactions
Fixed maturity securities and other invested assets received in connection with reinsurance transactions

Fixed maturity securities and other invested assets received in connection with reinsurance transactions

Fixed maturity securities and other invested assets received in connection with reinsurance transactions

Fixed maturity securities and other invested assets transferred in connection with reinsurance transactions

Fixed maturity securities and other invested assets transferred in connection with reinsurance transactions

Fixed maturity securities and other invested assets transferred in connection with reinsurance transactions

Non-cash financing activities:

Non-cash financing activities:

Non-cash financing activities:

Interest credited to policyholder contract deposits included in financing activities

Interest credited to policyholder contract deposits included in financing activities

Interest credited to policyholder contract deposits included in financing activities

Fee income debited to policyholder contract deposits included in financing activities

Fee income debited to policyholder contract deposits included in financing activities

Fee income debited to policyholder contract deposits included in financing activities

* 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 six** months ended **March 31, 2024 June 30, 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 June 30, 2024** and prior to the issuance of these Condensed Consolidated Financial Statements. **Prior year Condensed Consolidated Financial Statements have been reclassified for comparative purpose to conform with the captions presented in the current year.**

SALES/DISPOSALS OF ASSETS AND BUSINESSES

AIG Life Limited Global Personal Travel Business

On **April 8, 2024 June 26, 2024**, Corebridge Financial, Inc. (Corebridge) completed AIG announced that it has entered into a definitive agreement to sell its global individual personal travel insurance and assistance business to Zurich Insurance Group for \$600 million in cash plus additional earn-out consideration. The sale is expected to close by the **sale end of AIG Life Limited (AIG Life) 2024**, subject to **Aviva plc and received gross proceeds customary closing conditions, including the receipt of £453 million (\$569 million). regulatory approvals.** 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.

Certain critical accounting estimates were eliminated as a result of the Corebridge deconsolidation. There were no changes to the remaining critical accounting estimates. For further details, see Note 4.

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 our AIG consolidated financial statements. 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 should be applied on a prospective basis, with the option to apply the standard retrospectively, but retrospective application is permitted. 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 will be applied retrospectively to all prior periods presented. We are assessing the impact of this standard.

3. Segment Information

WeAs a result of the Corebridge deconsolidation, we no longer present a Life and Retirement segment and no longer include asset management and Corebridge Life Holdings, Inc. interest and general expenses within the Other Operations segment. Historical results of Other Operations have been revised to reflect these changes. Previously reported results for the General Insurance segment were not impacted by the Corebridge deconsolidation. For further details on the separation of the Life and Retirement business, see Note 4.

As presented herein and reflecting the Corebridge deconsolidation, 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 and Note 4 herein and 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 and expenses from assets, including AIG’s ownership of Corebridge, 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. Reinsurance Company Ltd. (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) from continuing operations before income tax expense (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 June 30,	2024	2023
-----------------------------	------	------

	Adjusted		Adjusted	
	Revenues		Pre-tax Income (Loss)	
(in millions)				
General Insurance				
North America	\$	2,470	\$	163 ^(a)
International		3,279		267 ^(a)
Net investment income		746		725
Total General Insurance		6,495		1,176
Other Operations				
Other Operations before consolidation and eliminations		144		(158)
Consolidation and eliminations		(5)		—
Total Other Operations		139		(158)
Total		6,634		1,018
Reconciling items:				
Changes in the fair values of equity securities and AIG's investment in Corebridge		59		59
Other income (expense) - net		15		—
Gain (loss) on extinguishment of debt		—		(1)
Net investment income on Fortitude Re funds withheld assets		33		33
Net realized losses on Fortitude Re funds withheld assets		(1)		(1)
Net realized gains on Fortitude Re funds withheld embedded derivative		8		8
Net realized losses ^(b)		(188)		(186)
Net gain (loss) on divestitures and other		—		102
Non-operating litigation reserves and settlements		—		—
Favorable prior year development and related amortization changes ceded under retroactive reinsurance agreements		—		62
Net loss reserve discount charge		—		(26)
Pension expense related to lump sum payments to former employees		—		—
Integration and transaction costs associated with acquiring or divesting businesses		—		(18)
Restructuring and other costs ^(c)		—		(426)
Non-recurring costs related to regulatory or accounting changes		—		(7)
Revenues and pre-tax income	\$	6,560	\$	617
			\$	7,436
			\$	886

AIG |
First Second
Quarter 2024
10 Form 10-Q 11

[TABLE OF CONTENTS](#)

ITEM 1 | [Notes to Condensed Consolidated Financial Statements \(unaudited\)](#) | 3. Segment Information

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

Three Months Ended March 31,
Three Months Ended March 31,
Three Months Ended March 31,
Six Months Ended June 30,
Six Months Ended June 30,
Six Months Ended June 30,

(in millions)

(in millions)

(in millions)

General Insurance

General Insurance														
General Insurance														
North America														
North America														
North America		\$ 2,502	\$	\$ 224	(a)	(a)		\$ 2,980	\$ 299	(a)	(a)	\$ 4,972	\$	\$
International		International	3,284	372	372	(a)	(a)		3,279	203		203	(a)	(a)
Net investment income														
Total General Insurance														
Total General Insurance														
Total General Insurance														
Life and Retirement														
Life and Retirement														
Life and Retirement														
Individual Retirement														
Individual Retirement														
Individual Retirement														
Group Retirement														
Group Retirement														
Group Retirement														
Life Insurance														
Life Insurance														
Life Insurance														
Institutional Markets														
Institutional Markets														
Institutional Markets														
Total Life and Retirement														
Total Life and Retirement														
Total Life and Retirement														
Other Operations														
Other Operations														
Other Operations														
Other Operations before consolidation and eliminations														
Other Operations before consolidation and eliminations														
Other Operations before consolidation and eliminations														
AIG consolidation and eliminations														
AIG consolidation and eliminations														
AIG consolidation and eliminations														
Total Other Operations														
Total Other Operations														
Total Other Operations														
Total														
Total														
Total														
Reconciling items:														
Reconciling items:														
Reconciling items:														
Changes in fair value of securities used to hedge guaranteed living benefits														
Changes in fair value of securities used to hedge guaranteed living benefits														

Changes in fair value of securities used to hedge
guaranteed living benefits

Change in the fair value of market risk benefits, net^(a)

Change in the fair value of market risk benefits, net^(a)

Change in the fair value of market risk benefits, net^(a)

Changes in benefit reserves related to net realized gains
(losses)

Changes in benefit reserves related to net realized gains
(losses)

Changes in benefit reserves related to net realized gains
(losses)

Changes in the fair value of equity securities

Changes in the fair value of equity securities

Changes in the fair value of equity securities

Changes in the fair values of equity securities and AIG's
investment in Corebridge

Changes in the fair values of equity securities and AIG's
investment in Corebridge

Changes in the fair values of equity securities and AIG's
investment in Corebridge

Other income (expense) - net

Other income (expense) - net

Other income (expense) - net

Gain (loss) on extinguishment of debt

Gain (loss) on extinguishment of debt

Gain (loss) on extinguishment of debt

Net investment income on Fortitude Re funds withheld
assets

Net investment income on Fortitude Re funds withheld
assets

Net investment income on Fortitude Re funds withheld
assets

Net realized losses on Fortitude Re funds withheld assets

Net realized losses on Fortitude Re funds withheld assets

Net realized losses on Fortitude Re funds withheld assets

Net realized gains (losses) on Fortitude Re funds withheld
embedded derivative

Net realized gains (losses) on Fortitude Re funds withheld
embedded derivative

Net realized gains (losses) on Fortitude Re funds withheld
embedded derivative

Net realized losses^(c)

Net realized losses^(c)

Net realized losses^(c)

Net realized losses on Fortitude Re funds withheld
embedded derivative

Net realized losses on Fortitude Re funds withheld
embedded derivative

Net realized losses on Fortitude Re funds withheld
embedded derivative

Net realized losses^(b)

Net realized losses^(b)

Net realized losses^(b)

Net gain (loss) on divestitures and other

Net gain (loss) on divestitures and other

Net gain (loss) on divestitures and other

Non-operating litigation reserves and settlements

Non-operating litigation reserves and settlements

Non-operating litigation reserves and settlements

(Unfavorable) favorable prior year development and related amortization changes ceded under retroactive reinsurance agreements

(Unfavorable) favorable prior year development and related amortization changes ceded under retroactive reinsurance agreements

(Unfavorable) favorable prior year development and related amortization changes ceded under retroactive reinsurance agreements

Net loss reserve discount benefit (charge)

Net loss reserve discount benefit (charge)

Net loss reserve discount benefit (charge)

Pension expense related to lump sum payments to former employees

Pension expense related to lump sum payments to former employees

Pension expense related to lump sum payments to former employees

Integration and transaction costs associated with acquiring or divesting businesses

Integration and transaction costs associated with acquiring or divesting businesses

Integration and transaction costs associated with acquiring or divesting businesses

Restructuring and other costs

Restructuring and other costs

Restructuring and other costs

Non-recurring costs related to regulatory or accounting changes

Non-recurring costs related to regulatory or accounting changes

Non-recurring costs related to regulatory or accounting changes

Net impact from elimination of international reporting lag^(a)

Net impact from elimination of international reporting lag^(a)

Net impact from elimination of international reporting lag^(a)

Revenues and pre-tax income (loss)
Revenues and pre-tax income (loss)
Revenues and pre-tax income (loss)
Revenues and pre-tax income
Revenues and pre-tax income
Revenues and pre-tax income

(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).

(c) In the second quarter of 2024, Restructuring and other costs increased primarily as a result of employee-related costs, including severance, and real estate impairment charges.

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

For the three months ended June 30, 2024, we recorded a severance charge of \$285 million and asset impairment of \$53 million as a result of restructuring activities.

AIG | First Quarter 2024 Form 10-Q

11

[TABLE OF CONTENTS](#)

ITEM 1 | Notes to Condensed Consolidated Financial Statements (unaudited) | 4. Held-For-Sale Classification

4. Held-For-Sale Classification & Discontinued Operations Presentation

HELD-FOR-SALE CLASSIFICATION

We report and classify a business or a component of an entity 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 June 30, 2024, the following businesses and assets were reported and classified as held-for-sale:

AIG Life Limited

On April 8, 2024, Corebridge completed held-for-sale primarily consisted of our global individual personal travel insurance and assistance business and did not meet 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:

(in millions)	March 31, 2024			December 31, 2023		
	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 criteria 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. discontinued operations.

12

AIG | First Second Quarter 2024 Form 10-Q

[TABLE OF CONTENTS](#)

Nippon Sale

On May 16, 2024, AIG entered into a stock purchase agreement with Corebridge Financial, Inc. (Corebridge), the holding company for AIG's Life and Retirement business, and Nippon Life Insurance Company, a mutual company (sougogaisha) organized under the laws of Japan (Nippon), pursuant to which AIG agreed to sell 121,956,256 shares of common stock of Corebridge, representing approximately 20 percent of the issued and outstanding common stock at signing, to Nippon for aggregate consideration of \$3.8 billion in cash. The transaction is expected to close in the first quarter of 2025, subject to certain closing conditions, including the receipt of regulatory approvals. As a result, Corebridge met the criteria to be presented as held for sale and discontinued operations. However, on June 9, 2024, AIG met the requirements for the deconsolidation of Corebridge. *For further details, see Discontinued Operations Presentation below.*

Global Personal Travel Business

On June 26, 2024, AIG entered into a definitive agreement to sell its global individual personal travel insurance and assistance business to Zurich Insurance Group for \$600 million in cash plus additional earn-out consideration. The agreement includes the Travel Guard business and its servicing capabilities, excluding our travel insurance businesses in Japan and our AIG joint venture arrangement in India. Travel coverages offered through AIG's Accident & Health business are also excluded from this agreement. The sale is expected to close by the end of 2024, subject to customary closing conditions, including regulatory approvals. The results of our global individual personal travel insurance and assistance business are reported in General Insurance.

DISCONTINUED OPERATIONS PRESENTATION

We present a business, or a component of an entity, as discontinued operations if a) it meets the held-for-sale criteria, or is disposed of by sale, or is disposed of other than by sale, and b) the disposal of the business, or component of an entity, represents a strategic shift that has (or will have) a major effect on AIG's financial results.

On June 3, 2024, AIG closed on a secondary offering of 30 million shares of Corebridge common stock. The sale was recorded as an equity transaction as AIG controlled Corebridge as of the transaction date. The aggregate gross proceeds of the offering, before deducting underwriting discounts and commission and other expenses payable by AIG, were \$876 million. As a result of the offering, AIG recorded an increase of \$261 million in Total AIG shareholders' equity. On July 2, 2024, the underwriters exercised their option to purchase an additional 1.9 million shares which reduced AIG's remaining investment in Corebridge reported in Other invested assets.

In September 2022, AIG closed on the initial public offering of Corebridge. Since September 2022 and through June 9, 2024, AIG sold portions of its interests in Corebridge through secondary public offerings. On June 9, 2024, AIG held 48.4 percent of Corebridge common stock, waived its right to majority representation on the Corebridge Board of Directors and one of AIG's designees resigned from the Corebridge Board of Directors as of June 9, 2024 (Deconsolidation Date). As a result, AIG met the requirements for the deconsolidation of Corebridge. The historical financial results of Corebridge, for all periods presented, are reflected in these Condensed Consolidated Financial Statements as discontinued operations.

Due to share repurchases by Corebridge after the Deconsolidation Date, as of June 30, 2024, AIG held 49.0 percent of the outstanding common stock of Corebridge.

The assets and liabilities of Corebridge are classified as Assets of discontinued operations and Liabilities of discontinued operations in AIG's Condensed Consolidated Balance Sheets as of December 31, 2023. The results of operations of Corebridge are reported as discontinued operations for all periods presented in the Condensed Consolidated Statement of Income (Loss). AIG recognized a loss of \$4.7 billion as a result of the deconsolidation (mainly due to the recognition of accumulated comprehensive loss of \$7.2 billion). The loss is recorded as a component of discontinued operations. Corebridge was previously reported in Life and Retirement and Other Operations.

Subsequent to the Deconsolidation Date, AIG has elected the fair value option and will reflect its retained interest in Corebridge as an equity method investment in Other invested assets in AIG's Condensed Consolidated Balance Sheets using Corebridge's stock price as its fair value. Dividends received from Corebridge and changes in its stock price are recognized in Net investment income in AIG's Condensed Consolidated Financial Statements.

The following provides financial information related to Corebridge as an equity method investee as if Corebridge was an equity method investee for the periods presented. The "Equity method income (loss) related to Corebridge (based on fair value)" assumes a retained interest in Corebridge of 49.0 percent and is calculated based on the changes in Corebridge's stock price for the periods presented.

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
(in millions)	2024	2023	2024	2023
Corebridge pre-tax income	\$ 361	\$ 980	\$ 1,354	\$ 347
Equity method income (loss) related to Corebridge (based on fair value)	\$ 115	\$ 482	\$ 2,195	\$ (706)

The following table summarizes the components of assets and liabilities held-for-sale and assets and liabilities of discontinued operations on the Condensed Consolidated Balance Sheets at June 30, 2024 and December 31, 2023:

	June 30, 2024	December 31, 2023
		Corebridge (Assets and Liabilities of Discontinued Operations)
	Assets and Liabilities Held for Sale	Assets and Liabilities Held for Sale
(in millions)		
Assets:		
Investments:		

Fixed maturity securities:						
Bonds available for sale, at fair value, net of allowance for credit losses	\$	14	\$	166,657	\$	14
Other bond securities, at fair value		—		4,579		—
Equity securities, at fair value		—		63		—
Mortgage and other loans receivable, net of allowance for credit losses		—		46,732		—
Other invested assets		—		9,916		—
Short-term investments		15		4,346		1
<hr/>						
Total investments		29		232,293		15
Cash		90		618		—
Accrued investment income		—		2,011		—
Premiums and other receivables, net of allowance for credit losses and disputes		42		709		9
Reinsurance assets - Fortitude Re, net of allowance for credit losses and disputes		—		26,772		—
Reinsurance assets - other, net of allowance for credit losses and disputes		6		2,519		3
Deferred income taxes		(10)		8,307		—
Deferred policy acquisition costs		—		10,782		—
Market risk benefit assets, at fair value		—		912		—
Other assets, net of allowance for credit losses ^(a)		28		2,820		3
Separate account assets, at fair value		—		91,005		—
<hr/>						
Total assets held for sale/assets of discontinued operations	\$	185	\$	378,748	\$	30
<hr/>						
Liabilities:						
Liability for unpaid losses and loss adjustment expenses, including allowance for credit losses	\$	24	\$	—	\$	19
Unearned premiums		12		65		7
Future policy benefits for life and accident and health insurance contracts		—		57,946		—
Policyholder contract deposits		—		161,979		—
Market risk benefit liabilities, at fair value		—		5,705		—
Other policyholder funds		—		2,862		—
Fortitude Re funds withheld payable		—		25,957		—
Other liabilities		117		8,790		2
Short-term and long-term debt		—		9,420		—
Debt of consolidated investment entities		—		2,360		—
Separate account liabilities		—		91,005		—
<hr/>						
Total liabilities held for sale/liabilities of discontinued operations	\$	153	\$	366,089	\$	28

(a) Other assets, net of allowance for credit losses includes goodwill and other intangibles of \$116 million and \$3 million, respectively, for Corebridge at December 31, 2023.

The following table presents the amounts related to the operations of Corebridge that have been reflected in Net income from discontinued operations:

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
(in millions)	2024	2023	2024	2023
Revenues:				
Premiums	\$ 428	\$ 2,442	\$ 2,723	\$ 4,548
Policy fees	555	693	1,269	1,392
Net investment income	2,314	2,732	5,238	5,420
Net realized gains (losses)	(587)	(281)	(923)	(1,680)
Other income	155	193	372	375
Total revenues	2,865	5,779	8,679	10,055
Benefits, losses and expenses:				
Policyholder benefits and losses incurred	811	2,879	3,618	5,372
Change in the fair value of market risk benefits, net	20	(262)	(350)	(66)
Interest credited to policyholder account balances	980	1,063	2,184	2,102

[TABLE OF CONTENTS](#)

ITEM 1 | Notes to Condensed Consolidated Financial Statements (unaudited) | 4. Held-For-Sale Classification & Discontinued Operations Presentation

(in millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Amortization of deferred policy acquisition costs	199	257	465	511
General operating and other expenses	574	772	1,350	1,512
Interest expense	106	149	249	331
Net (gain) loss on divestitures and other	(186)	(59)	(191)	(54)
Total benefits, losses and expenses	2,504	4,799	7,325	9,708
Income (loss) from discontinued operations before income tax expense (benefit) and loss on disposal of discontinued operations	361	980	1,354	347
Income tax expense (benefit)	36	130	226	(79)
Income (loss) from discontinued operations, net of income taxes before loss on disposal of discontinued operations	325	850	1,128	426
Loss on disposition of operations, net of tax	(4,684)	—	(4,684)	—
Income (loss) from discontinued operations, net of income taxes	(4,359)	850	(3,556)	426
Less: Net income (loss) from discontinued operations attributable to noncontrolling interests	93	198	477	81
Net income (loss) from discontinued operations attributable to AIG	\$ (4,452)	\$ 652	\$ (4,033)	\$ 345

DISCONTINUED OPERATIONS LOSS PRESENTATION

The loss recognized for the deconsolidation of Corebridge includes (i) \$8.5 billion of retained investment in Corebridge (Corebridge's quoted stock price is used for fair value measurement, which is classified as level 1 in the fair value hierarchy), (ii) \$817 million of certain other investments (considered level 3 in the fair value hierarchy) which are measured based on valuation techniques (i.e., third party appraisals) that use significant inputs (i.e., terminal capital rate and discount rate), and (iii) \$378 million of an unsettled receivable. *For details on fair value hierarchy, see Note 5.* The loss on deconsolidation of Corebridge is calculated as follows:

(in millions)	
Corebridge retained investment (48.4% @28.90 per share at June 9, 2024)	\$ 8,502
Retained Interest in certain investment entities and other assets	1,195
Net fair value of assets retained	9,697
Corebridge book value at June 9, 2024	12,392
Less: Noncontrolling interests	5,732
Corebridge book value excluding noncontrolling interest	6,660
Gain on sale pre-tax	3,037
Tax expense	507
Subtotal: After tax gain	2,530
Reclassification adjustment of Accumulated other comprehensive loss at June 9, 2024	(7,214)
Loss on sale of Corebridge - after-tax	\$ (4,684)

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.

[TABLE OF CONTENTS](#)

ITEM 1 | Notes to Condensed Consolidated Financial Statements (unaudited) | 5. Fair Value Measurements

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.

[TABLE OF CONTENTS](#)

ITEM 1 | Notes to Condensed Consolidated Financial Statements (unaudited) | 5. Fair Value Measurements

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				Counterparty	Cash		
June 30, 2024	Level 1	Level 2	Level 3	Netting ^(a)	Collateral	Total	Total
(in millions)	Level 1	Level 2				Level 3	Total
Assets:							
Assets:							
Assets:							
Bonds available for sale:							
Bonds available for sale:							
Bonds available for sale:							
U.S. government and government sponsored entities							
U.S. government and government sponsored entities							
U.S. government and government sponsored entities							
Obligations of states, municipalities and political subdivisions							
Non-U.S. governments							
Corporate debt							
RMBS							
CMBS							
CLO/ABS							
Total bonds available for sale							
Other bond securities:							
Obligations of states, municipalities and political subdivisions							
Obligations of states, municipalities and political subdivisions							
Obligations of states, municipalities and political subdivisions							
Non-U.S. governments							
Corporate debt							
RMBS							
CMBS							
CLO/ABS							
Total other bond securities							
Equity securities							
Other invested assets ^(a)							

Derivative assets ^(c) :
Interest rate contracts
Interest rate contracts
Interest rate contracts
Foreign exchange contracts
Equity contracts
Credit contracts
Credit contracts
Credit contracts
Other contracts
Counterparty netting and cash collateral
Total derivative assets
Short-term investments
Market risk benefit assets
Other assets ^(c)
Separate account assets
Other assets ^(c)
Other assets ^(c)
Total ^(d)
Total ^(d)
Total ^(d)
Liabilities:
Policyholder contract deposits
Policyholder contract deposits
Policyholder contract deposits
Market risk benefit liabilities
Derivative liabilities ^(c) :
Derivative liabilities ^(c) :
Derivative liabilities ^(c) :
Interest rate contracts
Interest rate contracts
Interest rate contracts
Foreign exchange contracts
Equity contracts
Credit contracts
Other contracts
Credit contracts
Credit contracts
Counterparty netting and cash collateral
Counterparty netting and cash collateral
Counterparty netting and cash collateral
Total derivative liabilities
Fortitude Re funds withheld payable
Other liabilities
Long-term debt
Total
Total
Total

December 31, 2023	December 31, 2023			Counterparty		Cash	December 31, 2023				Counterparty	Cash		
(in millions)	Level 1	Level 2	Level 3	Netting ^(a)	Collateral	Total		Level 1	Level 2	Level 3	Netting ^(a)	Collateral	Total	
Assets:														
Assets:														
Assets:														
Bonds available for sale:														
Bonds available for sale:														
Bonds available for sale:														
U.S. government and government sponsored entities														
U.S. government and government sponsored entities														
U.S. government and government sponsored entities														
Obligations of states, municipalities and political subdivisions														
Non-U.S. governments														
Corporate debt														
RMBS														
CMBS														
CLO/ABS														
Total bonds available for sale														
Other bond securities:														
Obligations of states, municipalities and political subdivisions														
Obligations of states, municipalities and political subdivisions														
Obligations of states, municipalities and political subdivisions														
Non-U.S. governments														
Corporate debt														
RMBS														
CMBS														
CLO/ABS														
Total other bond securities														
Equity securities														
Other invested assets ^(b)														
Derivative assets ^(c) :														
Interest rate contracts														
Interest rate contracts														
Interest rate contracts														
Foreign exchange contracts														
Equity contracts														
Credit contracts														
Credit contracts														
Credit contracts														
Other contracts														
Counterparty netting and cash collateral														
Total derivative assets														
Short-term investments														
Market risk benefit assets														
Other assets ^(c)														
Separate account assets														
Other assets ^(c)														
Other assets ^(c)														
Total ^(d)														
Total ^(d)														
Total ^(d)														
Liabilities:														
Policyholder contract deposits														
Policyholder contract deposits														
Policyholder contract deposits														

Market risk benefit liabilities
Derivative liabilities ^(c) :
Derivative liabilities ^(c) :
Derivative liabilities ^(c) :
Interest rate contracts
Interest rate contracts
Interest rate contracts
Foreign exchange contracts
Equity contracts
Credit contracts
Other contracts
Credit contracts
Credit contracts
Counterparty netting and cash collateral
Counterparty netting and cash collateral
Counterparty netting and cash collateral
Total derivative liabilities
Fortitude Re funds withheld payable
Other liabilities
Long-term debt
Total
Total
Total

- (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** **\$3.6 billion** and **\$9.5 billion** **\$3.8 billion** as of **March 31**, **June 30**, 2024 and December 31, 2023, respectively. **As of June 30, 2024, includes AIG's ownership interest in Corebridge of \$8.6 billion on which AIG elected the fair value option.**
- (c) Presented as part of Other assets and Other liabilities on the Condensed Consolidated Balance Sheets.
- (d) Excludes **\$176** **\$22** million and **\$182** **\$15** million as of **March 31, 2024** **June 30, 2024** and December 31, 2023, respectively, of assets reclassified to Assets held for sale on the Condensed Consolidated Balance Sheets.

[TABLE OF CONTENTS](#)

ITEM 1 | Notes to Condensed Consolidated Financial Statements (unaudited) | 5. Fair Value Measurements

CHANGES IN LEVEL 3 RECURRING FAIR VALUE MEASUREMENTS

The following tables present changes during the three and six months ended **March 31, 2024** **June 30, 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** **June 30, 2024** and 2023:

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Three Months Ended
June 30, 2024

Assets:

Assets:

Assets:

Bonds available for sale:

Bonds available for sale:

Bonds available for sale:

Obligations of states,
municipalities and political
subdivisions

Obligations of states,
municipalities and political
subdivisions

Obligations of states,
municipalities and political
subdivisions

Non-U.S.
governments

Corporate debt

RMBS

CMBS

CLO/ABS

Total bonds available
for sale

Other bond securities:

Obligations of states,
municipalities and political
subdivisions

Obligations of states,
municipalities and political
subdivisions

Obligations of states,
municipalities and political
subdivisions

Corporate debt

Corporate Debt

Corporate Debt

Corporate Debt

RMBS

CMBS

CLO/ABS

CLO/ABS

CLO/ABS

Total other bond
securities

Equity securities

Other invested assets

Other assets

Total_(a)

Total

Liabilities:	
Policyholder contract deposits	
Policyholder contract deposits	
Policyholder contract deposits	
Derivative liabilities, net:	
Derivative liabilities, net:	
Derivative liabilities,	
net:	
Interest rate contracts	
Interest rate contracts	
Interest rate contracts	
Foreign exchange contracts	
Equity contracts	
Other contracts	
Other contracts	
Other contracts	
Total derivative liabilities, net ₍₃₎	
Total derivative liabilities, net ₍₄₎	
Fortitude Re funds withheld payable	
Other Liabilities	
Total ₍₅₎	
Total	

		MRBs and Net Realized and Unrealized Gains (Losses)	Other Comprehensive Income (Loss)	Purchases, Sales, 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
(in millions)	Fair Value Beginning of Year	(Losses) Included in Income	Comprehensive Income (Loss)	Settlements, Net	Transfers In	Transfers Out	Other	Value End of Period	Income on Instruments Held at End of Period	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
		MRBs and Net Realized and Unrealized (Gains) Losses	Other Comprehensive Income (Loss)	Purchases, Sales, 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
(in millions)	Fair Value Beginning of Year	(Losses) Included in Income	Comprehensive Income (Loss)	Settlements, Net	Transfers In	Transfers Out	Other	Value End of Period	Income on Instruments Held at End of Period	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.

		Net Realized		Purchases,					Changes in	Changes in
		and		Sales,					Unrealized	Unrealized
		Unrealized		Issuances					Gains	Gains
		(Losses)		and					(Losses)	(Losses)
		Gains		Settlements,	Gross	Gross		Fair	Included in	Included in
	Fair Value	(Losses)	Other	Net	Transfers	Transfers	Other	Value	Income on	Income (Loss) for
	Beginning	Included	Comprehensive		In	Out		End of	Instruments	Recurring Level 3
(in millions)	of Period	in Income	Income (Loss)					Period	Held at End	Instruments Held
									of Period	at End of Period
Three Months Ended June 30, 2023										
Assets:										
Bonds available for sale:										
Obligations of states, municipalities and political subdivisions	\$ 15	\$ —	\$ 1	\$ —	\$ —	\$ —	\$ —	\$ 16	\$ —	\$ —
Non-U.S. governments	9	—	1	(2)	—	(2)	—	6	—	1
Corporate debt	728	(4)	10	(131)	1	(186)	—	418	—	4
RMBS	1,896	30	56	(36)	—	(43)	(35)	1,868	—	56
CMBS	220	(22)	(2)	—	—	(148)	—	48	—	(4)
CLO/ABS	1,524	(15)	3	(99)	6	(32)	9	1,396	—	(9)
Total bonds available for sale	4,392	(11)	69	(268)	7	(411)	(26)	3,752	—	48
Other bond securities:										
Corporate debt	—	—	—	44	—	—	—	44	—	—
RMBS	52	2	—	(2)	—	—	—	52	(4)	—
CLO/ABS	176	(3)	—	(19)	—	—	—	154	(25)	—
Total other bond securities	228	(1)	—	23	—	—	—	250	(29)	—
Equity securities	25	2	—	—	2	(1)	—	28	2	—
Other invested assets	235	1	—	(9)	—	—	—	227	(3)	—
Other assets	110	—	—	1	—	—	—	111	—	—
Total	\$ 4,990	\$ (9)	\$ 69	\$ (253)	\$ 9	\$ (412)	\$ (26)	\$ 4,368	\$ (30)	\$ 48
		Net		Purchases,					Changes in	Changes in
		Realized		Sales,					Unrealized	Unrealized
		and		Issuances					Gains	Gains
		Unrealized		and	Gross	Gross			(Losses)	(Losses)
		(Gains)		Settlements,	Transfers	Transfers		Fair	Included in	Included in
	Fair Value	Losses	Other	Net	In	Out	Other	Value	Income on	Income (Loss) for
	Beginning	Included	Comprehensive					End of	Instruments	Recurring Level 3
(in millions)	of Period	in Income	Income (Loss)					Period	Held at End	Instruments Held
									of Period	at End of Period
Liabilities:										
Derivative liabilities, net:										
Interest rate contracts	\$ (355)	\$ 26	\$ —	\$ (10)	\$ —	\$ —	\$ —	\$ (339)	\$ —	\$ (21)
Foreign exchange contracts	—	2	—	—	—	—	—	2	—	(2)
Equity contracts	(328)	2	—	(73)	—	—	—	(399)	4	—
Credit contracts	—	(1)	—	1	—	—	—	—	—	—
Other contracts	(1)	—	—	—	—	—	—	(1)	1	—
Total derivative liabilities, net(a)	(684)	29	—	(82)	—	—	—	(737)	5	(23)
Fortitude Re funds withheld payable	(167)	(58)	—	(44)	—	—	—	(269)	78	—
Other liabilities	112	(14)	—	—	—	—	—	98	—	—
Total	\$ (739)	\$ (43)	\$ —	\$ (126)	\$ —	\$ —	\$ —	\$ (908)	\$ 83	\$ (23)

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)
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:

[illegible]

Policyholder contract deposits
Policyholder contract deposits
Derivative liabilities, net
Fortitude Re funds withheld payable
Total
Total
Total
Three Months Ended March 31, 2023
Six Months Ended June 30, 2023

Assets:

Assets:

Assets:

Bonds available for sale:

Bonds available for sale:

Bonds available for sale:

- Obligations of states, municipalities and political subdivisions
- Obligations of states, municipalities and political subdivisions
- Obligations of states, municipalities and political subdivisions

- Corporate Debt
- Corporate Debt
- Corporate Debt

- Non-U.S. governments
- Corporate debt

- RMBS
- CMBS
- CLO/ABS

Total bonds available for sale

Other bond securities:

- Obligations of states, municipalities and political subdivisions
- Obligations of states, municipalities and political subdivisions
- Obligations of states, municipalities and political subdivisions
- Corporate debt
- Corporate debt

- Corporate debt
- RMBS
- CLO/ABS
- CLO/ABS
- CLO/ABS

Total other bond securities

Equity securities

Other invested assets

- Other assets
- Other assets

Other assets

Total

Liabilities:	
Policyholder contract deposits	
Policyholder contract deposits	
Policyholder contract deposits	
Derivative liabilities, net	
Derivative liabilities, net:	
Derivative liabilities, net:	
Derivative liabilities, net:	
Interest rate contracts	
Interest rate contracts	
Interest rate contracts	
Foreign exchange contracts	
Equity contracts	
Credit contracts	
Other contracts	
Total derivative liabilities, net ^(a)	
Fortitude Re funds withheld payable	
Other liabilities	
Total	
Total	
Total	

AIG | Second Quarter 2024 Form 10-Q 21

ITEM 1 | Notes to Condensed Consolidated Financial Statements (unaudited) | 5. Fair Value Measurements

(in millions)		Net Investment Income		Net Realized Gains (Losses)	Total
Three Months Ended June 30, 2024					
Assets:					
Bonds available for sale	\$	25	\$	(2)	\$ 23

Other bond securities		2		—		2
Other invested assets		(4)		—		(4)
Three Months Ended June 30, 2023						
Assets:						
Bonds available for sale	\$	4	\$	(15)	\$	(11)
Other bond securities		(1)		—		(1)
Equity securities		2		—		2
Other invested assets		1		—		1
Six Months Ended June 30, 2024						
Assets:						
Bonds available for sale	\$	40	\$	(8)	\$	32
Other bond securities		1		—		1
Other invested assets		(13)		—		(13)
Six Months Ended June 30, 2023						
Assets:						
Bonds available for sale	\$	37	\$	(16)	\$	21
Other bond securities		3		—		3
Equity securities		2		—		2
Other invested assets		(7)		—		(7)
			Net			
			Investment	Net Realized		
			Income	(Gains) Losses		Total
<i>(in millions)</i>						
Three Months Ended June 30, 2024						
Liabilities:						
Derivative liabilities, net	\$	—	\$	(12)	\$	(12)
Fortitude Re funds withheld payable		—		(8)		(8)
Other Liabilities		—		28		28
Three Months Ended June 30, 2023						
Liabilities:						
Derivative liabilities, net	\$	—	\$	29	\$	29
Fortitude Re funds withheld payable		—		(58)		(58)
Other Liabilities		—		(14)		(14)
Six Months Ended June 30, 2024						
Liabilities:						
Derivative liabilities, net	\$	—	\$	40	\$	40
Fortitude Re funds withheld payable		—		1		1
Other Liabilities		—		(2)		(2)
Six Months Ended June 30, 2023						
Liabilities:						
Derivative liabilities, net	\$	—	\$	15	\$	15
Fortitude Re funds withheld payable		—		82		82
Other Liabilities		—		(14)		(14)

The following table presents the gross components of purchases, sales, issuances and settlements, net, shown above, for the three and six months ended June 30, 2024 and 2023 related to Level 3 assets and liabilities in the Condensed Consolidated Balance Sheets:

	Purchases		Sales		Issuances and Settlements ^(a)		Purchases, Sales, Issuances and Settlements, Net ^(a)	
(in millions)								
Three Months Ended June 30, 2024								
Assets:								
Bonds available for sale:								
Non-U.S. governments	\$	4	\$	—	\$	(4)	\$	—
Corporate debt		5		—		(27)		(22)
RMBS		—		—		(75)		(75)
CMBS		—		—		(18)		(18)
CLO/ABS		6		—		(53)		(47)
Total bonds available for sale		15		—		(177)		(162)
Other bond securities:								
RMBS		—		(1)		(1)		(2)
CLO/ABS		—		—		(3)		(3)
Total other bond securities		—		(1)		(4)		(5)
Other invested assets		—		—		(36)		(36)
Other assets		—		—		1		1
Total	\$	15	\$	(1)	\$	(216)	\$	(202)
Liabilities:								
Derivative liabilities, net	\$	—	\$	—	\$	156	\$	156
Fortitude Re funds withheld payable		—		—		(27)		(27)
Other liabilities		—		—		(21)		(21)
Total	\$	—	\$	—	\$	108	\$	108
Three Months Ended June 30, 2023								
Assets:								
Bonds available for sale:								
Non-U.S. governments	\$	—	\$	—	\$	(2)	\$	(2)
Corporate debt		—		—		(131)		(131)
RMBS		46		—		(82)		(36)
CMBS		—		(5)		5		—
CLO/ABS		77		(148)		(28)		(99)
Total bonds available for sale		123		(153)		(238)		(268)
Other bond securities:								
Corporate debt		20		—		24		44
RMBS		—		—		(2)		(2)
CLO/ABS		—		4		(23)		(19)
Total other bond securities		20		4		(1)		23
Other invested assets		(1)		—		(8)		(9)
Other assets		—		—		1		1
Total	\$	142	\$	(149)	\$	(246)	\$	(253)
Liabilities:								
Derivative liabilities, net	\$	(105)	\$	1	\$	22	\$	(82)
Fortitude Re funds withheld payable		—		—		(44)		(44)
Total	\$	(105)	\$	1	\$	(22)	\$	(126)

ITEM 1 | Notes to Condensed Consolidated Financial Statements (unaudited) | 5. Fair Value Measurements

	Purchases		Sales		Issuances and Settlements ^(a)		Purchases, Sales, Issuances and Settlements, Net ^(a)
(in millions)							
Six Months Ended June 30, 2024							
Assets:							
Bonds available for sale:							
Obligations of states, municipalities and political subdivisions	\$	1	\$	—	\$	—	\$ 1
Non-U.S. governments		4		—		(4)	—
Corporate debt		11		(3)		(68)	(60)
RMBS		—		(1)		(149)	(150)
CMBS		—		—		(18)	(18)
CLO/ABS		66		(2)		(130)	(66)
Total bonds available for sale		82		(6)		(369)	(293)
Other bond securities:							
RMBS		3		(1)		(2)	—
CLO/ABS		11		—		(6)	5
Total other bond securities		14		(1)		(8)	5
Other invested assets		1		—		(40)	(39)
Other assets		—		—		(113)	(113)
Total	\$	97	\$	(7)	\$	(530)	\$ (440)
Liabilities:							
Derivative liabilities, net	\$	—	\$	—	\$	374	\$ 374
Fortitude Re funds withheld payable		—		—		(7)	(7)
Other Liabilities		—		—		(21)	(21)
Total	\$	—	\$	—	\$	346	\$ 346
Six Months Ended June 30, 2023							
Assets:							
Bonds available for sale:							
Obligations of states, municipalities and political subdivisions	\$	1	\$	(4)	\$	(2)	\$ (5)
Non-U.S. governments		—		—		(2)	(2)
Corporate Debt		8		—		(355)	(347)
RMBS		170		(19)		(169)	(18)
CMBS		1		(5)		5	1
CLO/ABS		107		(151)		(39)	(83)
Total bonds available for sale		287		(179)		(562)	(454)
Other bond securities:							
Corporate debt		20		—		24	44
RMBS		—		—		(15)	(15)
CLO/ABS		14		—		(27)	(13)
Total other bond securities		34		—		(18)	16
Equity securities		5		—		(1)	4
Other invested assets		1		—		(11)	(10)
Other assets		—		—		4	4
Total	\$	327	\$	(179)	\$	(588)	\$ (440)
Liabilities:							
Derivative liabilities, net	\$	(316)	\$	4	\$	143	\$ (169)
Fortitude Re funds withheld payable		—		—		(310)	(310)
Total	\$	(316)	\$	4	\$	(167)	\$ (479)

(a) There were no issuances during the three and six months ended March 31, 2024 June 30, 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 June 30, 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 Other comprehensive income (loss) (OCI) as shown in the table above excludes \$(24) million and \$(27) million of net gains (losses) related to assets and liabilities transferred into Level 3 during the three and six months ended June 30, 2024, respectively, and includes \$1 million and \$1 million of net gains (losses) related to assets and liabilities transferred out of Level 3 during the three and six months ended June 30, 2024, respectively.

The Net realized and unrealized gains (losses) included in income (loss) or OCI as shown in the table above excludes \$(11) \$0 million and \$7 \$1 million of net gains (losses) related to assets and liabilities transferred into Level 3 during the three and six months ended March 31, 2024 and 2023, June 30, 2023, respectively, and includes \$4 \$(9) million and \$(5) \$(9) million of net gains (losses) related to assets and liabilities transferred out of Level 3 during the three and six months ended March 31, 2024 and 2023, June 30, 2023, respectively.

Transfers of Level 3 Assets

During the three and six months ended March 31, 2024 June 30, 2024 and 2023, transfers into Level 3 assets primarily included certain investments in private placement corporate debt, commercial mortgage-backed securities (CMBS), residential mortgage-backed securities (RMBS) 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 RMBS, CLO and certain ABS into Level 3 assets were due to diminished market transparency and liquidity for individual security types.

During the three and six months ended March 31, 2024 June 30, 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, CMBS. 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 and six months ended March 31, 2024 June 30, 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:

	Fair Value at		Valuation		Range
(in millions)	March 31,	June 30, 2024	Technique	Unobservable Input ^(b)	(Weighted Average) ^(c)
Assets:					
Obligations of states, municipalities and political subdivisions	\$	809.4	Discounted cash flow	Yield	5.10% 5.09% - 5.39% (5.24%) 5.47% (5.28%)
Corporate debt		1,945.306	Discounted cash flow	Yield	4.94% 5.69% - 10.81% (7.65%) 10.38% (8.04%)
RMBS ^(a)		4,672.1,268	Discounted cash flow	Constant prepayment rate	4.40% 4.58% - 10.02% (7.21%) 10.68% (7.63%)
				Loss severity	35.81% 41.73% - 84.47% (60.14%) 76.79% (59.26%)
				Constant default rate	0.78% 0.77% - 2.56% (1.67%) 2.62% (1.70%)
				Yield	5.66% 6.30% - 7.02% (6.34%) 7.61% (6.96%)
CLO/ABS ^(a)		16.371.1,163	Discounted cash flow	Yield	5.81% 5.47% - 7.89% (6.85%) 8.82% (7.15%)
CMBS		547.14	Discounted cash flow	Yield	5.22% 7.22% - 18.38% (11.41%) 15.19% (11.20%)
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 ^(a) :					
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%

	Fair Value at	Valuation		Range
(in millions)	March 31, 2024	Technique	Unobservable Input ^(a)	(Weighted Average) ^(a)
Embedded derivatives within Policyholder contract deposits:				
Index credits on fixed index annuities ^(a)	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%

	Fair Value at	Valuation		Range
(in millions)	December 31, 2023	Technique	Unobservable Input(s)	(Weighted Average)(e)
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)(n)	38.25% - 160.01%
			Utilization(n)	80.00% - 100.00%
			Equity / interest rate correlation	0.00% - 30.00%
			NPA(n)	0.00% - 2.29%
Liabilities(a):				
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)(n)	38.25% - 160.01%
			Utilization(n)	80.00% - 100.00%
			Equity / interest rate correlation	0.00% - 30.00%
			NPA(n)	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)(n)	40.26% - 168.43%
			Utilization(n)	90.00% - 97.50%
			NPA(n)	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)(n)	24.00% - 146.00%
			Utilization(n)	60.00% - 97.50%
			Option budget	0.00% - 6.00%
			Equity / interest rate correlation	0.00% - 30.00%
			NPA(n)	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; Assets:				
Index credits on fixed index annuities Obligations of states, municipalities and political subdivisions ^(d)	6,953 \$	3	Discounted cash flow	Equity volatility Yield 6.25% 5.00% - 49.75%
				Base lapse rate 0.20% - 50.00%
				Dynamic lapse multiplier ^(e) 20.00% - 186.18%
				Mortality multiplier ^(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% 5.50% (5.23%)
Index universal life Corporate debt	989 332	Discounted cash flow	Base lapse Yield	5.16% - 9.62% (7.39%)
RMBS ^(a)	1,341	Discounted cash flow	Constant prepayment rate	0.00% 4.43% - 37.97% 10.30% (7.36%)
			Mortality rate Loss severity	0.00% 43.21% - 100.00% 76.65% (59.93%)
			Equity volatility Constant default rate	5.85% 0.82% - 20.36% 2.64% (1.73%)
			Yield	6.18% - 7.42% (6.80%)
NPA CLO/ABS ^(h) (a)	0.00%	1,100	Discounted cash flow	Yield 5.31% - 2.29% 8.56% (6.94%)
CMBS	22	Discounted cash flow	Yield	9.84% - 17.24% (13.54%)

- (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
	June 30, 2024	December 31, 2023

(in millions)	Investment						Investment					
	(in millions) Includes	Fair Value Using NAV Per Share (or its equivalent)	Unfunded Commitments	Fair Value Using NAV Per Share (or its equivalent)	Unfunded Commitments	(in millions) Includes	Fair Value Using NAV Per Share (or its equivalent)	Unfunded Commitments	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:												
Private equity funds:												
Private equity funds:												
Leveraged buyout												
Leveraged buyout												
Leveraged buyout												
Real assets												
Venture												
capital												
Growth												
equity												
Mezzanine												
Other												
Total private equity funds												
Hedge funds:												
Event-driven												
Event-driven												
Event-driven												
Long-short												
Macro												
Other												
Total hedge funds												
Total												

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,	
Three Months Ended March 31,	
Three Months Ended March 31,	Gain (Loss)
	Gain (Loss) Three Months
	Ended June 30,

	Gain (Loss) Three Months Ended June 30,	
	Gain (Loss) Three Months Ended June 30,	Gain (Loss) Six Months Ended June 30,

(in millions)

Assets:
Assets:
Assets:
Other bond securities ^(a)
Other bond securities ^(a)
Other bond securities ^(a)
Alternative investments ^(b)
Alternative investments ^(b)
Alternative investments ^(b)
Liabilities:
Liabilities:
Liabilities:
Long-term debt ^(c)
Long-term debt ^(c)
Long-term debt ^(c)
All other investments ^(c)
All other investments ^(c)
All other investments ^(c)
Total gain (loss)
Total gain (loss)
Total gain (loss)

- (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, real estate investments.
- (c) Includes guaranteed investment agreements (GIAs), notes, bonds and mortgages payable. Represents the impact of changes in Corebridge stock price on the value of AIG's ownership interest in Corebridge.

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:

(in millions)	March 31, 2024			December 31, 2023		
	Outstanding Principal			Outstanding Principal		
	Fair Value	Amount	Difference	Fair Value	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:

(in millions)	Assets at Fair Value				Impairment Charges	
	Non-Recurring Basis				Three Months Ended	
					March 31,	
	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

[TABLE OF CONTENTS](#)

ITEM 1 | [Notes to Condensed Consolidated Financial Statements \(unaudited\)](#) | 5. Fair Value Measurements

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	Estimated Fair Value	Carrying Value	Estimated Fair Value	Carrying Value
<i>(in millions)</i>					
March 31, 2024					
March 31, 2024					
March 31, 2024					
June 30, 2024					
June 30, 2024					
June 30, 2024					
Assets:					
Assets:					
Assets:					
Mortgage and other loans receivable					
Mortgage and other loans receivable					
Mortgage and other loans receivable					
Other invested assets					
Short-term investments ^(a)					
Cash ^(b)					
Other assets					
Liabilities:					
Policyholder contract deposits associated with investment-type contracts					
Policyholder contract deposits associated with investment-type contracts					
Policyholder contract deposits associated with investment-type contracts					
Fortitude Re funds withheld payable					
Other liabilities ^(c)					
Short-term and long-term debt					
Fortitude Re funds withheld payable					
Fortitude Re funds withheld payable					
Long-term debt					
Long-term debt					
Long-term debt					
Debt of consolidated investment entities					
Separate account liabilities - investment contracts					
December 31, 2023					
Assets:					
Assets:					
Assets:					
Mortgage and other loans receivable					

Mortgage and other loans receivable						
Mortgage and other loans receivable						
Other invested assets						
Short-term investments ^(a)						
Cash ^(b)						
Other assets						
Liabilities:						
Policyholder contract deposits associated with investment-type contracts						
Policyholder contract deposits associated with investment-type contracts						
Policyholder contract deposits associated with investment-type contracts						
Fortitude Re funds withheld payable						
Other liabilities ^(c)						
Short-term and long-term debt						
Debt of consolidated investment entities						
Separate account liabilities - investment contracts						

(in millions)	Estimated Fair Value				Carrying Value
	Level 1	Level 2	Level 3	Total	
December 31, 2023					
Assets:					
Mortgage and other loans receivable	\$ —	\$ 242	\$ 4,113	\$ 4,355	\$ 4,441
Other invested assets	—	645	6	651	651
Short-term investments	—	3,502	—	3,502	3,502
Cash	1,540	—	—	1,540	1,540
Other assets	32	—	—	32	32
Liabilities:					
Fortitude Re funds withheld payable	—	—	3,675	3,675	3,675
Long-term debt	—	9,623	267	9,890	10,375
Debt of consolidated investment entities	—	—	231	231	231

(a) Excludes \$25 million and \$11 \$7 million at March 31, 2024 and December 31, 2023, respectively, June 30, 2024 reclassified to Assets held for sale on the Condensed Consolidated Balance Sheets.

(b) Excludes \$1 million and \$3 \$90 million at March 31, 2024 and December 31, 2023, respectively, June 30, 2024 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)	(in millions)	Amortized Cost	Allowance for Credit Losses ^(a)	Gross Unrealized Gains ^(b)	Gross Unrealized Losses ^(c)	Fair Value (in millions)	Amortized Cost	Allowance for Credit Losses ^(a)	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
March 31, 2024											
June 30, 2024											

Bonds available for sale:

Bonds available for sale:

Bonds available for sale:

- U.S. government and government sponsored entities
- U.S. government and government sponsored entities
- U.S. government and government sponsored entities
- Obligations of states, municipalities and political subdivisions
- Non-U.S. governments
- Corporate debt

Mortgage-backed, asset-backed and collateralized:

- RMBS
- RMBS
- RMBS
- CMBS
- CLO/ABS

Total mortgage-backed, asset-backed and collateralized

Total bonds available for sale(a) (b)

December 31, 2023

Bonds available for sale:

Bonds available for sale:

Bonds available for sale:

- U.S. government and government sponsored entities
- U.S. government and government sponsored entities
- U.S. government and government sponsored entities
- Obligations of states, municipalities and political subdivisions
- Non-U.S. governments
- Corporate debt

Mortgage-backed, asset-backed and collateralized:

- RMBS
- RMBS
- RMBS
- CMBS
- CLO/ABS

Total mortgage-backed, asset-backed and collateralized

Total bonds available for sale(a) (b)

(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 June 30, 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 \$4.8 billion or 78 percent and \$17.1 billion \$5.2 billion or 78 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

	Fair		Gross	Fair		Gross	Fair		Gross	
(in millions)	Value		Unrealized	Value		Unrealized	Value		Unrealized	
			Losses*			Losses*			Losses*	
March 31, 2024										
Bonds available for sale:										
U.S. government and government sponsored entities	\$	2,600	\$	33	\$	1,486	\$	4,086	\$	391
Obligations of states, municipalities and political subdivisions		2,150		134		5,187		7,337		886
Non-U.S. governments		2,007		148		7,424		9,431		1,450
Corporate debt		16,567		2,141		91,020		16,952		19,093
RMBS		4,044		189		7,877		11,921		1,214
CMBS		1,678		70		8,664		10,342		1,120
CLO/ABS		6,593		154		12,577		19,170		1,190
Total bonds available for sale	\$	35,639	\$	2,869	\$	134,235	\$	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

	Less than 12 Months				12 Months or More				Total			
	Fair		Gross		Fair		Gross		Fair		Gross	
(in millions)	Value	Unrealized	Losses		Value	Unrealized	Losses		Value	Unrealized	Losses	
June 30, 2024												
Bonds available for sale:												
U.S. government and government sponsored entities	\$	2,137	\$	20	\$	1,274	\$	97	\$	3,411	\$	117
Obligations of states, municipalities and political subdivisions		1,529		31		1,904		144		3,433		175
Non-U.S. governments		1,492		44		4,504		611		5,996		655
Corporate debt		5,683		112		16,911		2,050		22,594		2,162
RMBS		1,114		48		2,752		398		3,866		446
CMBS		999		17		1,991		136		2,990		153
CLO/ABS		932		19		782		54		1,714		73
Total bonds available for sale	\$	13,886	\$	291	\$	30,118	\$	3,490	\$	44,004	\$	3,781

	Less than 12 Months		12 Months or More		Total	
(in millions)	Fair	Gross	Fair	Gross	Fair	Gross
	Value	Unrealized	Value	Unrealized	Value	Unrealized
		Losses		Losses		Losses
December 31, 2023						

Bonds available for sale:							
U.S. government and government sponsored entities	\$	1,027	\$	10	\$	804	\$ 79 \$ 1,831 \$ 89
Obligations of states, municipalities and political subdivisions		850		24		1,602	133 2,452 157
Non-U.S. governments		1,431		87		4,503	583 5,934 670
Corporate debt		4,089		171		18,612	2,070 22,701 2,241
RMBS		1,456		114		2,385	300 3,841 414
CMBS		1,024		54		1,622	137 2,646 191
CLO/ABS		1,371		33		1,509	90 2,880 123
Total bonds available for sale	\$	11,248	\$	493	\$	31,037	\$ 3,392 \$ 42,285 \$ 3,885

At **March 31, 2024** **June 30, 2024**, we held **27,875** **13,477** 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** **9,923** 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** **13,052** 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** **10,027** 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** **June 30, 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.

[TABLE OF CONTENTS](#)

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				
June 30, 2024		Total Fixed Maturity Securities Available for Sale				
		Amortized Cost, Net of Allowance	Fair Value		Amortized Cost, Net of Allowance	Fair Value
(in millions)	(in millions)			(in millions)		
Due in one year or less						
Due in one year or less						
Due in one year or less						
Due after one year through five years						
Due after five years through ten years						
Due after ten years						
Mortgage-backed, asset-backed and collateralized						
Total						

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,			
Three Months Ended March 31,			
Three Months Ended March 31,			
Three Months Ended June 30,			
Three Months Ended June 30,			
Three Months Ended June 30,		Six Months Ended June 30,	
		2024	
(in millions)			
(in millions)			
(in millions)			

Fixed maturity securities
Fixed maturity securities
Fixed maturity securities

For the three and six months ended March 31, 2024 and 2023, June 30, 2024, the aggregate fair value of available for sale securities sold was \$4.9 \$2.6 billion and \$10.8 \$5.0 billion, respectively, which resulted in net realized gains (losses) of \$(443) \$(169) million and \$(452) \$(270) million, respectively. Included within the net realized gains (losses) are \$(37) \$(1) million and \$(65) \$(16) million of net realized gains (losses) for the three and six months ended March 31, 2024 and 2023, June 30, 2024, 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.

For the three and six months ended June 30, 2023, the aggregate fair value of available for sale securities sold was \$2.6 billion and \$10.7 billion, respectively, which resulted in net realized gains (losses) of \$(95) million and \$(459) million, respectively. Included within the net realized gains (losses) are \$(7) million and \$(59) million of net realized gains (losses) for the three and six months ended June 30, 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	
	Fair Value	Percent of Total	Fair Value	Percent of Total
(in millions)				
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 %

	June 30, 2024		December 31, 2023	
	Fair Value	Percent of Total	Fair Value	Percent of Total
(in millions)				
Fixed maturity securities:				
Obligations of states, municipalities and political subdivisions	\$ 50	3 %	\$ 51	4 %
Non-U.S. governments	25	2	24	2
Corporate debt	311	21	255	19
Mortgage-backed, asset-backed and collateralized:				
RMBS	102	7	93	7
CMBS	42	3	33	2
CLO/ABS and other collateralized securities	236	16	207	16
Total mortgage-backed, asset-backed and collateralized	380	26	333	25

Total fixed maturity securities	766	52	663	50
Equity securities	688	48	665	50
Total	\$ 1,454	100 %	\$ 1,328	100 %

[TABLE OF CONTENTS](#)

ITEM 1 | Notes to Condensed Consolidated Financial Statements (unaudited) | 6. Investments

OTHER INVESTED ASSETS

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

(in millions)	(in millions)	March 31, 2024	December 31, 2023	(in millions)	June 30, 2024	December 31, 2023
Alternative investments ^{(a),(b)}						
Investment real estate ^(c)						
Retained investment in Corebridge using fair value option						
Retained investment in Corebridge using fair value option						
Retained investment in Corebridge using fair value option						
All other investments ^(d)						
Total						

- (a) At **March 31, 2024** **June 30, 2024**, included hedge funds of **\$0.7 billion** **\$188 million** and private equity funds of **\$10.5** **\$3.9 billion**. At December 31, 2023, included hedge funds of **\$0.7 billion** **\$411 million** and private equity funds of **\$10.6** **\$3.7 billion**.
Includes investments in real estate, net of accumulated depreciation. At June 30, 2024 and December 31, 2023, the accumulated depreciation was \$162 million and \$161 million, respectively.
- (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		
	Excluding	Fortitude Re	Total	Excluding	Fortitude Re	Total
	Fortitude Re Funds Withheld Assets	Funds Withheld Assets		Fortitude Re Funds Withheld Assets	Funds Withheld Assets	
(in millions)						
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 INVESTMENT INCOME

The following table presents the components of Net investment income:

Three Months Ended June 30, (in millions)	2024			2023		
	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	\$ 723	\$ 20	\$ 743	\$ 714	\$ 24	\$ 738
Other fixed maturity securities	1	4	5	(1)	(10)	(11)
Equity securities	(4)	—	(4)	41	—	41
Interest on mortgage and other loans	65	8	73	73	9	82
Alternative investments ^(a)	32	—	32	44	—	44
Other investments ^(b)	177	1	178	(6)	2	(4)
Total investment income	994	33	1,027	865	25	890
Investment expenses	37	—	37	53	—	53
Net investment income	\$ 957	\$ 33	\$ 990	\$ 812	\$ 25	\$ 837

Six Months Ended June 30, (in millions)	2024			2023		
	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	\$ 1,488	\$ 42	\$ 1,530	\$ 1,354	\$ 50	\$ 1,404
Other fixed maturity securities	(4)	11	7	2	7	9
Equity securities	84	—	84	62	—	62
Interest on mortgage and other loans	133	17	150	139	18	157
Alternative investments ^(a)	87	(1)	86	139	—	139
Other investments ^(b)	199	3	202	8	2	10
Total investment income	1,987	72	2,059	1,704	77	1,781
Investment expenses	90	—	90	100	—	100
Net investment income	\$ 1,897	\$ 72	\$ 1,969	\$ 1,604	\$ 77	\$ 1,681

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

(b) Includes dividends received from Corebridge and changes in its stock price of \$68 million and \$65 million, respectively, for both three and six months ended June 30, 2024.

NET REALIZED GAINS AND LOSSES

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

Three Months Ended March 31,						
Three Months Ended March 31,						
Three Months Ended March 31,						
(in millions)						
(in millions)						
Three Months Ended June 30, (in millions)	2024			2023		
	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						

Sales of fixed maturity securities
Sales of fixed maturity securities
Intent to sell
Intent to sell
Intent to sell
Change in allowance for credit losses on fixed maturity securities
Change in allowance for credit losses on fixed maturity securities
Change in allowance for credit losses on fixed maturity securities
Change in allowance for credit losses on loans
Change in allowance for credit losses on loans
Change in allowance for credit losses on loans
Foreign exchange transactions
Foreign exchange transactions
Foreign exchange transactions
Index-linked interest credited embedded derivatives, net of related hedges
Index-linked interest credited embedded derivatives, net of related hedges
Index-linked interest credited embedded derivatives, net of related hedges
All other derivatives and hedge accounting*
All other derivatives and hedge accounting*
All other derivatives and hedge accounting*
Sales of alternative investments and real estate investments
Sales of alternative investments and real estate investments
Sales of alternative investments and real estate investments
All other derivatives and hedge accounting
All other derivatives and hedge accounting
All other derivatives and hedge accounting
Sales of alternative investments
Other
Other
Other
Net realized gains (losses) – excluding Fortitude Re funds withheld embedded derivative
Net realized gains (losses) – excluding Fortitude Re funds withheld embedded derivative
Net realized gains (losses) – excluding Fortitude Re funds withheld embedded derivative
Net realized gains (losses) on Fortitude Re funds withheld embedded derivative
Net realized gains (losses) on Fortitude Re funds withheld embedded derivative
Net realized gains (losses) on Fortitude Re funds withheld embedded derivative
Net realized losses – excluding Fortitude Re funds withheld embedded derivative
Net realized gains on Fortitude Re funds withheld embedded derivative
Net realized gains (losses)
Net realized gains (losses)
Net realized gains (losses)

* ITEM 1 Derivative activity related | Notes to hedging MRBs is recorded in Change in the fair value of MRBs, net. Condensed Consolidated Financial Statements (unaudited)For additional disclosures about MRBs, see Note 13.
6. Investments

Six Months Ended June 30,	2024	2023
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	Excluding Fortitude Re Funds Withheld Assets	Fortitude Re Funds Withheld Assets	Total	Excluding Fortitude Re Funds Withheld Assets	Fortitude Re Funds Withheld Assets	Total
(in millions)						
Sales of fixed maturity securities	\$ (254)	\$ (16)	\$ (270)	\$ (400)	\$ (59)	\$ (459)
Change in allowance for credit losses on fixed maturity securities	(19)	—	(19)	(24)	—	(24)
Change in allowance for credit losses on loans	(20)	1	(19)	(7)	(1)	(8)
Foreign exchange transactions	111	(3)	108	155	5	160
All other derivatives and hedge accounting	(69)	2	(67)	(113)	(6)	(119)
Sales of alternative investments	14	(1)	13	1	—	1
Other	(9)	(3)	(12)	6	—	6
Net realized gains (losses) – excluding Fortitude Re funds withheld embedded derivative	(246)	(20)	(266)	(382)	(61)	(443)
Net realized losses on Fortitude Re funds withheld embedded derivative	—	(1)	(1)	—	(82)	(82)
Net realized gains (losses)	\$ (246)	\$ (21)	\$ (267)	\$ (382)	\$ (143)	\$ (525)

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 June 30,	Six Months Ended June 30,
Three Months Ended March 31,		
Three Months Ended March 31,		
Three Months Ended March 31,		
(in millions)		
(in millions)		
(in millions)	2024	2023

Increase (decrease) in unrealized appreciation (depreciation) of investments:

Fixed maturity securities
Fixed maturity securities
Fixed maturity securities
Other investments
Total increase (decrease) in unrealized appreciation (depreciation) of investments*
Total increase (decrease) in unrealized appreciation (depreciation) of investments*
Total increase (decrease) in unrealized appreciation (depreciation) of investments*

* Excludes net unrealized gains and losses attributable to businesses held for sale or reclassified to discontinued operations at March 31, 2024, June 30, 2024 and 2023.

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		
	Other Invested			Other Invested		
(in millions)	Equities	Assets	Total	Equities	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

Three Months Ended June 30,	2024			2023		
	Other Invested			Other Invested		
(in millions)	Equities	Assets*	Total	Equities	Assets	Total
Net gains (losses) recognized during the period on equity securities and other investments	\$ (4)	\$ 109	\$ 105	\$ 41	\$ 64	\$ 105

Less: Net gains (losses) recognized during the period on equity securities and other investments sold during the period	3	25	28	(12)	8	(4)
Unrealized gains (losses) recognized during the reporting period on equity securities and other investments still held at the reporting date	\$ (7)	\$ 84	\$ 77	\$ 53	\$ 56	\$ 109

Six Months Ended June 30,	2024			2023		
	Other Invested			Other Invested		
	Equities	Assets*	Total	Equities	Assets	Total
(in millions)						
Net gains recognized during the period on equity securities and other investments	\$ 84	\$ 192	\$ 276	\$ 62	\$ 143	\$ 205
Less: Net gains recognized during the period on equity securities and other investments sold during the period	43	24	67	76	9	85
Unrealized gains (losses) recognized during the reporting period on equity securities and other investments still held at the reporting date	\$ 41	\$ 168	\$ 209	\$ (14)	\$ 134	\$ 120

* Includes unrealized gain on AIG's ownership interest in Corebridge of \$65 million in the three and six months ended June 30, 2024.

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.

[TABLE OF CONTENTS](#)

ITEM 1 | Notes to Condensed Consolidated Financial Statements (unaudited) | 6. Investments

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)	Non-Structured	Non-Structured	Total	Non-Structured	Non-Structured
(in millions)						
(in millions)						
(in millions)						
Balance, beginning of year						
Balance, beginning of year						
Balance, beginning of year						
Additions:						
Additions:						
Balance, beginning of period	\$ 3	\$ 25	\$ 28	\$ 16	\$ 12	\$ 28

Additions:

- Securities for which allowance for credit losses were not previously recorded
- Securities for which allowance for credit losses were not previously recorded
- Securities for which allowance for credit losses were not previously recorded

Reductions:

Reductions:

Reductions:

- Securities sold during the period
- Securities sold during the period
- Securities sold during the period
- 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

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
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
Write-offs charged against the allowance
Write-offs charged against the allowance
Write-offs charged against the allowance
Other
Other
Other
Balance, end of period
Balance, end of period
Balance, end of period

Six Months Ended June 30,	2024			2023		
	Structured	Non-Structured	Total	Structured	Non-Structured	Total
(in millions)						
Balance, beginning of year	\$ 13	\$ 21	\$ 34	\$ 20	\$ 17	\$ 37
Additions:						
Securities for which allowance for credit losses were not previously recorded	1	9	10	2	28	30
Reductions:						
Securities sold during the period	—	—	—	(2)	(3)	(5)
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	(8)	17	9	(3)	(3)	(6)
Write-offs charged against the allowance	—	(22)	(22)	(10)	(11)	(21)
Other	—	2	2	—	(1)	(1)
Balance, end of period	\$ 6	\$ 27	\$ 33	\$ 7	\$ 27	\$ 34

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 six** months ended **March 31, 2024** **June 30, 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**

(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.

TABLE OF CONTENTS

ITEM 1 | Notes to Condensed Consolidated Financial Statements (unaudited) | 6. Investments

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

(in millions)	(in millions)	March 31, 2024	December 31, (in 2023 millions)	June 30, 2024	December 31, 2023
Fixed maturity securities available for sale	Fixed maturity securities available for sale	\$ 3,651	\$ 2,723	Fixed maturity securities available for sale	\$ — \$ 106

At March 31, 2024 June 30, 2024 and December 31, 2023, amounts borrowed under repurchase and securities lending agreements totaled \$3.6 billion \$0 million and \$2.6 billion, \$107 million, respectively.

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

(in millions)	Remaining Contractual Maturity of the Agreements						Total
	Overnight and Continuous	up to 30 days	31 - 90 days	91 - 364 days	365 days or greater		
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							
December 31, 2023							

(in millions)	Remaining Contractual Maturity of the Agreements						Total
	Overnight and Continuous	up to 30 days	31 - 90 days	91 - 364 days	365 days or greater		
December 31, 2023							
Bonds available for sale:							
Bonds available for sale:							
Bonds available for sale:							
Non-U.S. governments							
Non-U.S. governments							
Non-U.S. governments							
Corporate debt							
Total							

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)	(in millions)	March 31, 2024	December 31, 2023 (in millions)	June 30, 2024	December 31, 2023
Securities collateral pledged to us					

At March 31, 2024 June 30, 2024 and December 31, 2023, the carrying value of reverse repurchase agreements totaled \$927 million \$1.7 billion 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 \$8.5 billion and \$16.5 billion \$8.4 billion at March 31, 2024 June 30, 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 \$14 million and \$283 \$15 million of stock in FHLBs at March 31, 2024 June 30, 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 \$1.7 billion at June 30, 2024 and \$3.1 \$1.7 billion respectively, at March 31, 2024 and \$6.5 billion and \$3.0 billion, respectively, at December 31, 2023.

TABLE OF CONTENTS

ITEM 1 | Notes to Condensed Consolidated Financial Statements (unaudited) | 6. Investments

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 replighted 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 June 30, 2024 and December 31, 2023, respectively.

Reinsurance transactions between AIG and Fortitude Re were structured as modco modified coinsurance (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)	(in millions)	March 31, 2024	December 31, 2023	(in millions)	June 30, 2024	December 31, 2023
Commercial mortgages(a)						
Residential mortgages						
Life insurance policy loans						
Life insurance policy loans						
Life insurance policy loans						
Commercial loans, other loans and notes receivable(b)						
Total mortgage and other loans receivable(c)						
Allowance for credit losses(c)(d)						
Mortgage and other loans receivable, net(c)						

- (a) Commercial mortgages primarily represent loans for apartments, offices and retail properties, with exposures in California and New York and California representing the largest geographic concentrations (aggregating approximately 18 12 percent and 10 percent, respectively, at March 31, 2024 June 30, 2024 and 18 13 percent and 11 10 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 June 30, 2024 and December 31, 2023.
- (c) Excludes \$37.6 billion at both March 31, 2024 June 30, 2024 and December 31, 2023 of loan loans 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 \$5 million and \$67 million \$9 million, respectively, at March 31, 2024 June 30, 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 June 30, 2024 and December 31, 2023, \$32 \$241 million and \$656 \$73 million, respectively, 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 June 30, 2024 and \$187 million associated with residential mortgage loans and commercial mortgage loans, respectively. As of December 31, 2023, accrued interest receivable was \$20 \$20 million and \$21 million, and \$183 million respectively, associated with residential mortgage loans and commercial mortgage loans, respectively. loans.

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.

TABLE OF CONTENTS

ITEM 1 | Notes to Condensed Consolidated Financial Statements (unaudited)| 7. Lending Activities

CREDIT QUALITY OF COMMERCIAL MORTGAGES

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

March 31, 2024										
June 30, 2024	2024	2023	2022	2021	2020	Prior	Total			
(in millions)	2024	2023	2022	2021	2020	Prior	Total			
>1.2X										
>1.2X										
>1.2X										
1.00 - 1.20X										
<1.00X										
Total commercial mortgages										
December 31, 2023										
(in millions)	2023	2022	2021	2020	2019	Prior	Total			
36..2X	AIG Second Quarter 2024 Form 10-Q	\$ 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		TABLE OF CONTENTS	
Total commercial mortgages	\$	2,850	\$ 7,408	\$ 3,923	\$ 1,756	\$ 5,146	\$ 16,926	\$ 38,009	ITEM 1 Notes to Condensed Consolidated Financial Statements (unaudited) 7. Lending Activities	

December 31, 2023										
(in millions)	2023	2022	2021	2020	2019	Prior	Total			
>1.2X	\$ 398	\$ 167	\$ 394	\$ 135	\$ 156	\$ 1,784	\$ 3,034			
1.00 - 1.20X	5	71	254	56	21	298	705			
<1.00X	—	11	—	—	—	86	97			
Total commercial mortgages	\$ 403	\$ 249	\$ 648	\$ 191	\$ 177	\$ 2,168	\$ 3,836			

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

March 31, 2024							
June 30, 2024	2024	2023	2022	2021	2020	Prior	Total
(in millions)	2024	2023	2022	2021	2020	Prior	Total
Less than 65%							
Less than 65%							
Less than 65%							
65% to 75%							
76% to 80%							
Greater than 80%							
Total commercial mortgages							
December 31, 2023							
December 31, 2023							
December 31, 2023							
(in millions)	2023	2022	2021	2020	2019	Prior	Total

Less than 65%
Less than 65%
Less than 65%
65% to 75%
76% to 80%
Greater than 80%
Total commercial mortgages

(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 1.9x 1.8x at both periods ended March 31, 2024 June 30, 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 64 percent and 62 percent at both periods ended March 31, 2024 June 30, 2024 and December 31, 2023, respectively. 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 Loans																						
(dollars in millions)																							
(dollars in millions)																							
(dollars in millions)																							
March 31, 2024																							
March 31, 2024																							
March 31, 2024																							
June 30, 2024																							
June 30, 2024																							
June 30, 2024																							
Past Due Status:																							
Past Due Status:																							
Past Due Status:																							
In good standing																							
In good standing																							
In good standing	610	\$ 15,268	\$ 9,573	\$ 4,172	\$ 6,572	\$ 2,039	\$ 523	\$ 38,147	99	99	%	%	206	\$ 1,241	\$ 1,073	\$ 422	\$ 446	\$ 243	\$ 120	\$ 3,545	95	95	%
90 days or less delinquent(a)																							
90 days or less delinquent(a)																							
90 days or less delinquent(a)																							
>90 days delinquent or in process of foreclosure																							
>90 days delinquent or in process of foreclosure																							
>90 days delinquent or in process of foreclosure																							
Total(b)																							
Total(b)																							
Total(b)	614	\$ 15,268	\$ 9,663	\$ 4,413	\$ 6,572	\$ 2,039	\$ 523	\$ 38,478	100	%													
Total*																							
Total*																							
Total*	210	\$ 1,241	\$ 1,195	\$ 483	\$ 446	\$ 243	\$ 120	\$ 3,728	100	%													
Allowance for credit	Allowance for credit	\$ 82	\$ 441	\$ 113	\$ 98	\$ 43	\$ 7	\$ 784	2	2	%	%	Allowance for credit	\$ 6	\$ 99	\$ 34	\$ 9	\$ 12	\$ 2	\$			\$

TABLE OF CONTENTS

(dollars in millions)	Number of Loans	Class						Total	Percent of Total								
		Apartments	Offices	Retail	Industrial	Hotel	Others										
December 31, 2023																	
Past Due Status:																	
In good standing	211	\$	1,267	\$	1,212	\$	476	\$	460	\$	247	\$	121	\$	3,783	99	%
90 days or less delinquent	1		—		11		—		—		—		—		11	—	
>90 days delinquent or in process of foreclosure	1		—		—		42		—		—		—		42	1	
Total*	213	\$	1,267	\$	1,223	\$	518	\$	460	\$	247	\$	121	\$	3,836	100	%
Allowance for credit losses		\$	9	\$	75	\$	36	\$	7	\$	9	\$	2	\$	138	4	%

ITEM 1 | Notes to Condensed Consolidated Financial Statements (unaudited) | 7. Lending Activities

(dollars in millions)	Number of Loans	Class						Total	Percent of Total								
		Apartments	Offices	Retail	Industrial	Hotel	Others										
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 ^(a)	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.

ITEM 1 | Notes to Condensed Consolidated Financial Statements (unaudited) | 7. Lending Activities

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		
Three Months Ended March 31,		Commercial	Other		Commercial	Other	
Three Months Ended March 31,		Mortgages	Loans	Total	Mortgages	Loans	Total
Three Months Ended June 30,							
Three Months Ended June 30,							
Three Months Ended June 30,							
(in millions)	(in millions)						
(in millions)	(in millions)						
(in millions)	(in millions)						
Allowance, beginning of year							
Allowance, beginning of year							
Allowance, beginning of year							
Loans charged off							
Loans charged off							
Allowance, beginning of period							
Loans charged off							
Net charge-offs							
Net charge-offs							
Net charge-offs							
Addition to (release of) allowance for loan losses							
Addition to (release of) allowance for loan losses							
Addition to (release of) allowance for loan losses							
Allowance, end of period							
Allowance, end of period							
Allowance, end of period							
Allowance, end of period							
Six Months Ended June 30,		2024 ^(b)			2023		
		Commercial	Other		Commercial	Other	
(in millions)		Mortgages	Loans	Total	Mortgages	Loans	Total
Allowance, beginning of year		\$ 138	\$ 2	\$ 140	\$ 109	\$ 8	\$ 117
Loans charged off		—	—	—	(2)	—	(2)
Net charge-offs		—	—	—	(2)	—	(2)
Addition to (release of) allowance for loan losses		24	(1)	23	9	(5)	4
Allowance, end of period		\$ 162	\$ 1	\$ 163	\$ 116	\$ 3	\$ 119

(a) Does not include allowance for credit losses of \$55 million \$5 million and \$62 million \$13 million, respectively, at March 31, 2024 June 30, 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 June 30, 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~~ **six** months ended ~~March 31, 2024~~ **June 30, 2024**, commercial mortgage loans with an amortized cost of ~~\$17~~ **\$5** 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~~ **six** months ended ~~March 31, 2024~~ **June 30, 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~~ **June 30, 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~~ **June 30, 2024**, approximately ~~\$26.9 billion~~ **\$3.6 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
June 30, 2024

(in millions)

(in millions)

		Carrying Value		Fair Value		Carrying Value		Fair Value	Corresponding Accounting Policy	Carrying Value		Fair Value
(in millions)												
Fixed maturity securities - available for sale ^(a)	Fixed maturity securities - available for sale ^(a)	\$ 16,726	\$	\$ 16,726	\$	\$ 17,384	\$	\$ 17,384	Fair value through other comprehensive income (loss)	Fair value through other comprehensive income (loss)	Fixed maturity securities - available for sale ^(a)	\$
Fixed maturity securities - fair value option	Fixed maturity securities - fair value option	5,035		5,035		4,867		4,867				
Commercial mortgage loans	Commercial mortgage loans	3,882		3,614		3,921		3,921		3,685		
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	Short-term investments											
Short-term investments	Short-term investments	178		178		176		176		176	Fair value through net investment income	18
Funds withheld investment assets												
Derivative assets, net ^(b)	Derivative assets, net ^(b)											
Derivative assets, net ^(b)	Derivative assets, net ^(b)	14		14		45		45		45	Fair value through net realized gains (losses)	1
Other ^(c)	Other ^(c)	675		675		758		758		758	Amortized cost	
Total												

(a) The change in the net unrealized gains (losses) on available for sale securities related to the Fortitude Re funds withheld assets was \$(163) \$(53) million (\$128) (42) million after-tax) and \$704 million \$21 million (\$556 16 million after-tax), respectively for the three six months ended March 31, 2024 June 30, 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 \$3 million and \$27 million, respectively, as of March 31, 2024 June 30, 2024. The derivative assets and liabilities supporting the Fortitude Re funds withheld arrangements had a fair market value of \$63 million \$1 million and \$34 million \$28 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,	
Three Months Ended March 31,	
Three Months Ended March 31,	
	Three Months Ended June 30,
	Three Months Ended June 30,
	Three Months Ended June 30,

(in millions)

(in millions)

(in millions)

Net investment income - Fortitude Re funds withheld assets
Net investment income - Fortitude Re funds withheld assets
Net investment income - Fortitude Re funds withheld assets
Net realized gains (losses) on Fortitude Re funds withheld assets:
Net realized gains (losses) on Fortitude Re funds withheld assets:
Net realized gains (losses) on Fortitude Re funds withheld assets:
Net realized losses - Fortitude Re funds withheld assets
Net realized losses - Fortitude Re funds withheld assets
Net realized losses - Fortitude Re funds withheld assets
Net realized gains (losses) - Fortitude Re funds withheld embedded derivative
Net realized gains (losses) - Fortitude Re funds withheld embedded derivative
Net realized gains (losses) - Fortitude Re funds withheld embedded derivative
Net realized losses on Fortitude Re funds withheld assets
Net realized losses on Fortitude Re funds withheld assets
Net realized losses on Fortitude Re funds withheld assets
Net realized gains (losses) on Fortitude Re funds withheld assets
Net realized gains (losses) on Fortitude Re funds withheld assets
Net realized gains (losses) on Fortitude Re funds withheld assets
Income (loss) from continuing operations before income tax expense (benefit)
Income (loss) from continuing operations before income tax expense (benefit)
Income (loss) from continuing operations before income tax expense (benefit)
Income tax expense (benefit) ^(a)
Income tax expense (benefit) ^(a)
Income tax expense (benefit) ^(a)
Net income (loss)
Net income (loss)
Net income (loss)
Change in unrealized appreciation (depreciation) of all other investments ^(a)
Change in unrealized appreciation (depreciation) of all other investments ^(a)
Change in unrealized appreciation (depreciation) of all other investments ^(a)
Comprehensive income (loss)
Comprehensive income (loss)
Comprehensive income (loss)

(a) The income tax expense (benefit) and the tax impact in **AOCI Accumulated other comprehensive income (loss) (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 deposit accounting 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 June 30, 2024 were \$71.1 billion \$43.1 billion. As of that date, utilizing AIG's ORRs, (i) approximately 90 82 percent of the reinsurance recoverables were investment grade, of which 49 percent related to General Insurance and 41 percent related to Life and Retirement; grade; (ii) approximately 9 15 percent of the reinsurance recoverables were non-investment grade the majority of which related to General Insurance; and (iii) approximately one 3 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 \$41.4 billion. As of that date, utilizing AIG's ORRs, (i) approximately 90 83 percent of the reinsurance recoverables were investment grade, of which 51 percent related to General Insurance and 39 percent related to Life and Retirement; grade; (ii) approximately 9 15 percent of the reinsurance recoverables were non-investment grade, the majority of which related to General Insurance; grade; (iii) approximately one 2 percent of the reinsurance recoverables related to entities that were not rated by AIG.

As of March 31, 2024 June 30, 2024 and December 31, 2023, approximately 82 78 percent and 83 85 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,	
Three Months Ended March 31,	
Three Months Ended March 31,	
	Three Months Ended June 30,
	Three Months Ended June 30,
	Three Months Ended June 30,
(in millions)	
(in millions)	
(in millions)	
Balance, beginning of year	
Balance, beginning of year	
Balance, beginning of year	
Balance, beginning of period	

Balance, beginning of period
Balance, beginning of period
Addition to (release of) allowance for expected credit losses and disputes, net
Addition to (release of) allowance for expected credit losses and disputes, net
Addition to (release of) allowance for expected credit losses and disputes, net
Write-offs charged against the allowance for credit losses and disputes
Write-offs charged against the allowance for credit losses and disputes
Write-offs charged against the allowance for credit losses and disputes
Other changes
Other changes
Other changes
Balance, end of period
Balance, end of period
Balance, end of period

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.

[TABLE OF CONTENTS](#)

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.

[TABLE OF CONTENTS](#)

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	General		Individual		Group		Life		Institutional		Total	
(in millions)	Insurance		Retirement		Retirement		Insurance		Markets			
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, (in millions)	2024			2023		
	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.

Six Months Ended June 30, (in millions)		2024	2023
Balance, beginning of year		\$ 2,117	\$ 2,343
Capitalization		1,803	2,396
Amortization expense		(1,680)	(1,972)
Other, including foreign exchange		(117)	(23)
Reclassified to held for sale		—	(712)
Balance, end of period		\$ 2,123	\$ 2,032

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 ^(a)		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

(in millions)

June 30, 2024

December 31, 2023

December 31, 2023

December 31, 2023

December 31, 2023

Assets:

Assets:

Assets:

Bonds available for sale

Bonds available for sale

Bonds available for sale

Other bond securities

Equity securities

Mortgage and other loans receivable

Other invested assets

Alternative investments^(a)

Alternative investments^(a)

Alternative investments^(a)

Investment real estate

Mortgage and other loans receivable

Mortgage and other loans receivable

Short-term investments

Cash

Short-term investments

Short-term investments

Accrued investment income

Accrued investment income

Accrued investment income

Other assets

Total^(b)

Total*

Liabilities:

Debt of consolidated investment entities

Debt of consolidated investment entities

Debt of consolidated investment entities

Other^(c)

Total

Total

Total

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

(b) ⁽¹⁾ 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. [TABLE OF CONTENTS](#)

(d) **ITEM 1** At March 31, 2024 and December 31, 2023, off-balance sheet exposure primarily consisting of our insurance companies' commitments | [Notes 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.](#) [Condensed Consolidated Financial Statements \(unaudited\) | 10. Variable Interest Entities](#)

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.

[TABLE OF CONTENTS](#)

ITEM 1 | [Notes to Condensed Consolidated Financial Statements \(unaudited\) | 10. Variable Interest Entities](#)

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								
		Maximum Exposure to Loss								
		Maximum Exposure to Loss								
(in millions)	(in millions)	Total VIE Assets	On-Balance Sheet ^(c)	Off-Balance Sheet	Total (in millions)	Total VIE Assets	On-Balance Sheet ^(c)	Off-Balance Sheet	Total	
March 31, 2024										
June 30, 2024										
Real estate and investment entities ^(a)										
Real estate and investment entities ^(a)										
Real estate and investment entities ^(a)										
Other ^(b)										
Total										
December 31, 2023										
Real estate and investment entities ^(a)										
Real estate and investment entities ^(a)										
Real estate and investment entities ^(a)										
Other ^(b)										
Total										

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

(b) At **March 31, 2024** **June 30, 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** **June 30, 2024** and December 31, 2023, **\$9.2 billion** **\$3.7 billion** and **\$9.1 billion** **\$4.1 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.

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, derivatives. 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:

(in millions)	June 30, 2024				December 31, 2023			
	Gross Derivative Assets		Gross Derivative Liabilities		Gross Derivative Assets		Gross Derivative Liabilities	
	Notional Amount	Fair Value	Notional Amount	Fair Value	Notional Amount	Fair Value	Notional Amount	Fair Value
Derivatives designated as hedging instruments: ^(a)								
Foreign exchange contracts	\$ 625	\$ 42	\$ 947	\$ 157	\$ 933	\$ 58	\$ 1,296	\$ 164
Derivatives not designated as hedging instruments: ^(a)								
Interest rate contracts	1,799	266	937	291	14,657	741	1,165	352
Foreign exchange contracts	2,408	215	2,350	168	4,019	393	8,008	400
Equity contracts	81	35	—	—	36,045	66	—	—
Credit contracts ^(b)	1,803	33	207	33	1,804	33	504	36
Other contracts ^(c)	2,123	1	—	—	2,131	1	—	—

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:

(in millions)	March 31, 2024				December 31, 2023			
	Gross Derivative Assets		Gross Derivative Liabilities		Gross Derivative Assets		Gross Derivative Liabilities	
	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							
(in millions)	June 30, 2024					December 31, 2023										
	Gross Derivative Assets		Gross Derivative Liabilities		Gross Derivative Assets		Gross Derivative Liabilities									
	Notional	Fair	Notional	Fair	Notional	Fair	Notional	Fair								
	Amount	Value	Amount	Value	Amount	Value	Amount	Value								
Total derivatives, gross	\$	8,839	\$	592	\$	4,441	\$	649	\$	59,589	\$	1,292	\$	10,973	\$	952
Counterparty netting ^(d)				(245)		(245)					(450)					(450)
Cash collateral ^(e)				(288)		(180)					(711)					(249)
Total derivatives on Condensed Consolidated																
Balance Sheets ^(f)		\$	59	\$	224	\$	131	\$	253							

- (a) Fair value amounts are shown before the effects of counterparty netting adjustments and offsetting cash collateral.
- (b) As of **March 31, 2024** **June 30, 2024** and December 31, 2023, included CDSs on super senior multi-sector CLO with a net notional amount of **\$49 million** **\$48 million** and \$50 million (fair value liability of **\$33** **\$32** 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** **\$154 million** at **March 31, 2024** **June 30, 2024** and **\$1.2** **\$3.4** billion at December 31, 2023. Fair value of liabilities related to bifurcated embedded derivatives was **\$8.7 billion** and **\$8.0 billion**, respectively, **zero** at **March 31, 2024** **both June 30, 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** **\$437 million** and **\$1.9 billion** **\$593 million** at **March 31, 2024** **June 30, 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** **\$370 million** and **\$2.8 billion** **\$856 million** at **March 31, 2024** **June 30, 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.

[TABLE OF CONTENTS](#)

ITEM 1 | [Notes to Condensed Consolidated Financial Statements \(unaudited\)](#) | [11. Derivatives and Hedge Accounting](#)

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 guaranteed investment contracts** attributable to changes in benchmark interest rates.

[TABLE OF CONTENTS](#)

ITEM 1 | Notes to Condensed Consolidated Financial Statements (unaudited) | 11. Derivatives and Hedge Accounting

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 and six months ended **March 31, 2024 and 2023, June 30, 2024**, we recognized gains (losses) of **\$25 million \$9 million** and **\$(25) \$34 million**, respectively, and for the three and six months ended June 30, 2023, we recognized gains (losses) of \$(7) million and \$(31) 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:							
	Gains/(Losses) Recognized in Income for:							
	Gains/(Losses) Recognized in Income for:							
(in millions)								
(in millions)								
(in millions)								
	Hedging Derivatives ^(a)	Excluded Components ^(b)	Hedged Items	Net Impact	Hedging Derivatives ^(a)	Excluded Components ^(b)	Hedged Items	Net Impact
Three Months Ended June 30, 2024								
Foreign exchange contracts:								
Foreign exchange contracts:								
Three Months Ended March 31, 2024								
Three Months Ended March 31, 2024								
Three Months Ended March 31, 2024								
Interest rate contracts:								
Interest rate contracts:								
Interest rate contracts:								
Interest credited to policyholder account balances								
Interest credited to policyholder account balances								
Interest credited to policyholder account balances								
Foreign exchange contracts:								
Foreign exchange contracts:								
Foreign exchange contracts:								
Net realized gains/(losses)								
Net realized gains/(losses)								
Net realized gains/(losses)								
Three Months Ended March 31, 2023								
Interest rate contracts:								
Interest rate contracts:								
Interest rate contracts:								
Interest credited to policyholder account balances								
Interest credited to policyholder account balances								
Interest credited to policyholder account balances								
Three Months Ended June 30, 2023								
Foreign exchange contracts:								
Foreign exchange contracts:								

Foreign exchange contracts:
Net realized gains/(losses)
Net realized gains/(losses)
Net realized gains/(losses)
Six Months Ended June 30, 2024
Foreign exchange contracts:
Foreign exchange contracts:
Foreign exchange contracts:
Net realized gains/(losses)
Net realized gains/(losses)
Net realized gains/(losses)
Six Months Ended June 30, 2023
Foreign exchange contracts:
Foreign exchange contracts:
Foreign exchange contracts:
Net realized gains/(losses)
Net realized gains/(losses)
Net realized gains/(losses)

- (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,	
Three Months Ended March 31,	
Three Months Ended March 31,	Gains (Losses) Recognized in Income
	Gains (Losses) Recognized in Income
	Gains (Losses) Recognized in Income
	Gains (Losses) Recognized in Income
	Three Months Ended June 30,

(in millions)

(in millions)

(in millions)

By Derivative Type:
By Derivative Type:
By Derivative Type:
Interest rate contracts
Interest rate contracts
Interest rate contracts
Foreign exchange contracts
Foreign exchange contracts
Foreign exchange contracts

Equity contracts
Equity contracts
Equity contracts
Commodity contracts
Commodity contracts
Commodity contracts
Credit contracts
Credit contracts
Credit contracts
Other contracts
Other contracts
Other contracts
Embedded derivatives
Embedded derivatives
Embedded derivatives
Total
Total
Total
By Classification:
By Classification:
By Classification:
Policy fees
Policy fees
Policy fees
Net investment income - excluding Fortitude Re funds withheld assets
Net investment income - excluding Fortitude Re funds withheld assets
Net investment income - excluding Fortitude Re funds withheld assets
Net investment income - Fortitude Re funds withheld assets
Net investment income - Fortitude Re funds withheld assets
Net investment income - Fortitude Re funds withheld assets
Net realized gains (losses) - excluding Fortitude Re funds withheld assets ^(a)
Net realized gains (losses) - excluding Fortitude Re funds withheld assets ^(a)
Net realized gains (losses) - excluding Fortitude Re funds withheld assets ^(a)
Net realized losses on Fortitude Re funds withheld assets ^(b)
Net realized losses on Fortitude Re funds withheld assets ^(b)
Net realized losses on Fortitude Re funds withheld assets ^(b)
Policyholder benefits and claims incurred
Policyholder benefits and claims incurred
Policyholder benefits and claims incurred
Change in the fair value of market risk benefits, net ^(c)
Change in the fair value of market risk benefits, net ^(c)
Change in the fair value of market risk benefits, net ^(c)
Net realized losses - excluding Fortitude Re funds withheld assets
Net realized losses - excluding Fortitude Re funds withheld assets
Net realized losses - excluding Fortitude Re funds withheld assets
Net realized gains (losses) on Fortitude Re funds withheld assets*
Net realized gains (losses) on Fortitude Re funds withheld assets*
Net realized gains (losses) on Fortitude Re funds withheld assets*
Total
Total
Total

(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.

[TABLE OF CONTENTS](#)

ITEM 1 This represents activity related | Notes to derivatives that economically hedged changes in the fair value of certain market risk benefits| Condensed Consolidated Financial Statements (unaudited) | 11. Derivatives and Hedge Accounting

CREDIT RISK-RELATED CONTINGENT FEATURES

We estimate that at March 31, 2024 June 30, 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 June 30, 2024 and December 31, 2023, respectively. The aggregate fair value of assets posted as collateral under these contracts at March 31, 2024 June 30, 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 June 30, 2024 and December 31, 2023, respectively. These securities have par amounts of \$42 million and \$42 \$17 million at March 31, 2024 both June 30, 2024 and December 31, 2023, respectively, and have remaining stated maturity dates that extend to 2052.

[TABLE OF CONTENTS](#)

ITEM 1 | Notes to Condensed Consolidated Financial Statements (unaudited) | 12. Insurance Liabilities

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 \$12.3 billion and \$12.1 billion at March 31, 2024 June 30, 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 June 30, 2024 and December 31, 2023 we held collateral of approximately \$8.8 \$8.7 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 June 30, 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.

[TABLE OF CONTENTS](#)

ITEM 1 | [Notes to Condensed Consolidated Financial Statements \(unaudited\)](#) | 12. Insurance Liabilities

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

(in millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Liability for unpaid loss and loss adjustment expenses, beginning of period	\$ 70,060	\$ 75,793	\$ 70,393	\$ 75,167
Reinsurance recoverable	(30,169)	(32,366)	(30,289)	(32,102)
Net Liability for unpaid loss and loss adjustment expenses, beginning of period	39,891	43,427	40,104	43,065
Losses and loss adjustment expenses incurred:				
Current year	3,546	3,945	6,911	7,729
Prior years, excluding discount and amortization of deferred gain	(108)	(107)	(108)	(134)
Prior years, discount charge (benefit)	62	54	168	148
Prior years, amortization of deferred gain on retroactive reinsurance ^(a)	(33)	(25)	(65)	(85)
Total losses and loss adjustment expenses incurred	3,467	3,867	6,906	7,658
Losses and loss adjustment expenses paid:				
Current year	(855)	(881)	(1,141)	(1,170)
Prior years	(2,597)	(2,994)	(5,454)	(6,543)
Total losses and loss adjustment expenses paid	(3,452)	(3,875)	(6,595)	(7,713)
Other changes:				
Foreign exchange effect	(158)	(25)	(654)	372

Retroactive reinsurance adjustment (net of discount) ^(b)	186	47	178	59
Reclassified to held for sale, net of reinsurance recoverables ^(c)	—	(3,383)	(5)	(3,383)
Total other changes	28	(3,361)	(481)	(2,952)
Liability for unpaid loss and loss adjustment expenses, end of period:				
Net liability for unpaid losses and loss adjustment expenses	39,934	40,058	39,934	40,058
Reinsurance recoverable ^(d)	29,849	30,226	29,849	30,226
Total	\$ 69,783	\$ 70,284	\$ 69,783	\$ 70,284

- (a) Includes \$39 million and \$6 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 June 30, 2024 and 2023, respectively, and \$44 million and \$13 million for the six months ended June 30, 2024 and 2023, respectively.
- (b) Includes benefit (charge) from change in discount on retroactive reinsurance in the amount of \$23 million and \$26 million for the three months ended June 30, 2024 and 2023 respectively, and \$78 million and \$96 million for the six months ended June 30, 2024 and 2023, respectively.
- (c) Represents change in loss reserves included in Liabilities held for sale for the six months ended June 30, 2024. For additional information, see Note 4.
- (d) Excludes \$1.5 billion of Reinsurance recoverable reclassified to Assets held for sale on the Condensed Consolidated Balance Sheets at June 30, 2023.

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 and six 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 June 30, 2024, we recognized favorable prior year loss reserve development of \$27 \$108 million excluding discount and amortization of deferred gain. The development in this period was primarily largely driven by favorable development on our loss sensitive U.S. Workers' Compensation business along with favorable development in U.S. Other Casualty, offset by adverse development in U.S. Excess Casualty.

During the three months ended June 30, 2023, we recognized favorable prior year loss reserve development of \$107 million excluding discount and amortization of deferred gain. The development in this period was largely driven by favorable development on our loss sensitive U.S. Workers' Compensation business, U.S. Other product lines, Casualty and U.S. Property & Special Risks including prior year catastrophes, partially offset by unfavorable development on European Casualty. During the six months ended June 30, 2023, we recognized favorable prior year catastrophes, loss reserve development of \$134 million excluding discount and amortization of deferred gain. The development in this period was largely driven by favorable development on our loss sensitive U.S. Workers' Compensation business, U.S. Other Casualty and U.S. Property & Special Risks, partially offset by unfavorable development on European Casualty.

Discounting of Loss Reserves

At March 31, 2024 June 30, 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 June 30, 2024 and December 31, 2023, the discount consists of \$293 \$288 million and \$294 million of tabular discount, respectively, and \$919 \$921 million and \$939 million of non-tabular discount for workers' compensation, respectively. During the three six months ended March 31, 2024 June 30, 2024 and 2023, the benefit / (charge) from changes in discount of \$(76) \$(102) million and \$(64) \$(80) 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)	(in millions)	March 31, 2024	December 31, 2023	(in millions)	June 30, 2024	December 31, 2023
U.S. workers' compensation						

Retroactive reinsurance

Total reserve discount^{(a)(b)}

(a) Excludes \$194 million \$196 million and \$196 million of discount related to certain long-tail liabilities in the UK at March 31, 2024 June 30, 2024 and December 31, 2023, respectively.

(b) Includes gross discount of \$680 million \$673 million and \$687 million, which was 100 percent ceded to Fortitude Re at March 31, 2024 June 30, 2024 and December 31, 2023, respectively.

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

Three Months Ended March 31,		
Three Months Ended March 31,		
Three Months Ended March 31,		
(in millions)		
	Three Months Ended	
	June 30,	
(in millions)		
	Three Months Ended	
	June 30,	
	Three Months Ended	Six Months Ended
	June 30,	June 30,
(in millions)		
Current accident year		
Current accident year		
Current accident year		
Accretion and other adjustments to prior year discount		
Accretion and other adjustments to prior year discount		
Accretion and other adjustments to prior year discount		
Net reserve discount benefit (charge)		
Net reserve discount benefit (charge)		
Net reserve discount benefit (charge)		
Change in discount on loss reserves ceded under retroactive reinsurance		
Change in discount on loss reserves ceded under retroactive reinsurance		
Change in discount on loss reserves ceded under retroactive reinsurance		
Net change in total reserve discount*		
Net change in total reserve discount*		
Net change in total reserve discount*		

* Excludes \$(2) million \$2 million and \$4 million of discount related to certain long-tail liabilities in the UK for the three months ended March 31, 2024 June 30, 2024 and 2023, respectively, and excludes \$0 million and \$8 million discount related to certain long-tail liabilities in the UK for the six months ended June 30, 2024 and 2023, respectively.

Amortization of Deferred Gain on Retroactive Reinsurance

Amortization of the deferred gain on retroactive reinsurance includes \$27 \$(6) million and \$53 million \$19 million related to the adverse development reinsurance cover with NICO for the three months ended March 31, 2024 June 30, 2024 and 2023, respectively, and \$21 million and \$72 million related to the adverse development reinsurance cover with NICO for the six months ended June 30, 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.

[TABLE OF CONTENTS](#)

ITEM 1 | Notes to Condensed Consolidated Financial Statements (unaudited) | 12. Insurance Liabilities

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.

48 AIG | First Quarter 2024 Form 10-Q

[TABLE OF CONTENTS](#)

ITEM 1 | Notes to Condensed Consolidated Financial Statements (unaudited) | 12. Insurance Liabilities

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 ⁽ⁱ⁾	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 ⁽ⁱⁱ⁾	(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	

[TABLE OF CONTENTS](#)

ITEM 1 | Notes to Condensed Consolidated Financial Statements (unaudited) | 12. Insurance Liabilities

Three Months Ended March 31, 2023	General Insurance	Individual Retirement	Group Retirement	Life Insurance	Institutional Markets	Other ⁽ⁱ⁾	Total
Six Months Ended June 30,							
(in millions, except for liability durations)							
Present value of expected net premiums							
Present value of expected net premiums							
(in millions, except for liability durations)							
(in millions, except for liability durations)	2024	2023					
Present value of expected net premiums							
Balance, beginning of year							
Balance, beginning of year							
Balance, beginning of year							
Effect of changes in discount rate assumptions (AOCI)							
Beginning balance at original discount rate							
Effect of actual variances from expected experience							
Effect of actual variances from expected experience							
Effect of actual variances from expected experience							
Adjusted beginning of year balance							
Issuances							
Interest accrual							
Net premium collected							
Foreign exchange impact							
Other							
Ending balance at original discount rate							
Ending balance at original discount rate							
Ending balance at original discount rate							
Effect of changes in discount rate assumptions (AOCI)							
Balance, end of period							
Present value of expected future policy benefits							

Present value of expected future policy benefits

Present value of expected future policy benefits

Balance, beginning of year

Balance, beginning of year

Balance, beginning of year

Effect of changes in discount rate assumptions (AOCI)

Beginning balance at original discount rate

Effect of actual variances from expected experience^(a)

Effect of actual variances from expected experience^(a)

Effect of actual variances from expected experience^(a)

Adjusted beginning of year balance

Issuances

Interest accrual

Benefit payments

Foreign exchange impact

Other

Ending balance at original discount rate

Ending balance at original discount rate

Ending balance at original discount rate

Effect of changes in discount rate assumptions (AOCI)

Balance, end of period

Net liability for future policy benefits, end of period

Liability for future policy benefits for certain participating contracts

Liability for universal life policies with secondary guarantees and similar features^(b)

Deferred profit liability

Other reconciling items^(c)

Deferred profit liability

Deferred profit liability

Other reconciling items^(b)

Future policy benefits for life and accident and health insurance contracts

Less: Reinsurance recoverable

Net liability for future policy benefits after reinsurance recoverable

Weighted average liability duration of the liability for future policy benefits^(d)

Weighted average liability duration of the liability for future policy benefits^(d)

Weighted average liability duration of the liability for future policy benefits^(d)

Weighted average liability duration of the liability for future policy benefits^(c)

Weighted average liability duration of the liability for future policy benefits^(c)

Weighted average liability duration of the liability for future policy benefits^(c) 9.0 9.9

(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, contracts and \$724 million and \$713 million at June 30, 2024 and 2023, respectively, of certain long-duration contracts that are 100 percent ceded.

(d) (c) 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,		2024		2023	
(in millions)					
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	
	2024	2023	2024	2023
(in millions)				
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.

[TABLE OF CONTENTS](#)**ITEM 1 | Notes to Condensed Consolidated Financial Statements (unaudited) | 12. Insurance Liabilities**

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, (in millions, except duration of liability)	2024			2023		
	Life Insurance	Other ^(a)	Total	Life Insurance	Other ^(a)	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, (in millions)	Gross Assessments		Interest Accretion	
	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.

[TABLE OF CONTENTS](#)

ITEM 1 | Notes to Condensed Consolidated Financial Statements (unaudited) | 12. Insurance Liabilities

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:

Six Months Ended June 30,			2024	2023
(in millions)				
Undiscounted expected future benefits and expense	\$	2,760	\$	3,165
Undiscounted expected future gross premiums		3,791		4,383
Discounted expected future gross premiums (at current discount rate)		2,737		3,109

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:

Six Months Ended June 30,			2024	2023
(in millions)				
Gross Premiums	\$	209	\$	232
Interest Accretion	\$	4	\$	4

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

Six Months Ended June 30,	2024	2023
Weighted-average interest rate, original discount rate	1.86 %	1.81 %
Weighted-average interest rate, current discount rate	3.56 %	3.59 %

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,			2024	2023
(dollars in millions)				
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	Individual		Group		Life		Institutional					
(in millions, except for average crediting rate)	Retirement		Retirement		Insurance		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

[TABLE OF CONTENTS](#)
ITEM 1 | Notes to Condensed Consolidated Financial Statements (unaudited) | 12. Insurance Liabilities

Three Months Ended March 31, 2023	Individual		Group		Life		Institutional		Other ^(d)		Total
(in millions, except for average crediting rate)	Retirement		Retirement		Insurance		Markets				
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	At		1 Basis Point -		More than 50				
(in millions, except percentage of total)	Guaranteed		50 Basis Points		Basis Points Above		Total		
	Minimum		Above		Minimum Guarantee				
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

[TABLE OF CONTENTS](#)

ITEM 1 | Notes to Condensed Consolidated Financial Statements (unaudited) | 12. Insurance Liabilities

March 31, 2023		At		1 Basis Point -		More than 50		
		Guaranteed		50 Basis Points		Basis Points Above		
(in millions, except percentage of total)		Minimum		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.

[TABLE OF CONTENTS](#)

ITEM 1 | [Notes to Condensed Consolidated Financial Statements \(unaudited\)](#) | **13. Market Risk Benefits**

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		
	Individual		Group	Individual		Group
	Retirement	Retirement	Total	Retirement	Retirement	Total
(in millions, except for attained age of contract holders)						
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:

(in millions)	March 31, 2024			March 31, 2023		
	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
--	----------------	-------------------

	Individual	Group	Life	Institutional		Individual	Group	Life	Institutional	
(in millions)	Retirement	Retirement	Insurance	Markets	Total	Retirement	Retirement	Insurance	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	Group	Life	Institutional		Individual	Group	Life	Institutional		Total
	Retirement	Retirement	Insurance	Markets		Retirement	Retirement	Insurance	Markets		
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											
	Individual	Group	Life	Institutional		Individual	Group	Life	Institutional		Total
	Retirement	Retirement	Insurance	Markets		Retirement	Retirement	Insurance	Markets		
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.

ITEM 1 | Notes to Condensed Consolidated Financial Statements (unaudited) | 13. Contingencies, Commitments and Guarantees

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.

ITEM 1 | Notes to Condensed Consolidated Financial Statements (unaudited) | 15. Contingencies, Commitments and Guarantees

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 \$1.6 billion and \$6.1 \$1.7 billion at March 31, 2024 June 30, 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 June 30, 2024, a \$92 \$100 million guarantee related to the obligations of AIGFP and certain of its subsidiaries was recognized, and is reported in Other liabilities.

We continue to guarantee certain policyholder contracts issued by Corebridge subsidiaries as well as certain debt issued by Corebridge Life Holdings, Inc. (CRBGLH). Pursuant to the Separation Agreement entered in by AIG and Corebridge on September 14, 2022, Corebridge must indemnify, defend and hold us harmless from and against any liability related to these guarantees. Also, under a collateral agreement, in the event of: (i) a ratings downgrade of Corebridge or the guaranteed debt below specified levels or (ii) the failure by CRBGLH to pay principal and interest on the guaranteed debt when due, Corebridge 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 debt.

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.

16.14. 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							
Three Months Ended March 31, 2024							
Three Months Ended March 31, 2024		Common	Treasury	Common			
Six Months Ended June 30, 2024		Stock Issued	Stock	Stock	Outstanding		
Six Months Ended June 30, 2024							
Six Months Ended June 30, 2024		Common	Treasury	Common			
(in millions)	(in millions)	Stock Issued	Stock	Outstanding	Common	Treasury	Common Stock (in millions)
Shares, beginning of year					Stock Issued	Stock	Outstanding
Shares issued							
Shares repurchased							
Shares, end of period							

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 [Subsidiary Dividend Restrictions](#)

Payments of dividends to us by our insurance subsidiaries are subject to certain restrictions imposed by regulatory authorities. With respect to our domestic insurance subsidiaries, the payment of any dividend requires formal notice to the insurance department in which the particular insurance subsidiary is domiciled. For example, unless permitted by the Superintendent of Financial Services, property casualty companies domiciled in New York generally may not pay dividends to shareholders that, in any 12-month period, exceed the lesser of 10 percent of such company's statutory policyholders' surplus or 100 percent of its "adjusted net investment income," for the previous year, as defined. Generally, less severe restrictions applicable to both property and casualty insurance companies exist in most of the other states in which our insurance subsidiaries are domiciled. Under state insurance laws, an insurer may pay a dividend without prior approval of the insurance regulator when the amount of the dividend is below certain regulatory thresholds. Other foreign jurisdictions may restrict the ability of our foreign insurance subsidiaries to pay dividends. Various other regulatory restrictions also limit cash loans and advances to us by our subsidiaries.

Largely as a result of these restrictions, approximately \$28.7 billion and \$28.5 billion of the statutory capital and surplus of our consolidated insurance subsidiaries were restricted from transfer to AIG Parent by its subsidiaries, see Note 20 to the Consolidated Financial Statements in the 2023 Annual Report, without prior approval of state insurance regulators at June 30, 2024 and December 31, 2023, respectively.

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 July 1, 2024 to April 26, 2024 July 26, 2024, we repurchased approximately 7.6 million shares of AIG Common Stock for an aggregate purchase price of approximately \$558 \$459 million.

DIVIDENDS DECLARED

On April 30, 2024 July 31, 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 September 30, 2024 to shareholders of record on June 14, 2024 September 16, 2024.

ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

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

	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
(in millions)							
Balance, March 31, 2024, net of tax	\$ (66)	\$ (11,702)	\$ (493)	\$ 1,535	\$ (3,329)	\$ (814)	\$ (14,869)
Change in unrealized appreciation (depreciation) of investments*	(19)	(1,036)	—	—	—	—	(1,055)
Change in other	—	(9)	—	—	—	—	(9)
Change in fair value of market risk benefits, net	—	—	159	—	—	—	159
Change in discount rates	—	—	—	262	—	—	262
Change in future policy benefits	—	67	—	—	—	—	67
Change in foreign currency translation adjustments	—	—	—	—	85	—	85
Change in net actuarial loss	—	—	—	—	—	10	10
Change in prior service cost	—	—	—	—	—	1	1
Change in deferred tax asset (liability)	3	52	(34)	(72)	13	(2)	(40)
Corebridge deconsolidation, net of tax	42	8,513	330	(1,583)	(88)	—	7,214
Total other comprehensive income	26	7,587	455	(1,393)	10	9	6,694
Corebridge noncontrolling interests	2	693	38	(120)	(3)	—	610
Balance, June 30, 2024, net of tax	\$ (38)	\$ (3,422)	\$ —	\$ 22	\$ (3,322)	\$ (805)	\$ (7,565)
Balance, March 31, 2023, net of tax	\$ (134)	\$ (17,129)	\$ (226)	\$ 2,150	\$ (3,094)	\$ (896)	\$ (19,329)
Change in unrealized appreciation (depreciation) of investments*	104	(2,383)	—	—	—	—	(2,279)

Change in other	—	(159)	—	—	—	—	(159)
Change in fair value of market risk benefits, net	—	—	(241)	—	—	—	(241)
Change in discount rates	—	—	—	531	—	—	531
Change in future policy benefits	—	137	—	—	—	—	137
Change in foreign currency translation adjustments	—	—	—	—	(25)	—	(25)
Change in net actuarial loss	—	—	—	—	—	78	78
Change in prior service cost	—	—	—	—	—	2	2
Change in deferred tax asset (liability)	(20)	407	51	(158)	(34)	(28)	218
Total other comprehensive income (loss)	84	(1,998)	(190)	373	(59)	52	(1,738)
Corebridge noncontrolling interests	4	2,125	54	(345)	(10)	(1)	1,827
Noncontrolling interests	14	(347)	(47)	111	11	—	(258)
Balance, June 30, 2023, net of tax	\$ (60)	\$ (16,655)	\$ (315)	\$ 2,067	\$ (3,174)	\$ (845)	\$ (18,982)

	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
<i>(in millions)</i>							
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*	53	(2,310)	—	—	—	—	(2,257)
Change in other	—	(4)	—	—	—	—	(4)
Change in fair value of market risk benefits, net	—	—	130	—	—	—	130
Change in discount rates	—	—	—	959	—	—	959
Change in future policy benefits	—	(59)	—	—	—	—	(59)
Change in foreign currency translation adjustments	—	—	—	—	(254)	—	(254)
Change in net actuarial loss	—	—	—	—	—	17	17
Change in prior service cost	—	—	—	—	—	3	3
Change in deferred tax asset (liability)	(12)	157	(28)	(224)	(1)	(4)	(112)
Corebridge deconsolidation, net of tax	42	8,513	330	(1,583)	(88)	—	7,214
Total other comprehensive income (loss)	83	6,297	432	(848)	(343)	16	5,637
Corebridge noncontrolling interests	2	610	33	(105)	(3)	—	537
Noncontrolling interests	17	(559)	(11)	258	(3)	—	(298)
Balance, June 30, 2024, net of tax	\$ (38)	\$ (3,422)	\$ —	\$ 22	\$ (3,322)	\$ (805)	\$ (7,565)

[TABLE OF CONTENTS](#)

ITEM 1 | **Notes to Condensed Consolidated Financial Statements (unaudited)** | **16, 14. Equity**

ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

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

	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
<i>(in millions)</i>							
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)

(in millions)

(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
(in millions)							

Balance, December 31, 2022, net of tax

Balance, December 31, 2022, net of tax

Balance, December 31, 2022, net of tax

Change in unrealized appreciation (depreciation) of investments

Change in unrealized appreciation (depreciation) of investments*

Change in other

Change in fair value of market risk benefits, net

Change in discount rates

Change in future policy benefits

Change in foreign currency translation adjustments

Change in net actuarial loss

Change in deferred tax asset (liability)

Change in deferred tax asset (liability)

Change in prior service cost

Change in deferred tax asset (liability)

Total other comprehensive income (loss)

Total other comprehensive income (loss)

Total other comprehensive income (loss)

Corebridge noncontrolling interests

Noncontrolling interests

Noncontrolling interests

Noncontrolling interests

Balance, March 31, 2023, net of tax

Balance, June 30, 2023, net of tax

* Includes net unrealized gains and losses attributable to businesses held for sale or reclassified to discontinued operations at March 31, 2024, June 30, 2024 and 2023.

The following table presents the other comprehensive income (loss) reclassification adjustments for the three and six months ended March 31, June 30, 2024 and 2023, respectively:

(in millions)

(in millions)

	Unrealized Change in Fair Value of Market discount rates used to measure Risk Benefits traditional and limited payment Currency Plan							Change in Fair Value of Market discount rates used to measure Risk Benefits traditional and limited payment Currency Plan						
	Unrealized Appreciation (Depreciation) of Fixed Maturity Securities on Which Allowance for Credit Losses Was Taken	Unrealized Appreciation (Depreciation) of All Other Investments	Attributable to Our Own Credit Risk	limited payment long-duration Own Credit insurance contracts	Foreign Currency Translation Adjustments	Retirement Plan Liabilities	Total	Unrealized Appreciation (Depreciation) of Fixed Maturity Securities on Which Allowance for Credit Losses Was Taken	Unrealized Appreciation (Depreciation) of All Other Investments	Attributable to Our Own Credit Risk	limited payment long-duration Own Credit insurance contracts	Foreign Currency Translation Adjustments	Retirement Plan Liabilities	Total
(in millions)	Losses Was Taken	Investments	Risk	contracts	Adjustments	Adjustment	Total	Taken	Investments	Risk	contracts	Adjustments	Adjustment	Total
Three Months Ended March 31, 2024														
Unrealized change arising during period														
Unrealized change arising during period														
Unrealized change arising during period														
Less: Reclassification adjustments included in net income														
Total other comprehensive income (loss), before of income tax expense (benefit)														
Less: Income tax expense (benefit)														
Total other comprehensive income (loss), net of income tax expense (benefit)														
Three Months Ended March 31, 2023														
Three Months Ended March 31, 2023														
Three Months Ended March 31, 2023														
Three Months Ended June 30, 2024														
Unrealized change arising during period														
Unrealized change arising during period														
Unrealized change arising during period														
Less: Reclassification adjustments included in net income														
Total other comprehensive income (loss), before income tax expense (benefit)														
Less: Income tax expense (benefit)														
Total other comprehensive income (loss), net of income tax expense (benefit)														
Three Months Ended June 30, 2023														
Three Months Ended June 30, 2023														
Three Months Ended June 30, 2023														
Unrealized change arising during period														
Unrealized change arising during period														
Unrealized change arising during period														
Less: Reclassification adjustments included in net income														
Total other comprehensive income (loss), before income tax expense (benefit)														
Less: Income tax expense (benefit)														
Total other comprehensive income (loss), net of income tax expense (benefit)														
Six Months Ended June 30, 2024														
Unrealized change arising during period	\$	53	\$	(2,643)	\$	130	\$	959	\$	(254)	\$	5	\$	(1,750)

Less: Reclassification adjustments included in net income	(42)	(8,783)	(330)	1,583	88	(15)	(7,499)
Total other comprehensive income (loss), before of income tax expense (benefit)	95	6,140	460	(624)	(342)	20	5,749
Less: Income tax expense (benefit)	12	(157)	28	224	1	4	112
Total other comprehensive income (loss), net of income tax expense (benefit)	\$ 83	\$ 6,297	\$ 432	\$ (848)	\$ (343)	\$ 16	\$ 5,637
Six Months Ended June 30, 2023							
Unrealized change arising during period	\$ 90	\$ 1,827	\$ (146)	\$ 4	\$ (44)	\$ 90	\$ 1,821
Less: Reclassification adjustments included in net income	(23)	(770)	—	—	—	(17)	(810)
Total other comprehensive income (loss), before income tax expense (benefit)	113	2,597	(146)	4	(44)	107	2,631

[TABLE OF CONTENTS](#)

ITEM 1 | Notes to Condensed Consolidated Financial Statements (unaudited) | 16, 14. Equity

	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
(in millions)							
Less: Income tax expense (benefit)	23	343	(31)	51	43	27	456
Total other comprehensive income (loss), net of income tax expense (benefit)	\$ 90	\$ 2,254	\$ (115)	\$ (47)	\$ (87)	\$ 80	\$ 2,175

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
	Amount Reclassified from AOCI		Affected Line Item in the		
	Three Months Ended March 31,				
	Three Months Ended March 31,				
	Three Months Ended March 31,	Condensed Consolidated			
	Three Months Ended June 30,	Condensed Consolidated			
(in millions)	(in millions)	2024	2023	Statements of Income (Loss)	Statements of Income (Loss)

Unrealized appreciation (depreciation) of
fixed maturity securities on which
allowance for credit losses was taken

Investments

Investments

Investments	\$ (6)	\$ (16)	Net realized gains (losses)	Net realized gains (losses)	\$ 6	\$ (7)	Net realized gains (losses)	Net realized gains (losses)
Total								
Unrealized appreciation (depreciation) of all other investments								
Unrealized appreciation (depreciation) of all other investments								
Unrealized appreciation (depreciation) of all other investments								
Investments								
Investments								
Investments				Net realized gains (losses)	Net realized gains (losses)	167	(334)	(334)
Investments		(437)	(436)					
Total								
Change in retirement plan liabilities adjustment								
Change in retirement plan liabilities adjustment								
Change in retirement plan liabilities adjustment								
Prior-service credit								
Prior-service credit								
Prior-service credit			(1)	(1)	(b)	(b)		
Actuarial losses	Actuarial losses	(7)	(8)	(8)	(b)	(b)	(1)	(8)
Total								
Corebridge deconsolidation, net of tax								
Corebridge deconsolidation, net of tax								
Corebridge deconsolidation, net of tax		(7,214)	—	(c)				
Total reclassifications for the period								
	Amount Reclassified from AOCI							
	Amount Reclassified from AOCI							
	Amount Reclassified from AOCI			Affected Line Item in the				
	Six Months Ended June 30,							
(in millions)	2024	2023		Condensed Consolidated Statements of Income (Loss)				
Unrealized appreciation (depreciation) of fixed maturity securities on which allowance for credit losses was taken								
Investments								
Investments								
Investments	\$ —	\$ (23)	Net realized gains (losses)					
Total								
Unrealized appreciation (depreciation) of all other investments								

Unrealized appreciation (depreciation) of all other investments			
Unrealized appreciation (depreciation) of all other investments			
Investments			
Investments			
			Net realized gains
Investments	(270)	(770)	(losses)
Total			
Change in retirement plan liabilities adjustment			
Change in retirement plan liabilities adjustment			
Change in retirement plan liabilities adjustment			
Prior-service credit			
Prior-service credit			
Prior-service credit	(1)	(1)	(b)
Actuarial losses	(14)	(16)	(b)
Total			
Corebridge deconsolidation, net of tax			
Corebridge deconsolidation, net of tax			
Corebridge deconsolidation, net of tax	(7,214)	—	(c)
Total reclassifications for the period			
Total reclassifications for the period			

(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.

(c) Represents adjustments related to the deconsolidation of Corebridge which is reflected in Income (loss) from discontinued operations, net of taxes. See the rollforward of Accumulated other comprehensive income (loss) above for further details.

17. 15. 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,	
Three Months Ended March 31,	
Three Months Ended March 31,	
	Three Months Ended
	June 30,
	Three Months Ended
	June 30,
	Three Months Ended
	June 30,

(dollars in millions, except per common share data)

(dollars in millions, except per common share data)

(dollars in millions, except per common share data)

Numerator for EPS:

Numerator for EPS:

Numerator for EPS:

Income (loss) from continuing operations
Income (loss) from continuing operations
Income (loss) from continuing operations
Less: Net income (loss) from continuing operations attributable to noncontrolling interests
Less: Net income (loss) from continuing operations attributable to noncontrolling interests
Less: Net income (loss) from continuing operations attributable to noncontrolling interests
Less: Preferred stock dividends and preferred stock redemption premiums
Less: Preferred stock dividends and preferred stock redemption premiums
Income from continuing operations
Income from continuing operations
Income from continuing operations
Less: Preferred stock dividends and preferred stock redemption premiums
Income (loss) attributable to AIG common shareholders from continuing operations
Less: Preferred stock dividends and preferred stock redemption premiums
Income (loss) attributable to AIG common shareholders from continuing operations
Less: Preferred stock dividends and preferred stock redemption premiums
Income attributable to AIG common shareholders from continuing operations
Income attributable to AIG common shareholders from continuing operations
Income attributable to AIG common shareholders from continuing operations
Income (loss) attributable to AIG common shareholders from continuing operations
Income (loss) from discontinued operations, net of income tax expense
Income (loss) from discontinued operations, net of income tax expense
Income (loss) from discontinued operations, net of income tax expense
Less: Net income attributable to noncontrolling interests
Less: Net income attributable to noncontrolling interests
Less: Net income attributable to noncontrolling interests
Income (loss) from discontinued operations, net of noncontrolling interest
Income (loss) from discontinued operations, net of noncontrolling interest
Income (loss) from discontinued operations, net of noncontrolling interest
Net income (loss) attributable to AIG common shareholders
Net income (loss) attributable to AIG common shareholders
Net income (loss) attributable to AIG common shareholders
Denominator for EPS:
Denominator for EPS:
Denominator for EPS:
Weighted average common shares outstanding - basic
Weighted average common shares outstanding - basic
Weighted average common shares outstanding - basic
Dilutive common shares
Dilutive common shares
Dilutive common shares
Weighted average common shares outstanding - diluted _(a)
Weighted average common shares outstanding - diluted _(a)
Weighted average common shares outstanding - diluted _(a)
Income (loss) per common share attributable to AIG common shareholders:

Income (loss) per common share attributable to AIG common shareholders:

Income (loss) per common share attributable to AIG common shareholders:

Basic:

Basic:

Basic:

Income (loss) from continuing operations
Income (loss) from continuing operations
Income (loss) from continuing operations
Income from discontinued operations
Income from discontinued operations
Income from discontinued operations
Income from continuing operations
Income from continuing operations
Income from continuing operations
Income (loss) from discontinued operations
Income (loss) from discontinued operations
Income (loss) from discontinued operations
Income (loss) attributable to AIG common shareholders
Income (loss) attributable to AIG common shareholders
Income (loss) attributable to AIG common shareholders

Diluted:

Diluted:

Diluted:

Income (loss) from continuing operations
Income (loss) from continuing operations
Income (loss) from continuing operations
Income from discontinued operations
Income from discontinued operations
Income from discontinued operations
Income from continuing operations
Income from continuing operations
Income from continuing operations
Income (loss) from discontinued operations
Income (loss) from discontinued operations
Income (loss) from discontinued operations
Income (loss) attributable to AIG common shareholders
Income (loss) attributable to AIG common shareholders
Income (loss) attributable to AIG common shareholders

(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 0.1 million and 4.5 million 0.1 million for the three and six months ended March 31, 2024 June 30, 2024, respectively, and 2023, 6.6 million and 5.5 million for the three and six months ended June 30, 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. 14.

18.16. 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 June 30, 2024, the effective tax rate on income from continuing operations was 22.0 23.0 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 and certain non-deductible expenses, partially offset by tax benefits related to the dividends received deduction applicable to post-deconsolidation Corebridge dividends and tax exempt income. 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 six months ended June 30, 2024, the effective tax rate on income from continuing operations was 24.1 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, state and local income taxes and certain non-deductible expenses, partially offset by tax benefits related to the dividends received deduction applicable to post-deconsolidation Corebridge dividends, 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 June 30, 2023, the effective tax rate on loss income from continuing operations was 62.3 5.1 percent. The effective tax rate on loss income from continuing operations differs from the statutory tax rate of 21 percent primarily due to tax benefits related to the potential resolution of an IRS audit matter, net of an increase in associated uncertain tax benefits and tax exempt income, partially offset by tax charges associated with the effect of foreign operations, tax implications related to the announced sale of Validus Re, foreign 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.

For the six months ended June 30, 2023, the effective tax rate on income from continuing operations was 8.5 percent. The effective tax rate on income from continuing operations differs from the statutory tax rate of 21 percent primarily due to tax benefits related to the potential resolution of an IRS audit matter, net of an increase in associated uncertain tax benefits, tax exempt income, excess tax benefits related to share based share-based compensation payments recorded through the income statement and 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. returns. These tax benefits were partially offset by tax charges associated with the effect of foreign operations, U.S. federal tax implications related to the announced sale of Validus Re, foreign 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 second 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 continues 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 a 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 six months ended March 31, 2024 June 30, 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 six months ended March 31, 2024, Corebridge recorded a \$15 million increase in valuation allowance.

For the three months ended March 31, 2024 June 30, 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 general insurance and non-life insurance non-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. begun. As of March 31, 2024 June 30, 2024, based on all available evidence, we concluded that a valuation allowance of \$1.8 \$0.6 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 and six months ended March 31, 2024 June 30, 2024, we recorded an increase in valuation allowance of \$194 \$12 million and \$23 million, respectively, 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' AIG's available for sale securities portfolio. The valuation allowance increase was primarily allocated to other comprehensive income.

For the three six months ended March 31, 2024 June 30, 2024, we recognized a net \$3 \$6 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 June 30, 2024 and December 31, 2023, our unrecognized tax benefits, excluding interest and penalties, were \$1.4 billion. At both March 31, 2024 June 30, 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 June 30, 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 six months ended March 31, 2024 June 30, 2024 and March 31, 2023 June 30, 2023, we accrued benefit of \$0 million and \$7 \$4 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.

[TABLE OF CONTENTS](#)

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 and accounting deconsolidation 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.

[TABLE OF CONTENTS](#)

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;
- the 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 and accounting deconsolidation of Corebridge Financial, Inc. (Corebridge) as well as AIG's continuing 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); counterparties;
- 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; requirements or their applicability to AIG, including as a result of the accounting deconsolidation of Corebridge;
- 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 and Part II, Item 1A. Risk Factors 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).

INDEX TO ITEM 2

	Page
Use of Non-GAAP Measures	70 61
Critical Accounting Estimates	72 63
Executive Summary	73 63
Overview	73 63
Operating Structure	73 64
Regulatory, Industry and Economic Factors	74 65
Consolidated Results of Operations	76 66
Business Segment Operations	80 72
General Insurance	73
Other Operations	80

Investments	81
Life and Retirement Overview	87 81
Other Operations Investment Highlights in the Six Months Ended June 30, 2024	81
Investment Strategies	81
Credit Ratings	83
Insurance Reserves	90
Liquidity and Capital Resources	95
Overview	95
Liquidity and Capital Resources Highlights	96
Analysis of Sources and Uses of Cash	96
Investments Liquidity and Capital Resources of AIG Parent and Subsidiaries	97
Overview Credit Facilities	97 98
Investment Highlights Contractual Obligations in the Three Months Ended March 31, 2024	97 98
Investment Strategies Off-Balance Sheet Arrangements and Commercial Commitments	98
Debt	98
Credit Ratings	99
Insurance Reserves	106
Loss Reserves	106
Life and Annuity Future Policy Benefits, Policyholder Contract Deposits and Market Risk Benefits	109
Liquidity and Capital Resources	112
Overview	112
Liquidity and Capital Resources Highlights	113
Analysis of Sources and Uses of Cash	113
Liquidity and Capital Resources of AIG Parent and Subsidiaries	114
Credit Facilities	115
Contractual Obligations	115
Off-Balance Sheet Arrangements and Commercial Commitments	115
Debt	116
Credit Ratings	117
Financial Strength Ratings	118 100
Regulation and Supervision	118 100
Dividends	118 100
Repurchases of AIG Common Stock	119 100
Dividend Restrictions	119 101
Enterprise Risk Management	119 101
Overview	119 101
Glossary	120 102
Acronyms	122 104

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 investments related cumulative unrealized gains and losses in 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) (collectively, Investments AOI) (Adjusted book value per common share) is used to show the amount of our net worth on a per-common per share basis after eliminating items the fair value of investments that can fluctuate significantly from period to period including due to 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, conditions. In addition, we adjust adjusted 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 Adjusted book value per share is derived by dividing total AIG common shareholders' equity, excluding Investments AOI (AIG adjusted common equity) by total common shares outstanding.

Book Value per share, excluding Goodwill, Value of business acquired (VOBA), Value of distribution channel acquired (VODA) and Other intangible assets (Tangible book value per share) is used to provide a useful measure of the realizable shareholder value on a per share basis. Tangible book value per share is derived by dividing Total AIG common shareholders' equity, excluding intangible assets (AIG tangible common shareholders' equity) by total common shares outstanding.

Book value per share, excluding Investments AOI, deferred tax assets (DTA) and AIG's ownership interest in Corebridge (Core operating book value per share) is used to show the amount of our net worth on a per share basis after eliminating Investments AOI, DTA and AIG's ownership interest in Corebridge. We believe this measure is useful to investors because it eliminates fair value of investments that can fluctuate significantly from period to period due to changes in market conditions. We also exclude only the portion of DTA representing U.S. tax attributes related to net operating loss carryforwards (NOLs) and corporate alternative minimum tax credits (CAMTCs) and foreign tax credits as they (FTCs) that have not yet been utilized. Amounts for interim periods are estimates based on projections of full-year attribute utilization. As net operating loss carryforwards NOLs, CAMTCs and foreign tax credits FTCs are utilized, the portion of the DTA utilized is included included. We exclude AIG's ownership interest in these Corebridge since it is not a core long-term investment for AIG. Core operating book value per common share metrics. Adjusted book value per common share is derived by dividing total AIG common shareholders' equity, excluding Investments AOI, adjusted for the cumulative unrealized gains DTA and losses related to Fortitude Re funds withheld assets, and DTA (Adjusted common AIG's ownership interest in Corebridge (AIG core operating shareholders' equity)), by total common shares outstanding.

Return on common equity – Adjusted after-tax income excluding Investments AOI 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, equity excluding Investments AOI. We believe this measure is useful to investors because it eliminates items fair value of investments which can fluctuate significantly from period to period due to changes in market conditions. Adjusted return on equity is derived by dividing actual or, for interim periods, annualized adjusted after-tax income attributable to AIG common shareholders by average AIG adjusted common shareholders' equity.

Return on Equity – Adjusted After-tax Income, Excluding Goodwill, VOBA, VODA and Other Intangible assets (Return on tangible equity) is used to show the return on AIG tangible common shareholder's equity, which we believe is a useful measure of realizable shareholder value. We exclude Goodwill, VOBA, VODA and Other intangible assets from AIG common shareholders' equity to derive AIG tangible common shareholders' equity. Return on AIG tangible common equity is derived by dividing actual or, for interim periods, annualized adjusted after-tax income attributable to AIG common shareholders by average AIG tangible common equity.

Return on equity – Adjusted after-tax income excluding Investments AOI, DTA and AIG's ownership interest in Corebridge (Core operating return on equity) is used to show the rate of return on common shareholders' equity excluding Investments AOI, DTA and AIG's ownership interest in Corebridge. We believe this measure is useful to investors because it eliminates fair value of investments that can fluctuate significantly from period to period including due to changes in fair value (1) market conditions. We also exclude only the portion 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 DTA representing U.S. tax attributes related to net operating loss carryforwards NOLs and foreign tax credits as they CAMTCs and FTCs that have not yet been utilized. Amounts for interim periods are estimates based on projections of full-year attribute utilization. As net operating loss carryforwards NOLs, CAMTCs and foreign tax credits FTCs are utilized, the portion of the DTA utilized is included included. We exclude AIG's ownership interest in Adjusted Corebridge since it is not a core long-term investment for AIG. This metric will provide greater insight as to the underlying profitability of our property and casualty business. Core operating return on common equity. Adjusted return on common equity is derived by dividing actual or, for interim periods, annualized adjusted after-tax income attributable to AIG common shareholders by average Adjusted common AIG core operating shareholders' equity.

Adjusted after-tax income attributable to AIG common shareholders is 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: [TABLE OF CONTENTS](#)

- 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 values of equity securities; securities and AIG's ownership interest in Corebridge;
- 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);
- income or loss from discontinued operations;
- 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.
- net loss reserve discount benefit (charge);
- pension expense related to lump sum payments to former employees;

Adjusted after-tax income attributable to AIG common shareholders General Insurance is derived by excluding the tax effected adjusted pre-tax income (APTI) adjustments described above, 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:

- Ratios: 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.

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, including Corebridge, are excluded from all of these measures.

[TABLE OF CONTENTS](#)

ITEM 2 | Critical Accounting Estimates

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.

Certain critical accounting estimates were eliminated as a result of the Corebridge deconsolidation. There were no changes to the remaining critical accounting estimates. For further details, see Note 4 to the Condensed Consolidated Financial Statements.

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

[TABLE OF CONTENTS](#)

ITEM 2 | Executive Summary

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.

[TABLE OF CONTENTS](#)[ITEM 2 | Executive Summary](#)

OPERATING STRUCTURE

In September 2022, AIG closed on the initial public offering of Corebridge. Since September 2022 and through June 9, 2024, AIG sold portions of its interests in Corebridge through secondary public offerings. On June 9, 2024, AIG held 48.4 percent of Corebridge common stock, waived its right to majority representation on the Corebridge Board of Directors and one of AIG's designees resigned from the Corebridge Board of Directors as of June 9, 2024 (Deconsolidation Date). As a result, AIG met the requirements for the deconsolidation of Corebridge. The historical financial results of Corebridge, for all periods presented, are reflected in these Condensed Consolidated Financial Statements as discontinued operations.

Due to share repurchases by Corebridge after the Deconsolidation Date, as of June 30, 2024, AIG held 49.0 percent of the outstanding common stock of Corebridge.

As a result of the Corebridge deconsolidation, we no longer present a Life and Retirement segment and no longer include asset management and Corebridge Life Holdings, Inc. interest and general expenses within the Other Operations segment. Historical results of Other Operations have been revised to reflect these changes. Previously reported results for the General Insurance segment were not impacted by the deconsolidation of Corebridge. As of June 30, 2024, AIG reports the results of its businesses through **three** two 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)**, the sale of our global individual personal travel insurance and assistance business, see **Note Notes 1 and 4** 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).

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.

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.



International.gif

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.

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. Other jurisdictions in which we operate, including the European Union, have adopted or are considering similar (and in some cases more stringent) climate- and sustainability-related requirements. 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 its requirements pending judicial review. However, if these If and when such requirements are implemented following the completion of judicial review, become effective, they may significantly increase the complexity of AIG's periodic reporting as a U.S. public company, company and/or in other jurisdictions.

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 Environment

Certain key U.S. benchmark rates continued to rise during the first three months of in 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.

[TABLE OF CONTENTS](#)

[ITEM 2 | Executive Summary](#)

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.

[TABLE OF CONTENTS](#)

[ITEM 2 | Executive Summary](#)

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,	
Three Months Ended March 31,	
Three Months Ended March 31,	
Rate for 1 USD	
Rate for 1 USD	
	Three Months Ended June 30,
	Three Months Ended June 30,

	Three Months Ended June 30,	Percentage	Six Months Ended June 30,	Percentage
Rate for 1 USD				
Currency:				
Currency:				
Currency:				
GBP				
GBP				
GBP				
EUR				
EUR				
EUR				
JPY				
JPY				
JPY				

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 and six months ended March 31, 2024 June 30, 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,	
Three Months Ended March 31,	
Three Months Ended March 31,	
	Three Months Ended June 30,
	Three Months Ended June 30,
	Three Months Ended June 30,
(in millions)	
(in millions)	
(in millions)	
Revenues:	
Revenues:	
Revenues:	
Premiums	
Premiums	
Premiums	
Policy fees	
Policy fees	
Policy fees	

Net investment income:

Net investment income:

Net investment income:

Net investment income - excluding Fortitude Re funds withheld assets

Net investment income - excluding Fortitude Re funds withheld assets

Net investment income - excluding Fortitude Re funds withheld assets
Net investment income - Fortitude Re funds withheld assets
Net investment income - Fortitude Re funds withheld assets
Net investment income - Fortitude Re funds withheld assets
Total net investment income
Total net investment income
Total net investment income
Net realized gains (losses):
Net realized gains (losses):
Net realized gains (losses):
Net realized losses - excluding Fortitude Re funds withheld assets and embedded derivative
Net realized losses - excluding Fortitude Re funds withheld assets and embedded derivative
Net realized losses - excluding Fortitude Re funds withheld assets and embedded derivative
Net realized losses on Fortitude Re funds withheld assets
Net realized losses on Fortitude Re funds withheld assets
Net realized losses on Fortitude Re funds withheld assets
Net realized gains (losses) on Fortitude Re funds withheld embedded derivative
Net realized gains (losses) on Fortitude Re funds withheld embedded derivative
Net realized gains (losses) on Fortitude Re funds withheld embedded derivative
Total net realized losses
Total net realized losses
Total net realized losses
Other income
Other income
Other income
Total revenues
Total revenues
Total revenues
Benefits, losses and expenses:
Benefits, losses and expenses:
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)
Losses and loss adjustment expenses incurred
Policyholder benefits and losses incurred (including remeasurement losses of \$100 and \$64 for the three months ended March 31, 2024, and 2023, respectively)
Losses and loss adjustment expenses incurred
Policyholder benefits and losses incurred (including remeasurement losses of \$100 and \$64 for the three months ended March 31, 2024, and 2023, respectively)
Change in the fair value of market risk benefits, net
Change in the fair value of market risk benefits, net
Change in the fair value of market risk benefits, net
Interest credited to policyholder account balances
Interest credited to policyholder account balances
Interest credited to policyholder account balances
Losses and loss adjustment expenses incurred
Amortization of deferred policy acquisition costs
Amortization of deferred policy acquisition costs
Amortization of deferred policy acquisition costs
General operating and other expenses
General operating and other expenses
General operating and other expenses
Interest expense
Interest expense
Interest expense

Loss on extinguishment of debt
Loss on extinguishment of debt
Loss on extinguishment of debt
Net (gain) loss on divestitures and other
Net (gain) loss on divestitures and other
Net (gain) loss on divestitures and other
Total benefits, losses and expenses
Total benefits, losses and expenses
Total benefits, losses and expenses
Income from continuing operations before income tax expense
Income from continuing operations before income tax expense
Income from continuing operations before income tax expense
Income tax expense
Income tax expense
Income tax expense
Income from continuing operations
Income from continuing operations
Income from continuing operations
Income (loss) from discontinued operations, net of income taxes
Income (loss) from discontinued operations, net of income taxes
Income (loss) from discontinued operations, net of income taxes
Net income (loss)
Net income (loss)
Net income (loss)

[TABLE OF CONTENTS](#)

ITEM 2 | Consolidated Results of Operations

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 %

	Three Months Ended June 30,			Six Months Ended June 30,		
(in millions)	2024	2023	Percentage Change	2024	2023	Percentage Change
Less: Net income attributable to noncontrolling interests	93	198	(53)	477	81	489

Net income (loss) attributable to AIG	(3,977)	1,493	NM	(2,761)	1,523	NM
Less: Dividends on preferred stock and preferred stock redemption premiums	—	8	NM	22	15	47
Net income (loss) attributable to AIG common shareholders	\$ (3,977)	\$ 1,485	NM %	\$ (2,783)	\$ 1,508	NM %
(in millions, except per common share data)			March 31, 2024		December 31, 2023	
(in millions, except per share data)			June 30, 2024		December 31, 2023	

Balance sheet data:

Total assets
Total assets
Total assets
Short-term and long-term debt
Long-term debt
Debt of consolidated investment entities
Total AIG shareholders' equity
Book value per common share
Adjusted book value per common share
Book value per share
Adjusted book value per share
Tangible book value per share
Core operating book value per share

NET INCOME (LOSS) ATTRIBUTABLE TO AIG COMMON SHAREHOLDERS

Three Months Ended March 31, 2024 June 30, 2024 and 2023 Comparison

Net income (loss) attributable to AIG common shareholders increased \$1.2 decreased \$5.5 billion due to the following, on a pre-tax basis; following:

- an increase a decrease in Net realized gains income (loss) from discontinued operations, net of income taxes of \$5.2 billion primarily as a result of the loss on Fortitude Re funds withheld embedded derivative deconsolidation of \$1.2 Corebridge of \$4.7 billion driven by interest rate movement partially offset by higher Net realized losses on Fortitude Re funds withheld assets of \$148 million; as well as the decline in Corebridge net income;
- an increase a decrease in underwriting income in General Insurance of \$164 million, reflecting lower net favorable prior year reserve development and higher catastrophe losses and partially offset by improvement in the accident year loss ratio, as adjusted, primarily driven by changes in business mix along with continued positive rate change, focused risk selection and improved terms and conditions;
- a decrease in Net realized gains excluding Fortitude Re funds withheld assets and embedded derivative of \$455 million, \$122 million, driven by a \$608 \$71 million decrease in foreign exchange gains and higher losses on sales of securities of \$80 million, increase in partially offset by derivative and hedge activity gains of \$68 million;
- an increase in General operating and gains on Index-linked interest credited embedded derivatives, net other expenses primarily due to a severance charge of related hedges, \$285 million and asset impairment of \$53 million as a result of restructuring activities; and
- an increase in income tax expense of \$97 million as a result of prior year discrete items partially offset by foreign exchange losses of \$100 million; lower income from continuing operations.

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

- an increase in Net investment income of \$371 million \$153 million primarily driven by higher income on available for sale fixed maturity securities dividends received from Corebridge of \$373 \$68 million and changes in its stock price of \$65 million, 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 \$16 million as a result of the higher interest rate environment and higher available for sale fixed maturity sales of \$5 million, partially offset by a decrease in the fair value of equity securities of \$45 million and lower returns on our alternative investments of \$66 million; \$12 million; and
- a decrease in income attributable to noncontrolling interest of \$105 million primarily driven by lower ownership interest in Corebridge.

Six Months Ended June 30, 2024 and 2023 Comparison

Net income (loss) attributable to AIG common shareholders decreased \$4.3 billion due to the following:

- a decrease in Income (loss) from discontinued operations, net of income taxes of \$4.0 billion primarily as a result of the loss on deconsolidation of Corebridge of \$4.7 billion;
- an increase in Change in the fair value income attributable to noncontrolling interest of market risk benefits, net of \$565 \$396 million primarily driven by interest rate movement and equity market movements; increase in net income at Corebridge compared to 2023; and
- an increase a decrease in underwriting income in General Insurance of \$94 million \$70 million, reflecting lower net favorable prior year reserve development partially offset by 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 conditions;

- an increase in income tax expense \$293 million as a result of prior year discrete items partially offset by lower net favorable prior year reserve development, income from continuing operations.

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

- an increase in Net investment income attributable to noncontrolling interest of \$501 \$288 million primarily driven by the increase dividends received from Corebridge of \$68 million and changes in the noncontrolling interest its stock price of \$65 million, higher income on Corebridge as a result available for sale fixed maturity securities of \$126 million, partially offset by lower returns on our alternative investments of \$53 million;
- an increase in net income at Corebridge compared to 2023 Net realized gains excluding Fortitude Re funds withheld assets and lower ownership embedded derivative of \$136 million, driven by AIG a \$146 million decrease in losses from sales of Corebridge common stock.

The \$595 securities and a \$44 million increase in income tax expense was primarily attributable to derivative and hedge activity, partially offset by foreign exchange losses of \$44 million; and

- an increase in Net realized gains on Fortitude Re funds withheld embedded derivative of \$81 million driven by interest rate movement and higher income from continuing operations. Net realized losses on Fortitude Re funds withheld assets of \$41 million.

INCOME TAX EXPENSE ANALYSIS

For the three months ended March 31, 2024 June 30, 2024 and 2023, the effective tax rate on income (loss) from continuing operations was 22.0 23.0 percent and 62.3 5.1 percent, respectively. For the six months ended June 30, 2024 and 2023, the effective tax rate on income (loss) from continuing operations was 24.1 percent and 8.5 percent, respectively.

For additional information, see Note 18 16 to the Condensed Consolidated Financial Statements.

NON-GAAP RECONCILIATIONS

The following tables present reconciliations of Book value per share to Adjusted book value per share, Tangible book value per share and Core operating book value per share, which are non-GAAP measures. For additional information, see Use of Non-GAAP Measures.

	June 30, 2024	December 31, 2023
<i>(in millions, except per share data)</i>		
Total AIG shareholders' equity	\$ 44,445	\$ 45,351
Preferred equity	—	485
Total AIG common shareholders' equity	44,445	44,866
Less: Investments related AOCI	(3,460)	(10,994)
Add: Cumulative unrealized gains and losses related to Fortitude Re funds withheld assets	(615)	(1,791)
Subtotal: Investments AOCI	(2,845)	(9,203)
Adjusted common shareholders' equity	\$ 47,290	\$ 54,069
Total common shares outstanding	649.8	688.8
Book value per share	\$ 68.40	\$ 65.14
Adjusted book value per share	72.78	78.50

	June 30, 2024	December 31, 2023
<i>(in millions, except per share data)</i>		
Total AIG shareholders' equity	\$ 44,445	\$ 45,351
Preferred equity	—	485
Total AIG common shareholders' equity	44,445	44,866
Less Intangible Assets:		
Goodwill	3,407	3,422
Value of distribution channel acquired	136	145
Other intangibles	249	249
Total intangibles assets	3,792	3,816
AIG tangible common shareholders' equity	\$ 40,653	41,050
Total common shares outstanding	649.8	688.8
Book value per share	\$ 68.40	\$ 65.14
Tangible book value per share	62.56	59.60

[TABLE OF CONTENTS](#)

ITEM 2 | Consolidated Results of Operations

NON-GAAP RECONCILIATIONS

	June 30,		December 31,	
(in millions, except per share data)	2024		2023	
Total AIG shareholders' equity	\$	44,445	\$	45,351
Preferred equity		—		485
Total AIG common shareholders' equity		44,445		44,866
Less: AIG's ownership interest in Corebridge		8,567		6,738
Less: Investments related AOCI - AIG		(3,460)		(3,084)
Add: Cumulative unrealized gains and losses related to Fortitude Re funds withheld assets - AIG		(615)		(573)
Subtotal: Investments AOCI - AIG		(2,845)		(2,511)
Less: Deferred tax assets		4,059		4,313
AIG core operating shareholders' equity	\$	34,664	\$	36,326
Total common shares outstanding		649.8		688.8
Book value per share	\$	68.40	\$	65.14
Core operating book value per share		53.35		52.74

The following table presents a reconciliation tables present reconciliations of Book value per common share Return on equity to Adjusted book value per common share, return on equity, Tangible return on equity and Core operating return on equity, which is a non-GAAP measure. measures. For additional information, see Use of Non-GAAP Measures.

	March 31,		December 31,	
(in millions, except per common share data)	2024		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

	Three Months Ended		Six Months Ended		Year Ended
	June 30,		June 30,		December 31,
(dollars in millions)	2024	2023	2024	2023	2023
Actual or annualized net income (loss) attributable to AIG common shareholders	\$ (15,908)	\$ 5,940	\$ (5,566)	\$ 3,016	\$ 3,614
Actual or annualized adjusted after-tax income attributable to AIG common shareholders	3,100	3,108	3,286	3,080	3,181
Average AIG common shareholders' equity	\$ 43,915	\$ 42,401	\$ 44,232	\$ 41,762	\$ 41,930
Less: Average investments AOCI	(6,355)	(14,615)	(7,304)	(15,726)	(14,836)
Average adjusted AIG common shareholders' equity	\$ 50,270	\$ 57,016	\$ 51,536	\$ 57,488	\$ 56,766
Return on equity	NM %	14.0 %	NM %	7.2 %	8.6 %
Adjusted return on equity	6.2 %	5.5 %	6.4 %	5.4 %	5.6 %

	Three Months Ended June 30,		Six Months Ended June 30,		Year Ended December 31,
(dollars in millions)	2024	2023	2024	2023	2023
Actual or annualized net income (loss) attributable to AIG common shareholders	\$ (15,908)	\$ 5,940	\$ (5,566)	\$ 3,016	\$ 3,614
Actual or annualized adjusted after-tax income attributable to AIG common shareholders	3,100	3,108	3,286	3,080	3,181
Average AIG common shareholders' equity	\$ 43,915	\$ 42,401	\$ 44,232	\$ 41,762	\$ 41,930
Less: Average intangibles	3,796	4,156	3,803	4,250	4,070
Average AIG tangible common shareholders' equity	\$ 40,119	\$ 38,245	\$ 40,429	\$ 37,512	\$ 37,860
Return on equity	NM %	14.0 %	NM %	7.2 %	8.6 %
Return on tangible equity	7.7 %	8.1 %	8.1 %	8.2 %	8.4 %

	Three Months Ended June 30,		Six Months Ended June 30,		Year Ended December 31,
(dollars in millions)	2024	2023	2024	2023	2023
Actual or annualized net income (loss) attributable to AIG common shareholders	\$ (15,908)	\$ 5,940	\$ (5,566)	\$ 3,016	\$ 3,614
Actual or annualized adjusted after-tax income attributable to AIG common shareholders	3,100	3,108	3,286	3,080	3,181
Average AIG common shareholders' equity	\$ 43,915	\$ 42,401	\$ 44,232	\$ 41,762	\$ 41,930
Less: Average AIG's ownership interest in Corebridge	7,580	7,812	7,299	8,104	7,376
Less: Average Investments AOCI - AIG	\$ (2,748)	(3,941)	(2,669)	(2,995)	(3,254)
Less: Average deferred tax assets	4,106	4,403	4,175	4,441	4,322
Average AIG core operating shareholders' equity	\$ 34,977	\$ 34,127	\$ 35,427	\$ 32,212	\$ 33,486
Return on equity	NM %	14.0 %	NM %	7.2 %	8.6 %
Core operating return on equity	8.9 %	9.1 %	9.3 %	9.6 %	9.5 %

[TABLE OF CONTENTS](#)

The following table presents a reconciliation [ITEM 2 | Consolidated Results 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, Operations](#)

	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](#): [revenues](#)

Three Months Ended March 31,
Three Months Ended March 31,
Three Months Ended March 31,

	Three Months Ended June 30,
	Three Months Ended June 30,
	Three Months Ended June 30,

(in millions)

(in millions)

(in millions)

Revenues

Revenues

Revenues

Changes in fair value of securities used to hedge guaranteed living benefits
Changes in fair value of securities used to hedge guaranteed living benefits
Changes in fair value of securities used to hedge guaranteed living benefits
Changes in the fair value of equity securities
Changes in the fair value of equity securities
Changes in the fair value of equity securities
Changes in the fair values of equity securities and AIG's investment in Corebridge
Changes in the fair values of equity securities and AIG's investment in Corebridge
Changes in the fair values of equity securities and AIG's investment in Corebridge

Other (income) expense - net

Other (income) expense - net

Other (income) expense - net

Net investment income on Fortitude Re funds withheld assets

Net investment income on Fortitude Re funds withheld assets

Net investment income on Fortitude Re funds withheld assets

Net realized losses on Fortitude Re funds withheld assets

Net realized losses on Fortitude Re funds withheld assets

Net realized losses on Fortitude Re funds withheld assets

Net realized (gains) losses on Fortitude Re funds withheld embedded derivative

Net realized (gains) losses on Fortitude Re funds withheld embedded derivative

Net realized (gains) losses on Fortitude Re funds withheld embedded derivative

Net realized losses^(a)

Net realized losses^(a)

Net realized losses^(a)

Non-operating litigation reserves and settlements

Non-operating litigation reserves and settlements

Non-operating litigation reserves and settlements

Net impact from elimination of international reporting lag^(b)

Net impact from elimination of international reporting lag^(b)

Net impact from elimination of international reporting lag^(b)

Adjusted revenues

Adjusted revenues

Adjusted revenues

(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			
	Total Tax		Non-		Total Tax		Non-	
	Pre-tax	Charge	controlling	After	Pre-tax	Charge	controlling	After
<i>(in millions, except per common share data)</i>								
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 ^(a)	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 ^(a)	—	—	—	—	(12)	(3)	—	(9)
Noncontrolling interests ^(a)			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

Three Months Ended June 30,	2024				2023			
	Total Tax		Non-		Total Tax		Non-	
	Pre-tax	Charge	controlling	After	Pre-tax	Charge	controlling	After
<i>(in millions, except per common share data)</i>								
Pre-tax income/net income (loss), including noncontrolling interests	\$ 617	\$ 142	\$ —	\$ (3,884)	\$ 886	\$ 45	\$ —	\$ 1,691
Noncontrolling interests			(93)	(93)			(198)	(198)
Pre-tax income/net income (loss) attributable to AIG - including discontinued operations	\$ 617	\$ 142	\$ (93)	\$ (3,977)	\$ 886	\$ 45	\$ (198)	\$ 1,493
Dividends on preferred stock and preferred stock redemption premiums				—				8
Net income (loss) attributable to AIG common shareholders				\$ (3,977)				\$ 1,485
Changes in uncertain tax positions and other tax adjustments		2	—	(2)		228	—	(228)
Deferred income tax valuation allowance (releases) charges		1	—	(1)		(43)	—	43
Changes in the fair values of equity securities and AIG's investment in Corebridge	(59)	(12)	—	(47)	(41)	(9)	—	(32)
Loss on extinguishment of debt and preferred stock redemption premiums	1	—	—	1	—	—	—	—

Net investment income on Fortitude Re funds withheld assets	(33)	(7)	—	(26)	(25)	(5)	—	(20)
Net realized losses on Fortitude Re funds withheld assets	1	—	—	1	7	2	—	5
Net realized gains on Fortitude Re funds withheld embedded derivative	(8)	(2)	—	(6)	(58)	(12)	—	(46)
Net realized losses ^(a)	186	48	—	138	64	7	—	57
(Income) loss from discontinued operations				4,359				(850)
Net loss (gain) on divestitures and other	(102)	(16)	—	(86)	15	3	—	12
Non-operating litigation reserves and settlements	—	—	—	—	1	—	—	1
Favorable prior year development and related amortization changes ceded under retroactive reinsurance agreements	(62)	(13)	—	(49)	(18)	(4)	—	(14)
Net loss reserve discount charge	26	5	—	21	16	4	—	12
Pension expense related to lump sum payments to former employees	—	—	—	—	54	11	—	43
Integration and transaction costs associated with acquiring or divesting businesses	18	4	—	14	8	2	—	6
Restructuring and other costs ^(b)	426	90	—	336	125	26	—	99
Non-recurring costs related to regulatory or accounting changes	7	1	—	6	7	1	—	6
Noncontrolling interests ^(c)			93	93			198	198
Adjusted pre-tax income/Adjusted after-tax income attributable to AIG common shareholders	\$ 1,018	\$ 243	\$ —	\$ 775	\$ 1,041	\$ 256	\$ —	\$ 777
Weighted average diluted shares outstanding				667.0				730.5
Income (loss) per common share attributable to AIG common shareholders (diluted)				\$ (5.96)				\$ 2.03
Adjusted after-tax income per common share attributable to AIG common shareholders (diluted)				\$ 1.16				\$ 1.06

[TABLE OF CONTENTS](#)

[ITEM 2 | Consolidated Results of Operations](#)

Six Months Ended June 30,	2024				2023			
	Pre-tax	Total Tax (Benefit) Charge	Non- controlling Interests ^(c)	After Tax	Pre-tax	Total Tax (Benefit) Charge	Non- controlling Interests ^(c)	After Tax
<i>(in millions, except per common share data)</i>								
Pre-tax income/net income (loss), including noncontrolling interests	\$ 1,675	\$ 403	\$ —	\$ (2,284)	\$ 1,288	\$ 110	\$ —	\$ 1,604
Noncontrolling interests			(477)	(477)			(81)	(81)
Pre-tax income/net income (loss) attributable to AIG - including discontinued operations	\$ 1,675	\$ 403	\$ (477)	\$ (2,761)	\$ 1,288	\$ 110	\$ (81)	\$ 1,523
Dividends on preferred stock and preferred stock redemption premiums				22				15
Net income (loss) attributable to AIG common shareholders				\$ (2,783)				\$ 1,508
Changes in uncertain tax positions and other tax adjustments		5	—	(5)		232	—	(232)
Deferred income tax valuation allowance (releases) charges		6	—	(6)		(46)	—	46
Changes in the fair values of equity securities and AIG's investment in Corebridge	(147)	(31)	—	(116)	(62)	(13)	—	(49)
Loss on extinguishment of debt and preferred stock redemption premiums	1	—	—	16	—	—	—	—
Net investment income on Fortitude Re funds withheld assets	(72)	(15)	—	(57)	(77)	(16)	—	(61)
Net realized losses on Fortitude Re funds withheld assets	20	4	—	16	61	13	—	48
Net realized losses on Fortitude Re funds withheld embedded derivative	1	—	—	1	82	17	—	65
Net realized losses ^(a)	241	55	—	186	383	89	—	294
(Income) loss from discontinued operations				3,556				(426)
Net loss (gain) on divestitures and other	(102)	(16)	—	(86)	12	2	—	10
Non-operating litigation reserves and settlements	—	—	—	—	—	—	—	—
Favorable prior year development and related amortization changes ceded under retroactive reinsurance agreements	(60)	(13)	—	(47)	(37)	(8)	—	(29)
Net loss reserve discount charge	102	21	—	81	80	17	—	63
Pension expense related to lump sum payments to former employees	—	—	—	—	54	11	—	43
Integration and transaction costs associated with acquiring or divesting businesses	15	3	—	12	8	2	—	6

Restructuring and other costs	493	104	—	389	215	45	—	170
Non-recurring costs related to regulatory or accounting changes	11	2	—	9	15	3	—	12
Net impact from elimination of international reporting lag ^(c)	—	—	—	—	(12)	(3)	—	(9)
Noncontrolling interests ^(d)			477	477			81	81
Adjusted pre-tax income (loss)/Adjusted after-tax income (loss) attributable to AIG common shareholders	\$ 2,178	\$ 528	\$ —	\$ 1,643	\$ 2,010	\$ 455	\$ —	\$ 1,540
Weighted average diluted shares outstanding				677.5				737.3
Income (loss) per common share attributable to AIG common shareholders (diluted)				\$ (4.11)				\$ 2.05
Adjusted after-tax income per common share attributable to AIG common shareholders (diluted)				\$ 2.43				\$ 2.09

- (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.
- (b) In the second quarter of 2024, Restructuring and other costs increased primarily as a result of employee-related costs, including severance, and real estate impairment charges.
- (c) For additional information, see Note 1 to the Consolidated Financial Statements in the 2023 Annual Report.
- (d) Includes Noncontrolling interest primarily relates to Corebridge and is the portion of equity interest of non-operating income Corebridge earnings that AIG did not own. Corebridge is consolidated until June 9, 2024. The historical results of Corebridge and consolidated investment entities that owned by AIG does not own, are reflected in the Income (loss) from discontinued operations, net of income taxes.

PRE-TAX INCOME (LOSS) COMPARISON

Three Months Ended March 31, 2024 and 2023 Comparison

Pre-tax income (loss) was \$2.1 billion \$617 million and \$(231) million \$886 million in the three months ended March 31, 2024 June 30, 2024 and 2023, respectively. Pre-tax income (loss) was \$1.7 billion and \$1.3 billion in the six months ended June 30, 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 \$1.0 billion and \$1.6 \$1.0 billion in the three months ended March 31, 2024 June 30, 2024 and 2023, respectively. Adjusted pre-tax income (loss) was \$2.2 billion and \$2.0 billion in the six months ended June 30, 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,	
Three Months Ended March 31,	
Three Months Ended March 31,	
	Three Months Ended June 30,
	Three Months Ended June 30,
	Three Months Ended June 30,

(in millions)

(in millions)

(in millions)

General Insurance
General Insurance
General Insurance
North America - Underwriting income
North America - Underwriting income
North America - Underwriting income
International - Underwriting income
International - Underwriting income
International - Underwriting income
Net investment income
Net investment income
Net investment income
General Insurance
General Insurance
General Insurance
Life and Retirement
Life and Retirement
Life and Retirement
Individual Retirement
Individual Retirement
Individual Retirement
Group Retirement
Group Retirement
Group Retirement
Life Insurance
Life Insurance
Life Insurance
Institutional Markets
Institutional Markets
Institutional Markets
Life and Retirement
Life and Retirement
Life and Retirement
Other Operations
Other Operations
Other Operations
Other Operations before consolidation and eliminations
Other Operations before consolidation and eliminations
Other Operations before consolidation and eliminations
Consolidation and eliminations
Consolidation and eliminations
Consolidation and eliminations
Other Operations
Other Operations
Other Operations
Adjusted pre-tax income
Adjusted pre-tax income
Adjusted pre-tax income

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 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 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.

On June 26, 2024, AIG entered into a definitive agreement to sell its global individual personal travel insurance and assistance business to Zurich Insurance Group. The agreement includes the Travel Guard business and its servicing capabilities, excluding our travel insurance businesses in Japan and our AIG joint venture arrangement in India. Travel coverages offered through AIG's Accident & Health business are also excluded from this agreement. For additional information, see Note 4 to the Condensed Consolidated Financial Statements.

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.

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.

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 six** months ended **March 31, 2024** **June 30, 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 strong growth in terms and conditions, new business**. We continue to monitor the impact of inflation **ongoing labor force** and **supply chain disruptions and volatile commodity prices**, among other **economic** 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 continues to elevated economic and social inflation**, as well as a higher frequency and severity of natural catastrophe losses over recent years. **pursue profitable growth**. 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 strong** 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,	
Three Months Ended March 31,	
Three Months Ended March 31,	
	Three Months Ended June 30,
	Three Months Ended June 30,
	Three Months Ended June 30,

(in millions)

(in millions)

(in millions)

Underwriting results:
Underwriting results:
Underwriting results:
Net premiums written
Net premiums written
Net premiums written
(Increase) decrease in unearned premiums
(Increase) decrease in unearned premiums
(Increase) decrease in unearned premiums
Net premiums earned
Net premiums earned
Net premiums earned
Losses and loss adjustment expenses incurred ^(a)
Losses and loss adjustment expenses incurred ^(a)
Losses and loss adjustment expenses incurred ^(a)
Acquisition expenses:
Acquisition expenses:
Acquisition expenses:
Amortization of deferred policy acquisition costs
Amortization of deferred policy acquisition costs
Amortization of deferred policy acquisition costs
Other acquisition expenses
Other acquisition expenses
Other acquisition expenses
Total acquisition expenses
Total acquisition expenses
Total acquisition expenses
General operating expenses

General operating expenses
General operating expenses
Underwriting income
Underwriting income
Underwriting income
Net investment income
Net investment income
Net investment income
Adjusted pre-tax income
Adjusted pre-tax income
Adjusted pre-tax income
Loss ratio ^(a)
Loss ratio ^(a)
Loss ratio ^(a)
Acquisition ratio
Acquisition ratio
Acquisition ratio
General operating expense ratio
General operating expense ratio
General operating expense ratio
Expense ratio
Expense ratio
Expense ratio
Combined ratio ^(a)
Combined ratio ^(a)
Combined ratio ^(a)
Adjustments for accident year loss ratio, as adjusted and accident year combined ratio, as adjusted:
Adjustments for accident year loss ratio, as adjusted and accident year combined ratio, as adjusted:
Adjustments for accident year loss ratio, as adjusted and accident year combined ratio, as adjusted:
Catastrophe losses and reinstatement premiums
Catastrophe losses and reinstatement premiums
Catastrophe losses and reinstatement premiums
Prior year development, net of reinsurance and prior year premiums
Prior year development, net of reinsurance and prior year premiums
Prior year development, net of reinsurance and prior year premiums
Accident year loss ratio, as adjusted
Accident year loss ratio, as adjusted
Accident year loss ratio, as adjusted
Accident year combined ratio, as adjusted
Accident year combined ratio, as adjusted
Accident year combined ratio, as adjusted
(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,				
Three Months Ended March 31,				
Three Months Ended March 31,		Percentage Change in		
(in millions)				
(in millions)				
	Three Months Ended			
	June 30,			
	Three Months Ended			
	June 30,			
	Three Months Ended		Six Months Ended	
	June 30,	Percentage Change in	June 30,	Percentage Change in
(in millions)				
North America				
North America				
North America				
International				
International				
International				
Total net premiums written				
Total net premiums written				
Total net premiums written				

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

		# of	North		Total		# of	North		Total
(dollars in millions)	(dollars in millions)	Events	America	International		(dollars in millions)	Events	America	International	
Three Months Ended March 31, 2024										
Three Months Ended March 31, 2024										
Three Months Ended March 31, 2024										
Windstorms and hailstorms										
Windstorms and hailstorms										
Windstorms and hailstorms										
Winter storms										
Earthquakes										
Earthquakes										
Earthquakes										
Reinstatement premiums										
Reinstatement premiums										
Reinstatement premiums										
Total catastrophe-related charges										
Three Months Ended March 31, 2023										
Three Months Ended June 30, 2024										
Flooding, rainstorms and other										
Flooding, rainstorms and other										
Flooding, rainstorms and other										
Windstorms and hailstorms										
Winter storms										
Earthquakes										
Earthquakes										

Earthquakes
Reinstatement premiums
Total catastrophe-related charges
Three Months Ended June 30, 2023
Flooding, rainstorms and other
Flooding, rainstorms and other
Flooding, rainstorms and other
Windstorms and hailstorms
Winter storms
Wildfires
Earthquakes
Reinstatement premiums
Total catastrophe-related charges
Six Months Ended June 30, 2024
Flooding, rainstorms and other
Flooding, rainstorms and other
Flooding, rainstorms and other
Windstorms and hailstorms
Winter storms
Earthquakes
Earthquakes
Earthquakes
Reinstatement premiums
Reinstatement premiums
Total catastrophe-related charges
Six Months Ended June 30, 2023
Flooding, rainstorms and other
Flooding, rainstorms and other
Flooding, rainstorms and other
Windstorms and hailstorms
Winter storms
Wildfires
Earthquakes
Reinstatement premiums
Total catastrophe-related charges

(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.

[TABLE OF CONTENTS](#)

ITEM 2 | [Business Segment Operations](#) | [General Insurance](#)

NORTH AMERICA RESULTS

Three Months Ended March 31,
Three Months Ended March 31,
Three Months Ended March 31,
Three Months Ended June 30,

	Three Months Ended June 30,
	Three Months Ended June 30,

(in millions)

(in millions)

(in millions)

Underwriting results:
Underwriting results:
Underwriting results:
Net premiums written
Net premiums written
Net premiums written
(Increase) decrease in unearned premiums
(Increase) decrease in unearned premiums
(Increase) decrease in unearned premiums
Net premiums earned
Net premiums earned
Net premiums earned
Losses and loss adjustment expenses incurred ^(a)
Losses and loss adjustment expenses incurred ^(a)
Losses and loss adjustment expenses incurred ^(a)
Acquisition expenses:
Acquisition expenses:
Acquisition expenses:
Amortization of deferred policy acquisition costs
Amortization of deferred policy acquisition costs
Amortization of deferred policy acquisition costs
Other acquisition expenses
Other acquisition expenses
Other acquisition expenses
Total acquisition expenses
Total acquisition expenses
Total acquisition expenses
General operating expenses
General operating expenses
General operating expenses
Underwriting income
Underwriting income
Underwriting income
Loss ratio ^(a)
Loss ratio ^(a)
Loss ratio ^(a)
Acquisition ratio
Acquisition ratio
Acquisition ratio
General operating expense ratio
General operating expense ratio
General operating expense ratio
Expense ratio
Expense ratio

Expense ratio
Combined ratio ^(a)
Combined ratio ^(a)
Combined ratio ^(a)
Adjustments for accident year loss ratio, as adjusted and accident year combined ratio, as adjusted:
Adjustments for accident year loss ratio, as adjusted and accident year combined ratio, as adjusted:
Adjustments for accident year loss ratio, as adjusted and accident year combined ratio, as adjusted:
Catastrophe losses and reinstatement premiums
Catastrophe losses and reinstatement premiums
Catastrophe losses and reinstatement premiums
Prior year development, net of reinsurance and prior year premiums
Prior year development, net of reinsurance and prior year premiums
Prior year development, net of reinsurance and prior year premiums
Accident year loss ratio, as adjusted
Accident year loss ratio, as adjusted
Accident year loss ratio, as adjusted
Accident year combined ratio, as adjusted
Accident year combined ratio, as adjusted
Accident year combined ratio, as adjusted

(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 June 30, 2024 and 2023

Net premiums written decreased by \$2.3 billion \$613 million due to the a decline in Commercial Lines (\$2.3 660 million), primarily driven by the sale of AIG Re, partially offset by growth in Casualty and Property lines driven by pricing levels, strength of renewal retentions and new business production. This decline was partially offset by higher production in Personal Insurance (\$47 million), particularly in PCS driven by positive rate change.

Net Premiums Written Comparison for the Six Months Ended June 30, 2024 and 2023

Net premiums written decreased by \$3.0 billion due to a decline in Commercial Lines (\$3.0 billion), driven by the sales of AIG Re and CRS.

Underwriting Income (Loss) Comparison for the Three Months Ended March 31, 2024 June 30, 2024 and 2023

Underwriting income decreased by \$75 \$189 million primarily due to:

- lower net favorable prior year development (1.7 (2.3 points or \$58 \$73 million), primarily as a result of lower favorable development in Casualty recognized in 2023; and Programs;
- higher catastrophe losses (1.5 points or \$3 million);
- the impact of sales the sale of AIG Re and CRS on accident year results results; and

This decrease was partially offset by:

- a lower higher expense ratio of 1.0 points (0.2 points) reflecting an increase in general operating expense ratio (0.3 points), partially offset by a lower acquisition ratio (1.2 (0.1 points), primarily driven by changes in business mix and including the sale impact from the sales of AIG Re improved commission terms and reinsurance program changes, partially offset by an increase in general operating expense ratio (0.2 points); and CRS.
- lower catastrophe losses (0.3 points or \$24 million).

Underwriting Income (Loss) Comparison for the Six Months Ended June 30, 2024 and 2023

Underwriting income decreased by \$264 million primarily due to:

- lower net favorable prior year development (2.0 points or \$131 million), primarily as a result of lower favorable development in Casualty and Programs; and
- the impact of sale of AIG Re on accident year results.

This decrease was partially offset by:

- a lower expense ratio (0.4 points) reflecting a lower acquisition ratio (0.6 points), partially offset by an increase in general operating expense ratio (0.2 points), primarily driven by changes in business mix including the impact from the sales of AIG Re and CRS.

INTERNATIONAL RESULTS

Three Months Ended March 31,	
Three Months Ended March 31,	
Three Months Ended March 31,	
	Three Months Ended June 30,
	Three Months Ended June 30,
	Three Months Ended June 30,

(in millions)

(in millions)

(in millions)

Underwriting results:

Underwriting results:

Underwriting results:

Net premiums written

Net premiums written

Net premiums written

(Increase) decrease in unearned premiums

(Increase) decrease in unearned premiums

(Increase) decrease in unearned premiums

Increase in unearned premiums

Increase in unearned premiums

Increase in unearned premiums

Net premiums earned

Net premiums earned

Net premiums earned

Losses and loss adjustment expenses incurred

Losses and loss adjustment expenses incurred

Losses and loss adjustment expenses incurred

Acquisition expenses:

Acquisition expenses:

Acquisition expenses:

Amortization of deferred policy acquisition costs

Amortization of deferred policy acquisition costs

Amortization of deferred policy acquisition costs

Other acquisition expenses

Other acquisition expenses

Other acquisition expenses

Total acquisition expenses

Total acquisition expenses

Total acquisition expenses

General operating expenses

General operating expenses

General operating expenses

Underwriting income

Underwriting income

Underwriting income

Loss ratio

Loss ratio

Loss ratio
Acquisition ratio
Acquisition ratio
Acquisition ratio
General operating expense ratio
General operating expense ratio
General operating expense ratio
Expense ratio
Expense ratio
Expense ratio
Combined ratio
Combined ratio
Combined ratio
Adjustments for accident year loss ratio, as adjusted and accident year combined ratio, as adjusted:
Adjustments for accident year loss ratio, as adjusted and accident year combined ratio, as adjusted:
Adjustments for accident year loss ratio, as adjusted and accident year combined ratio, as adjusted:
Catastrophe losses and reinstatement premiums
Catastrophe losses and reinstatement premiums
Catastrophe losses and reinstatement premiums
Prior year development, net of reinsurance and prior year premiums
Prior year development, net of reinsurance and prior year premiums
Prior year development, net of reinsurance and prior year premiums
Accident year loss ratio, as adjusted
Accident year loss ratio, as adjusted
Accident year loss ratio, as adjusted
Accident year combined ratio, as adjusted
Accident year combined ratio, as adjusted
Accident year combined ratio, as adjusted

Business and Financial Highlights

Net Premiums Written Comparison for the Three Months Ended March 31, 2024 June 30, 2024 and 2023

Net premiums written, excluding the impact of unfavorable foreign exchange (\$50.125 million), decreased/increased by \$57.134 million due to:

- growth in Commercial Lines (\$90 million), notably in Property, Specialty and Casualty driven by strength of renewal retentions and new business production, partially offset by the sale of AIG Re; and
- growth in Personal Insurance (\$44 million) driven by Personal Auto and Travel.

Net Premiums Written Comparison for the Six Months Ended June 30, 2024 and 2023

Net premiums written, excluding the unfavorable impact of foreign exchange (\$175 million), increased by \$77 million primarily due to the decline to:

- growth in Personal Insurance (\$51 million) driven by Personal Auto and Travel, partially offset by lower production in Warranty and Accident & Health; and
- growth in Commercial Lines (\$64.26 million) resulting from , notably in Property and Casualty driven by strength of renewal retentions and new business production, partially offset by the sale of AIG Re and lower production in Specialty and Financial Lines, partially offset by increases in Casualty and Property Lines.

Underwriting Income (Loss) Comparison for the Three Months Ended March 31, 2024 June 30, 2024 and 2023

Underwriting income increased by \$169 million/\$25 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 \$63 million 0.7 (2.2 points or \$26 \$68 million), primarily as a result of unfavorable higher favorable development in Property Casualty and Specialty recognized Property; and
 - a lower expense ratio (1.1 points) reflecting a lower acquisition ratio (0.9 points) primarily driven by changes in 2023; business mix as well as a lower general operating expense ratio (0.2 points).
- This increase was partially offset by higher catastrophe losses (2.5 points or \$77 million).

Underwriting Income (Loss) Comparison for the Six Months Ended June 30, 2024 and 2023

Underwriting income increased by \$194 million primarily due to:

- net favorable prior year reserve development of \$10 million in 2024 compared to net adverse prior year reserve development in 2023 of \$84 million (1.3 points or \$94 million), primarily as a result of favorable development in Casualty and Property;
- lower catastrophe losses (0.9 points or \$57 million);
- a lower expense ratio (0.6 points) reflecting a lower acquisition ratio (0.6 points) primarily driven by changes in business mix and improved commission terms; and
- improvement in the accident year loss ratio, as adjusted 0.3 (0.2 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



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: 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: 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: 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.

[TABLE OF CONTENTS](#)ITEM 2 | [Business Segment Operations](#) | [Life and Retirement](#)**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,		2024		2023	
(in millions)					
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

[TABLE OF CONTENTS](#)ITEM 2 | [Business Segment Operations](#) | [Life and Retirement](#)

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 ^(c)	\$	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 and expenses from assets, including AIG's ownership of Corebridge, 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.

[TABLE OF CONTENTS](#)

ITEM 2 | [Business Segment Operations](#) | [Other Operations](#)

(in millions)	Three Months Ended						Six Months Ended					
	June 30,						June 30,					
	2024		2023		Change		2024		2023		Change	
Adjusted revenues:												
Premiums	\$	(1)	\$	118	NM	%	\$	84	\$	231	(64)	%
Net investment income:												

Interest and dividends	148	63	135	247	116	113
Other investment loss	(2)	(8)	75	(16)	(23)	30
Investment expenses	(5)	(3)	(67)	(11)	(8)	(38)
Total net investment income	141	52	171	220	85	159
Other income	4	3	33	4	3	33
Total adjusted revenues	144	173	(17)	308	319	(3)
Benefits, losses and expenses:						
Losses and loss adjustment expenses incurred	(4)	113	NM	71	215	(67)
Acquisition expenses	4	14	(71)	12	26	(54)
General operating expenses:						
Corporate and Other	185	173	7	343	339	1
Amortization of intangible assets	5	8	(38)	9	18	(50)
Total General operating expenses	190	181	5	352	357	(1)
Interest expense	112	135	(17)	228	265	(14)
Total benefits, losses and expenses	302	443	(32)	663	863	(23)
Adjusted pre-tax loss before consolidation and eliminations	(158)	(270)	41	(355)	(544)	35
Consolidation and eliminations	—	(8)	NM	(1)	(13)	92
Adjusted pre-tax loss	\$ (158)	\$ (278)	43 %	\$ (356)	\$ (557)	36 %

THREE MONTHS ENDED MARCH 31, JUNE 30, 2024 AND 2023 COMPARISON

Adjusted pre-tax loss before consolidation and eliminations of \$438 \$158 million in 2024 compared to \$434 million \$270 million in 2023, an increase decrease of \$4 \$112 million, was primarily due to:

- lower higher net investment income associated with consolidated investment entities of \$139 million, partially offset by higher due to dividend income from Corebridge and on AIG Parent portfolio of \$46 million due to higher yields and higher average balance; and
- lower interest expense of \$55 \$23 million primarily driven by interest savings from \$2.2 billion debt repurchases, through cash tender offers and debt redemption and maturity in 2023 and 2024.

SIX MONTHS ENDED JUNE 30, 2024 AND 2023 COMPARISON

Adjusted pre-tax loss before consolidation and eliminations of \$22 \$355 million in 2024 compared to \$544 million in 2023, an decrease of \$189 million, was primarily due to:

- higher net investment income due to dividend income from Corebridge and on AIG Parent portfolio due to higher yields and higher average balance; and
- lower interest expense primarily driven by interest savings of \$37 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, 2024.

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 flow needs 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 of 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 June 30, 2024, BlackRock manages \$133 \$57 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 SIX MONTHS ENDED MARCH 31, JUNE 30, 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 six months ended March 31, 2024 June 30, 2024 compared to the same period in the prior year, primarily due to our equity investment in Corebridge, higher returns in our income of available for sale fixed maturity securities, mortgage and other loans, short-term investments and hedge fund portfolios, partially offset by lower income in returns on our private equity portfolio, alternative investments.

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 3.4 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																		
June 30, 2024																		
(in millions)																		
(in millions)																		
(in millions)																		
NAIC Designation																		
NAIC Designation																		
NAIC Designation	1	2	Total Investment Grade	3	4	5	6	Total Below Investment Grade	Total	1	2	Total Investment Grade	3	4	5	6	Total Below Investment Grade	Total
Other fixed maturity securities																		
Mortgage-backed, asset-backed and collateralized																		
Total*																		

[illegible]

CREDIT RATINGS

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** **June 30, 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 (96 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 this table 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		Available for Sale		Other		Total		Available for Sale		Other		Total
(in millions)	(in millions)	March 31, 2024	December 31, 2023	March 31, 2024	December 31, 2023	March 31, 2024	December 31, 2023	(in millions)	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023

Rating:

Other fixed maturity securities

Other fixed maturity securities

Other fixed maturity securities

AAA

AAA

AAA

AA

A

BBB

Below investment grade

Non-rated
Total
Mortgage-backed, asset-backed and collateralized
AAA
AAA
AAA
AA
A
BBB
Below investment grade
Non-rated
Total
Total
AAA
AAA
AAA
AA
A
BBB
Below investment grade
Non-rated
Total

	Available for Sale		Other		Total	
	June 30,	December 31,	June 30,	December 31,	June 30,	December 31,
	2024	2023	2024	2023	2024	2023
(in millions)						
A	14,447	15,372	139	102	14,586	15,474
BBB	12,768	13,509	204	177	12,972	13,686
Below investment grade	4,649	5,079	28	30	4,677	5,109
Non-rated	132	167	4	8	136	175
Total	\$ 62,333	\$ 65,242	\$ 766	\$ 663	\$ 63,099	\$ 65,905

Available-for-Sale Investments

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

(in millions)	(in millions)	March 31, 2024	December 31, 2023	(in millions)	June 30, 2024	December 31, 2023
Bonds available for sale:						
U.S. government and government sponsored entities						
U.S. government and government sponsored entities						
U.S. government and government sponsored entities						
Obligations of states, municipalities and political subdivisions						
Non-U.S. governments						
Corporate debt						
Mortgage-backed, asset-backed and collateralized:						
RMBS						

RMBS
RMBS
CMBS
CLO/ABS

Total mortgage-backed, asset-backed and collateralized

Total bonds available for sale*

* At **March 31, 2024** **June 30, 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** **\$4.8 billion** and **\$17.1** **\$5.2** 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)	June 30, 2024		December 31, 2023	
Canada	\$	1,340	\$	1,340
Germany		923		929
Japan		592		699
United Kingdom		449		478
France		374		430
Australia		348		314
Korea, Republic of		301		293
Israel		291		201
Denmark		209		227
Malaysia		199		183
Other		3,060		3,326
Total	\$	8,086	\$	8,420

[TABLE OF CONTENTS](#)

ITEM 2 | [Investments](#)

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:

(in millions)	March 31, 2024					December 31, 2023	
	Sovereign	Financial Institution	Non-Financial Corporates	Structured Products	Total	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	282	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

[TABLE OF CONTENTS](#)

[ITEM 2 | Investments](#)

(in millions)	June 30, 2024					December 31, 2023
	Sovereign	Financial Institution	Non-Financial Corporates	Structured Products	Total	Total
Euro-Zone countries:						
Germany	\$ 923	\$ 230	\$ 806	\$ 82	\$ 2,041	\$ 2,042
France	374	1,119	480	13	1,986	2,068
Netherlands	152	401	311	29	893	940
Italy	11	104	313	—	428	420
Denmark	209	54	7	—	270	297
Spain	9	112	76	63	260	353
Belgium	32	139	88	—	259	276
Luxembourg	17	88	124	13	242	227
Ireland	9	30	119	54	212	231
Finland	19	52	8	1	80	95
Other Euro-Zone	133	24	47	—	204	194
Total Euro-Zone	\$ 1,888	\$ 2,353	\$ 2,379	\$ 255	\$ 6,875	\$ 7,143
Remainder of Europe:						
United Kingdom	\$ 449	\$ 1,085	\$ 1,659	\$ 161	\$ 3,354	\$ 3,696
Switzerland	15	176	358	1	550	589
Sweden	132	166	31	—	329	342
Norway	78	31	21	—	130	150
Croatia	15	—	—	—	15	16

Other - Remainder of Europe	6	5	8	—	19	20
Total - Remainder of Europe	\$ 695	\$ 1,463	\$ 2,077	\$ 162	\$ 4,397	\$ 4,813
Total	\$ 2,583	\$ 3,816	\$ 4,456	\$ 417	\$ 11,272	\$ 11,956

Investments in Municipal Bonds

At **March 31, 2024** **June 30, 2024**, the U.S. municipal bond portfolio was composed primarily of essential service revenue bonds and high-quality tax-exempt bonds with **98 99** 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:

March 31, 2024										
June 30, 2024										
(in millions)										
(in millions)										
(in millions)	State General Obligation	Local General Obligation	Revenue	Total Fair Value	December 31, 2023 Total Fair Value	State General Obligation	Local General Obligation	Revenue	Total Fair Value	December 31, 2023 Total Fair Value
California										
New York										
Texas										
Illinois										
Florida										
Massachusetts										
Pennsylvania										
New Jersey										
Georgia										
Connecticut										
Washington										
Ohio										
Pennsylvania										
Georgia										
Florida										
Washington										
New Jersey										
Missouri										
Virginia										
Hawaii										
All other states										
Total										

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	March 31, 2024	December 31, 2023	June 30, 2024	December 31, 2023
(in millions)				
(in millions)				
(in millions)				
Financial institutions:				

Money center/Global bank groups

Money center/Global bank groups

Money center/Global bank groups

Regional banks – other

Life insurance

Securities firms and other finance companies

Insurance non-life

Regional banks – North America

Other financial institutions

Utilities

Communications

Consumer noncyclical

Capital goods

Energy

Consumer cyclical

Basic materials

Other

Total*

* At March 31, 2024 June 30, 2024 and December 31, 2023, approximately 92 90 percent and 92 90 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)	(in millions)	March 31, 2024	December 31, 2023	(in millions)	June 30, 2024	December 31, 2023
Agency RMBS						
Alt-A RMBS						
Subprime RMBS						
Prime non-agency						
Other housing related						
Total RMBS^{(a)(b)}						

(a) Includes approximately \$4.0 billion \$1.3 billion and \$4.1 billion \$1.3 billion at March 31, 2024 June 30, 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 June 30, 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)	(in millions)	March 31, 2024	December 31, 2023	(in millions)	June 30, 2024	December 31, 2023
CMBS (traditional)	CMBS (traditional)	\$ 12,842	\$ 12,205	CMBS (traditional)	\$ 3,516	\$ 3,604
Agency	Agency	1,402	1,434	Agency	740	488
Other	Other	244	489	Other	31	55
Total	Total	\$ 14,488	\$ 14,128	Total	\$ 4,287	\$ 4,147

The fair value of CMBS holdings remained stable during the three six months ended March 31, 2024 June 30, 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.

0-6 months
0-6 months
0-6 months
7-11 months
12 months or more
Total
Total bonds
0-6 months
0-6 months
0-6 months
7-11 months
12 months or more
Total ^(a)

- (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 \$1 million for investment grade bonds and \$119 million \$32 million for below investment grade bonds as of March 31, 2024 June 30, 2024.

Commercial Mortgage Loans

At March 31, 2024 June 30, 2024, we had direct commercial mortgage loan exposure of \$38.5 billion \$3.7 billion.

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

(dollars in millions)	Number of Loans	Class						Total	Percent of Total		
		Apartments	Offices	Retail	Industrial	Hotel	Others				
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						Total	Percent of Total								
		Apartments	Offices	Retail	Industrial	Hotel	Others										
June 30, 2024																	
State:																	
California	21	\$	93	\$	249	\$	31	\$	57	\$	33	\$	—	\$	463	12	%
New York	19		38		211		76		20		32		—		377	10	
Texas	20		76		244		2		44		—		—		366	10	
Massachusetts	9		95		144		49		7		—		—		295	8	
New Jersey	22		123		8		20		48		—		10		209	6	

[TABLE OF CONTENTS](#)

ITEM 2 | [Investments](#)

	Number of Loans																			
(dollars in millions)																				
(dollars in millions)																				
(dollars in millions)		Apartments		Offices		Retail		Industrial		Hotel		Others	Total	Apartments	Offices	Retail	Industrial	Hotel	Others	Total
Florida																				
Illinois																				
Illinois																				
Illinois																				
Pennsylvania																				
Pennsylvania																				
Pennsylvania																				
Ohio																				
Ohio																				
Ohio																				
Colorado																				
Colorado																				
Colorado																				
Other states																				
Other states																				
Other states																				
Foreign																				
Foreign																				
Foreign																				
Total*																				
Total*																				
Total*	210	\$	1,241	\$	1,195	\$	483	\$	446	\$	243	\$	120	\$	3,728	100	%			
December 31, 2023																				
December 31, 2023																				
December 31, 2023																				
State:																				
State:																				
State:																				
New York																				
New York																				
New York	78	\$	1,508	\$	4,172	\$	488	\$	440	\$	101	\$	—	\$	6,709	18	%			
California																				
New Jersey																				
New Jersey																				
New Jersey																				
Texas																				
Texas																				
Texas																				
Florida																				

Florida

Florida
Florida
Massachusetts
Massachusetts
Massachusetts
Illinois
Illinois
Illinois
Colorado
Colorado
Colorado
Pennsylvania
Pennsylvania
Pennsylvania
Ohio
Ohio
Ohio
Other states
Other states
Other states
Foreign
Foreign
Foreign
Total*
Total*

Total*	612	\$	15,129	\$	9,708	\$	4,306	\$	6,367	\$	2,053	\$	446	\$	38,009	100	%
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December 31, 2023

State:

California	21	\$	89	\$	277	\$	32	\$	58	\$	33	\$	—	\$	489	13	%
New York	19		43		208		77		20		32		—		380	10	
Texas	21		77		255		2		44		—		—		378	10	
Massachusetts	9		96		128		50		7		—		—		281	7	
New Jersey	21		111		8		20		55		—		10		204	5	
Florida	11		60		—		64		9		38		—		171	4	
Illinois	6		88		26		—		—		—		—		114	3	
Ohio	6		63		3		30		—		—		—		96	4	
Pennsylvania	8		14		39		36		5		—		—		94	2	
Colorado	7		17		32		32		—		6		—		87	2	
Other states	37		206		20		64		40		16		—		346	9	
Foreign	47		403		227		111		222		122		111		1,196	31	
Total*	213	\$	1,267	\$	1,223	\$	518	\$	460	\$	247	\$	121	\$	3,836	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,
Three Months Ended March 31,
Three Months Ended March 31,

(in millions)

(in millions)

Three Months Ended June 30,

	2024				2023		
	Excluding	Fortitude	Total		Excluding	Fortitude	Total
	Fortitude	Re			Fortitude	Re	
	Re Funds	Funds			Re Funds	Funds	
	Withheld	Withheld			Withheld	Withheld	
(in millions)	(in millions)	Assets	Assets	Assets	Assets	Assets	Assets
Sales of fixed maturity securities							
Sales of fixed maturity securities							
Sales of fixed maturity securities							
Intent to sell							
Intent to sell							
Intent to sell							
Change in allowance for credit losses on fixed maturity securities							
Change in allowance for credit losses on fixed maturity securities							
Change in allowance for credit losses on fixed maturity securities							
Change in allowance for credit losses on loans							
Change in allowance for credit losses on loans							
Change in allowance for credit losses on loans							
Foreign exchange transactions							
Foreign exchange transactions							
Foreign exchange transactions							
Index-linked interest credited embedded derivatives, net of related hedges							
Index-linked interest credited embedded derivatives, net of related hedges							
Index-linked interest credited embedded derivatives, net of related hedges							
All other derivatives and hedge accounting*							
All other derivatives and hedge accounting*							
All other derivatives and hedge accounting*							
Sales of alternative investments and real estate investments							
Sales of alternative investments and real estate investments							
Sales of alternative investments and real estate investments							
All other derivatives and hedge accounting							
All other derivatives and hedge accounting							
All other derivatives and hedge accounting							
Sales of alternative investments							
Other							
Other							
Other							
Net realized gains (losses) – excluding Fortitude Re funds withheld embedded derivative							
Net realized gains (losses) – excluding Fortitude Re funds withheld embedded derivative							
Net realized gains (losses) – excluding Fortitude Re funds withheld embedded derivative							
Net realized gains (losses) on Fortitude Re funds withheld embedded derivative							
Net realized gains (losses) on Fortitude Re funds withheld embedded derivative							
Net realized gains (losses) on Fortitude Re funds withheld embedded derivative							
Net realized losses – excluding Fortitude Re funds withheld embedded derivative							
Net realized gains on Fortitude Re funds withheld embedded derivative							
Net realized gains (losses)							
Net realized gains (losses)							
Net realized gains (losses)							

TABLE OF CONTENTS

ITEM 2 | 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. Investments

Lower

Six Months Ended June 30,	2024			2023		
	Excluding	Fortitude		Excluding	Fortitude	
	Fortitude	Re		Fortitude	Re	
	Re Funds	Funds		Re Funds	Funds	
	Withheld	Withheld		Withheld	Withheld	
(in millions)	Assets	Assets	Total	Assets	Assets	Total
Sales of fixed maturity securities	\$ (254)	\$ (16)	\$ (270)	\$ (400)	\$ (59)	\$ (459)
Change in allowance for credit losses on fixed maturity securities	(19)	—	(19)	(24)	—	(24)
Change in allowance for credit losses on loans	(20)	1	(19)	(7)	(1)	(8)
Foreign exchange transactions	111	(3)	108	155	5	160
All other derivatives and hedge accounting	(69)	2	(67)	(113)	(6)	(119)
Sales of alternative investments	14	(1)	13	1	—	1
Other	(9)	(3)	(12)	6	—	6
Net realized gains (losses) – excluding Fortitude Re funds withheld embedded derivative	(246)	(20)	(266)	(382)	(61)	(443)
Net realized losses on Fortitude Re funds withheld embedded derivative	—	(1)	(1)	—	(82)	(82)
Net realized gains (losses)	\$ (246)	\$ (21)	\$ (267)	\$ (382)	\$ (143)	\$ (525)

Higher Net realized losses excluding Fortitude Re funds withheld assets in the three months ended March 31, 2024 June 30, 2024 were primarily due to higher losses on sales of fixed maturity securities and lower gains on foreign exchange transactions compared to the prior year period. Lower Net realized losses excluding Fortitude Re funds withheld assets in the six months ended June 30, 2024 compared to 2023 were primarily due to derivative lower losses on sales of fixed maturity securities derivatives 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

TABLE OF CONTENTS

ITEM 2 | Investments

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 and six months ended March 31, 2024 June 30, 2024 was primarily attributable to a change in the fair value of fixed maturity securities. For the three months ended March 31, 2024 June 30, 2024, net unrealized gains related to fixed maturity securities were \$15 million due primarily to narrowing of credit spreads. For the six months ended June 30, 2024, net unrealized losses were \$1.2 billion \$117 million due to higher interest rates, partially offset by tighter credit spreads.

The change in net unrealized gains and losses on investments in the three and six months ended March 31, 2023 June 30, 2023 was primarily attributable to an increase a change in the fair value of fixed maturity securities. For the three months ended March 31, 2023 June 30, 2023, net unrealized losses related to fixed maturity securities were \$180 million due primarily to an increase in interest rates. For the six months ended June 30, 2023, net unrealized gains were \$5.0 billion \$829 million primarily due to lower interest rates, widening of credit spreads.

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		
	June 30, 2024			December 31, 2023		
	Reinsurance			Reinsurance		
	Net liability	recoverable		Net liability	recoverable	
	for	on		for	on	
	unpaid	unpaid losses	Gross liability	unpaid	unpaid losses	Gross liability
	losses	and	for unpaid	losses	and	for unpaid
	and loss	loss	losses and loss	and loss	loss	losses and loss
	(in	adjustment	adjustment	adjustment	adjustment	adjustment
(in millions)	millions)	expenses	expenses	expenses	expenses	expenses

General Insurance:

U.S. Workers' Compensation (net of discount)

U.S. Workers' Compensation (net of discount)

U.S. Workers' Compensation (net of discount)

U.S. Excess Casualty

U.S. Other Casualty

U.S. Financial Lines

U.S. Property and Special Risks

U.S. Personal Insurance

UK/Europe Casualty and Financial Lines

UK/Europe Property and Special Risks

UK/Europe and Japan Personal Insurance

Other product lines^(b)

Unallocated loss adjustment expenses^(b)

Total General Insurance

Other Operations Run-Off:

U.S. run-off long tail insurance lines (net of discount)

U.S. run-off long tail insurance lines (net of discount)

U.S. run-off long tail insurance lines (net of discount)

Other run-off product lines

Blackboard U.S. Holdings, Inc.

Unallocated loss adjustment expenses
Total Other Operations Run-Off
Total

- (a) Includes net loss reserve discount of \$1.2 billion and \$1.2 billion at **March 31, 2024** **June 30, 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 **\$2.8 billion** and \$2.9 billion at **both March 31, 2024** **June 30, 2024** and December 31, 2023, respectively.

[TABLE OF CONTENTS](#)

[ITEM 2 | Insurance Reserves](#)

Prior Year Development

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

Three Months Ended March 31,	
Three Months Ended March 31,	
Three Months Ended March 31,	
	Three Months Ended June 30,
	Three Months Ended June 30,
	Three Months Ended June 30,

(in millions)

(in millions)

(in millions)

General Insurance:
General Insurance:
General Insurance:
North America
North America
North America
International
International
International
Total General Insurance*
Total General Insurance*
Total General Insurance*
Other Operations Run-Off
Other Operations Run-Off
Other Operations Run-Off
Total prior year favorable development
Total prior year favorable development
Total prior year favorable development

* 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** **June 30, 2024** and **2023, respectively**, and \$68 million and \$82 million for the six months ended **June 30, 2024** and **2023, respectively**. Consistent with our definition of APTI, the amount excludes the **portion of (favorable)/unfavorable prior year reserve development for which we have ceded the risk under the NICO reinsurance agreements of \$(63) million and \$(33) million for the three months ended June 30, 2024 and 2023, respectively, and \$(63) million and \$(33) million for the six months ended June 30, 2024 and 2023,**

respectively. Also excludes the related changes in amortization of the deferred gain, of \$(2) which were \$(1) million and \$19 million \$(16) million for the three months ended March 31, 2024 June 30, 2024 and 2023, respectively, and \$(3) million and \$3 million for the six months ended June 30, 2024 and 2023, respectively.

Net Loss Development

In the three and six months ended March 31, 2024 June 30, 2024, we recognized favorable prior year loss reserve development of \$34 million, \$79 million and \$113 million, respectively. The key components of this development were:

North America

- Favorable development on our U.S. Workers' Compensation and Other Casualty business reflecting continued favorable loss experience.
- Adverse development on U.S. Excess Casualty, reflecting unfavorable loss experience, particularly in accident year 2021.
- Favorable development on U.S. Other Casualty, reflecting favorability across numerous Casualty reserving classes, partially offset by unfavorable development on Commercial Auto and Wholesale Primary General Liability.
- Amortization benefit related to the deferred gain on the adverse development cover.

In the three months ended March 31, 2023 June 30, 2023, we recognized favorable prior year loss reserve development of \$68 million, \$115 million. The key components of this development were:

North America

- Favorable development in on our loss sensitive U.S. Workers' Compensation business reflecting continued favorable loss experience.
- Favorable development in U.S. Other Casualty reflecting favorable experience in Primary Casualty.
- Amortization benefit related to the deferred gain on the adverse development cover.
- Unfavorable Favorable development driven by in U.S. Property and Special Risks driven by reflecting favorable attritional loss experience along with favorable development on prior year catastrophes.

International

- Unfavorable development in Casualty reflecting unfavorable loss experience in Europe.

In the six months ended June 30, 2023, we recognized favorable prior year loss reserve development of \$183 million. The key components of this development were:

North America

- Favorable development on our loss sensitive U.S. Workers' Compensation business reflecting continued favorable loss experience.
- Favorable development in U.S. Other Casualty reflecting favorable experience in Primary Casualty.
- Amortization benefit related to the deferred gain on the adverse development cover.
- Favorable development in U.S. Property and Special Risks reflecting favorable attritional loss experience along with favorable development on prior year catastrophes.

International

- Unfavorable development in Casualty reflecting unfavorable loss experience in Europe.
- 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						
Three Months Ended June 30, 2024						
(in millions)						
(in millions)						
(in millions)						
General Insurance North America:			Total	2023	2022 & Prior	
U.S. Workers' Compensation						

U.S. Workers' Compensation
U.S. Workers' Compensation
U.S. Excess Casualty
U.S. Other Casualty
U.S. Financial Lines
U.S. Property and Special Risks
U.S. Personal Insurance
Other Product Lines

Total General Insurance North America

General Insurance International:

UK/Europe Casualty and Financial Lines
UK/Europe Casualty and Financial Lines
UK/Europe Casualty and Financial Lines
UK/Europe Property and Special Risks
UK/Europe and Japan Personal Insurance

Other product lines

Other Product Lines

Total General Insurance International

Other Operations Run-Off

Total Prior Year (Favorable) Unfavorable Development

Three Months Ended June 30, 2023

(in millions)

	Total	2022	2021 & Prior
General Insurance North America:			
U.S. Workers' Compensation	\$ (49)	\$ 1	\$ (50)
U.S. Excess Casualty	12	—	12
U.S. Other Casualty	(90)	26	(116)
U.S. Financial Lines	8	—	8
U.S. Property and Special Risks	(51)	27	(78)
U.S. Personal Insurance	(5)	—	(5)
Other Product Lines	3	(18)	21
Total General Insurance North America	\$ (172)	\$ 36	\$ (208)
General Insurance International:			
UK/Europe Casualty and Financial Lines	\$ 73	\$ 7	\$ 66
UK/Europe Property and Special Risks	17	15	2
UK/Europe and Japan Personal Insurance	—	—	—
Other Product Lines	(33)	(27)	(6)
Total General Insurance International	\$ 57	\$ (5)	\$ 62
Other Operations Run-Off	—	—	—
Total Prior Year (Favorable) Unfavorable Development	\$ (115)	\$ 31	\$ (146)

Three Months Ended March 31, 2023

Six Months Ended June 30, 2024

(in millions)

(in millions)

(in millions)

Total

2022

2021 & Prior

Total

2023

2022 & Prior

General Insurance North America:

U.S. Workers' Compensation
U.S. Workers' Compensation
U.S. Workers' Compensation
U.S. Excess Casualty
U.S. Other Casualty
U.S. Financial Lines
U.S. Property and Special Risks
U.S. Personal Insurance
Other Product Lines

Total General Insurance North America**General Insurance International:**

UK/Europe Casualty and Financial Lines
UK/Europe Casualty and Financial Lines
UK/Europe Casualty and Financial Lines
UK/Europe Property and Special Risks
UK/Europe and Japan Personal Insurance

Other product lines

Other Product Lines

Total General Insurance International**Other Operations Run-Off****Total Prior Year (Favorable) Unfavorable Development****Total Prior Year (Favorable) Unfavorable Development****Total Prior Year (Favorable) Unfavorable Development****Total Prior Year (Favorable) Unfavorable Development**

Six Months Ended June 30, 2023

(in millions)

Total

2022

2021 & Prior

General Insurance North America:

U.S. Workers' Compensation	\$	(85)	\$	1	\$	(86)
U.S. Excess Casualty		2		—		2
U.S. Other Casualty		(117)		1		(118)
U.S. Financial Lines		1		—		1
U.S. Property and Special Risks		(33)		97		(130)
U.S. Personal Insurance		(8)		12		(20)
Other Product Lines		(14)		(47)		33

Total General Insurance North America**General Insurance International:**

UK/Europe Casualty and Financial Lines	\$	72	\$	11	\$	61
UK/Europe Property and Special Risks		28		62		(34)
UK/Europe and Japan Personal Insurance		(6)		(2)		(4)
Other Product Lines		(23)		(26)		3

Total General Insurance International**Other Operations Run-Off****Total Prior Year (Favorable) Unfavorable Development**

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)
(in millions)
(in millions)
Gross Covered Losses
Gross Covered Losses
Gross Covered Losses
Covered reserves before discount
Covered reserves before discount
Covered reserves before discount
Inception to date losses paid
Inception to date losses paid
Inception to date losses paid
Attachment point
Attachment point
Attachment point
Covered losses above attachment point
Covered losses above attachment point
Covered losses above attachment point
Deferred Gain Development
Deferred Gain Development
Deferred Gain Development
Covered losses above attachment ceded to NICO (80%)
Covered losses above attachment ceded to NICO (80%)
Covered losses above attachment ceded to NICO (80%)
Consideration paid including interest
Consideration paid including interest
Consideration paid including interest
Pre-tax deferred gain before discount and amortization
Pre-tax deferred gain before discount and amortization
Pre-tax deferred gain before discount and amortization
Discount on ceded losses ^(a)
Discount on ceded losses ^(a)
Discount on ceded losses ^(a)
Pre-tax deferred gain before amortization
Pre-tax deferred gain before amortization
Pre-tax deferred gain before amortization
Inception to date amortization of deferred gain at inception

Inception to date amortization of deferred gain at inception
Inception to date amortization of deferred gain at inception
Inception to date amortization attributed to changes in deferred gain^(b)
Inception to date amortization attributed to changes in deferred gain^(b)
Inception to date amortization attributed to changes in deferred gain^(b)

Deferred gain liability reflected in AIG's balance sheet
Deferred gain liability reflected in AIG's balance sheet
Deferred gain liability reflected in AIG's balance sheet

(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,	
Three Months Ended March 31,	
Three Months Ended March 31,	
	Three Months Ended June 30,
	Three Months Ended June 30,
	Three Months Ended June 30,

(in millions)
(in millions)
(in millions)

Balance at beginning of year, net of discount
Balance at beginning of year, net of discount
Balance at beginning of year, net of discount
Balance at beginning of period, net of discount
Balance at beginning of period, net of discount
Balance at beginning of period, net of discount
(Favorable) unfavorable prior year reserve development ceded to NICO ^(a)
(Favorable) unfavorable prior year reserve development ceded to NICO ^(a)
(Favorable) unfavorable prior year reserve development ceded to NICO ^(a)
Amortization attributed to deferred gain at inception ^(b)
Amortization attributed to deferred gain at inception ^(b)
Amortization attributed to deferred gain at inception ^(b)
Amortization attributed to changes in deferred gain ^(c)
Amortization attributed to changes in deferred gain ^(c)
Amortization attributed to changes in deferred gain ^(c)
Changes in discount on ceded loss reserves
Changes in discount on ceded loss reserves
Changes in discount on ceded loss reserves
Balance at end of period, net of discount
Balance at end of period, net of discount
Balance at end of period, net of discount



- (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** **June 30, 2024**, approximately **\$26.9 billion** **\$3.6 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		
	MRB Liability*	Hedge Assets	Net	MRB Liability*	Hedge Assets	Net
(in millions)						
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 six** months ended **March 31, 2024** **June 30, 2024**, our General Insurance companies distributed dividends of **\$675 million** **\$2.3 billion** to AIG Parent or applicable intermediate holding companies.

DuringSecondary Offering of Corebridge Shares by AIG^(a)

In June 2024, AIG sold 30 million shares of Corebridge common stock in a secondary offering at a public offering price of \$29.20 per share. The aggregate gross proceeds of the **three months ended March 31, 2024**, Corebridge distributed **\$75 million of dividends offering** to AIG, **Parent in its capacity as a public company shareholder of Corebridge**, **before deducting underwriting discounts and commissions and other expenses payable by AIG**, were approximately \$876 million.

USES

AIG General Borrowings

During the **three six** months ended **March 31, 2024** June 30, 2024, we \$464 million of debt categorized as general borrowings matured, was repaid \$459 million or redeemed, including:

- \$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 \$225 million during the **three six** months ended **March 31, 2024** June 30, 2024.

AIG Dividends

During the **three six** months ended **March 31, 2024** June 30, 2024:

- We made a cash dividend payment of \$365.625 per share on AIG's Series A 5.85% Non-Cumulative Perpetual Preferred Stock (Series A Preferred Stock) totaling \$7 million.
- We made a cash dividend payment in for 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 totaling \$7 million.

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.

- We made cash dividend payments in the amount of \$0.40 per share on AIG Common Stock for the three months ended June 30, 2024 (an increase of 11 percent from prior dividend payments), and \$0.36 per share for the three months ended March 31, 2024, totaling \$504 million.

Repurchases of Common Stock^(b)

During the six months ended June 30, 2024, AIG Parent repurchased approximately 45 million shares of AIG Common Stock, for an aggregate purchase price of approximately \$3.3 billion.

(a) In July 2024, AIG sold approximately 1.9 million additional shares of Corebridge common stock pursuant to the partial exercise of the underwriter's over-allotment option. The aggregate gross proceeds to AIG, before deducting underwriting discounts and commissions and other expenses payable by AIG, were approximately \$56 million.

(b) Pursuant to a Securities Exchange Act of 1934 (the Exchange Act) Rule 10b5-1 repurchase plan, from **April 1, 2024** July 1, 2024 to **April 26, 2024** July 26, 2024, AIG Parent repurchased approximately **6** million shares of AIG Common Stock for an aggregate purchase price of approximately **\$558** \$459 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** \$470 million and **\$165 million** \$636 million in the **three six** months ended **March 31, 2024** June 30, 2024 and 2023, respectively. Excluding interest payments, AIG had operating cash inflows of **\$700 million** \$1.9 billion, including \$104 million outflow from discontinued operations, in the **three six** months ended **March 31, 2024** June 30, 2024 compared to operating cash inflows of **\$662 million** \$1.7 billion, including \$322 million outflow from discontinued operations, in the prior year period.

Investing Cash Flow Activities

Net cash provided by used in investing activities in the **three six** months ended **March 31, 2024** June 30, 2024 was **\$308 million** \$1.3 billion, including \$4.2 billion used in discontinued operations, compared to net cash used in investing activities of **\$1.5 billion** \$641 million, including \$832 million from discontinued operations, in the prior year period.

Financing Cash Flow Activities

Net cash used in financing activities in the **six months ended June 30, 2024** totaled \$148 million, reflecting:

- \$504 million to pay dividends of \$0.40 per share in the three months ended June 30, 2024, and \$0.36 per share for the three months ended March 31, 2024 totaling \$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 a first quarter dividend of \$365.625 per share on AIG's Series A Preferred Stock and redemption premiums;
- **\$1.6 3.3** billion to repurchase approximately **23 million** 45 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** 463 million in net outflows from the issuance and repayment of long-term debt; and
- **\$64 million** 4.4 billion in net outflows inflows from the issuance and repayment of debt of consolidated investment entities, discontinued operations.

Net cash provided by used in financing activities in the six months ended June 30, 2023 totaled \$115 million reflecting:

- \$494 million to pay dividends of \$0.36 per share in the three months ended March 31, 2023 totaled \$817 million reflecting:
- \$234 million to pay quarterly dividends of June 30, 2023, and \$0.32 per share for the three months ended March 31, 2023 on AIG Common Stock;
- \$715 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 1.1 billion to repurchase approximately 11 million 21 million shares of AIG Common Stock;
- \$742 291 million in net inflows from the issuance and repayment of long-term debt; and
- \$913 million in net outflows from the issuance and repayment of debt of consolidated investment entities, entities; and
- \$500 million in net inflows from discontinued operations.

LIQUIDITY AND CAPITAL RESOURCES OF AIG PARENT AND SUBSIDIARIES

AIG Parent

As of March 31, 2024 June 30, 2024 and December 31, 2023, respectively, AIG Parent and applicable intermediate holding companies had approximately \$9.6 billion \$9.8 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 insurance companies also supplement liquidity from time have access to time through FHLB borrowings (as described below) and securities lending programs, as an additional source of funding. 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 insurance 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 our insurance companies totaled approximately \$2.2 billion at March 31, 2024 June 30, 2024. Letters of credit issued in support of the Life

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** **June 30, 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** **June 30, 2024**, other than obligations associated with Corebridge, which are no longer considered obligations of AIG as a result of deconsolidation, 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** **June 30, 2024**, other than off-balance sheet arrangements and commercial commitments associated with Corebridge, which are no longer considered obligations of AIG as a result of deconsolidation, 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.

AIG | First Quarter 2024 Form 10-Q

115

[TABLE OF CONTENTS](#)

[ITEM 2 | Liquidity and Capital Resources](#)

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	Balance, Beginning of Year		Issuances	Maturities and Repayments		Effect of Foreign Exchange		Other Changes	Balance, End of Period
(in millions)									
Debt issued or guaranteed by AIG:									
AIG general borrowings:									
Notes and bonds payable	\$	9,079	\$	—	\$	(459)	\$	(22)	\$ 8,605
Junior subordinated debt		992		—		—		(1)	991
AIG Japan Holdings Kabushiki Kaisha		267		—		—		(18)	249
Total AIG general borrowings		10,338		—		(459)		(41)	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)	9,882
Corebridge debt:									
CRBGLH notes and bonds payable ^(a)		200		—		(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)		—	9,368
GIAs, at fair value - supported by Corebridge assets ^(b)		53		—		—		—	68
Total Short-term and long-term debt	\$	19,796	\$	—	\$	(461)	\$	(41)	\$ 19,318
Debt of consolidated investment entities - not guaranteed by AIG ^(c)	\$	2,591	\$	57		(122)		5	86 ^(d) \$ 2,617

Six Months Ended June 30, 2024	Balance, Beginning		Maturities and		Effect of Foreign		Other		Balance, End of			
(in millions)	of Year		Repayments		Exchange		Changes		Period			
Debt issued or guaranteed:												
General borrowings:												
Notes and bonds payable	\$	9,079	\$	—	\$	(460)	\$	(31)	\$	14	\$	8,602
Junior subordinated debt		992		—		(4)		(1)		—		987
AIG Japan Holdings Kabushiki Kaisha		267		—		—		(33)		—		234
Total general borrowings		10,338		—		(464)		(65)		14		9,823
Borrowings supported by assets:												
Notes and bonds payable		19		—		—		—		—		19
Series AIGFP matched notes and bonds payable		18		—		—		—		—		18
Total borrowings supported by assets		37		—		—		—		—		37
Other subsidiaries' notes, bonds, loans and mortgages payable - not guaranteed by AIG		—		1		—		—		—		1
Total long-term debt	\$	10,375	\$	1	\$	(464)	\$	(65)	\$	14	\$	9,861
Debt of consolidated investment entities - not guaranteed by AIG(a)	\$	231	\$	—		—		—		(152) ^(b)	\$	79

(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 replighted or resold by the counterparties.

(c) At March 31, 2024 June 30, 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, \$79 million. At December 31, 2023, includes debt of consolidated investment entities related to real estate investments of \$1.5 billion \$79 million and other securitization vehicles of \$1.1 billion, \$152 million.

(d) (b) Includes the effect of consolidating previously unconsolidated partnerships.

[TABLE OF CONTENTS](#)

[ITEM 2 | Liquidity and Capital Resources](#)

Debt Maturities

The following table summarizes maturing short-term and long-term debt at March 31, 2024 June 30, 2024 of AIG for the next four quarters:

	Second Quarter		Third Quarter		Fourth Quarter		First Quarter		Total
(in millions)	2024		2024		2024		2025		
DDTL facility*	—		250		—		—		250
Total	\$	—	\$	250	\$	—	\$	—	\$ 250

* Corebridge has the ability to further continue this borrowing through February 25, 2025.

[TABLE OF CONTENTS](#)

	Third Quarter		Fourth Quarter		First Quarter		Second Quarter		Total
(in millions)	2024		2024		2025		2025		
General borrowings	\$	—	\$	—	\$	234	\$	146	\$ 380

ITEM 2 | Liquidity and Capital Resources

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	

June 30, 2024		Year Ending						
(in millions)	Total	2025	2026	2027	2028	2029	Thereafter	
Debt issued or guaranteed:								
General borrowings:								
Notes and bonds payable	\$ 8,602	\$ 146	\$ 264	\$ 878	\$ 340	\$ 191	\$ 6,783	
Junior subordinated debt	987	—	—	—	—	—	987	
AIG Japan Holdings Kabushiki Kaisha	234	234	—	—	—	—	—	
Total general borrowings	9,823	380	264	878	340	191	7,770	
Borrowings supported by assets:								
Notes and bonds payable	19	12	7	—	—	—	—	
Series AIGFP matched notes and bonds payable	18	—	—	—	—	—	18	
Total borrowings supported by assets	37	12	7	—	—	—	18	
Total debt issued or guaranteed	9,860	392	271	878	340	191	7,788	
Other subsidiaries notes, bonds, loans and mortgages payable	1	—	—	—	1	—	—	
Total*	\$ 9,861	\$ 392	\$ 271	\$ 878	\$ 341	\$ 191	\$ 7,788	

^(a) Corebridge has the ability to further continue this borrowing through February 25, 2025.

^(b) * Does not reflect \$2.6 billion \$79 million 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 Parent 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

- (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.

[TABLE OF CONTENTS](#)

ITEM 2 | [Liquidity and Capital Resources](#)

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
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, in February 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 July 31, 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 September 30, 2024 to shareholders of record on June 14, 2024 September 16, 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 14 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). During the six months ended June 30, 2024, AIG Parent repurchased approximately 45 million shares of AIG Common Stock for an aggregate purchase price of \$3.3 billion. Pursuant to an Exchange Act Rule 10b5-1 repurchase plan, from July 1, 2024 to July 26, 2024, we repurchased approximately 6 million shares of AIG Common Stock for an aggregate purchase price of approximately \$459 million. As of July 26, 2024, \$8.5 billion remained under the Board's 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 14 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 14 to the Condensed Consolidated Financial Statements in the 2023 Annual Report. Statements.

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 As of June 30, 2024, other than the elimination of market risk sensitive data as a result of the deconsolidation of Corebridge, there have been no material changes in our market risk exposures, which may be found in Part II, Item 7A. Quantitative and Qualitative Disclosures about Market 7. MD&A — Enterprise Risk Management 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 Book Value per share, excluding Goodwill, Value of business acquired (VOBA), Value of distribution channel acquired (VODA) and Other intangible assets (Tangible book value per share) include is used to provide a useful measure of the realizable shareholder value on a per share basis. Tangible book value per share is derived by dividing Total AIG common shareholders' equity, excluding intangible 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. (AIG tangible common shareholders' equity) by total common shares outstanding.

Book value per common share, excluding Investments AOCI, deferred tax assets (DTA) and AIG's ownership interest in Corebridge (Core operating book value per share) is used to show the amount of our net worth on a per share basis after eliminating Investments AOCI, DTA and AIG's ownership interest in Corebridge. We believe this measure is useful to investors because it eliminates fair value of investments that can fluctuate significantly from period to period due to changes in market conditions. We also exclude only the portion of DTA representing U.S. tax attributes related to net operating loss carryforwards (NOLs) and corporate alternative minimum tax credits (CAMTCs) and foreign tax credits (FTCs) that have not yet been utilized. Amounts for interim periods are estimates based on projections of full-year attribute utilization. As NOLs, CAMTCs and FTCs are utilized, the portion of the DTA utilized is included. We exclude AIG's ownership interest in Corebridge since it is not a core long-term investment for AIG. Core operating book value per share is derived by dividing total AIG common shareholders' equity, excluding Investments AOCI, DTA and AIG's ownership interest in Corebridge (AIG core operating shareholders' equity) by total common shares outstanding.

Book value per share, excluding investments related cumulative unrealized gains and losses in 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) (collectively, Investments AOCI) (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 per share basis. Adjusted book basis after eliminating the fair value per common share is derived by dividing total AIG common shareholders' equity, excluding AOCI of investments that can fluctuate significantly from period to period due to changes in market conditions. In addition, we adjusted for the cumulative unrealized gains and losses related to Fortitude Re funds withheld assets and DTA (Adjusted held by AIG in support of Fortitude Re's reinsurance obligations to AIG (Fortitude Re funds withheld assets) since these fair value movements are economically transferred to Fortitude Re. Adjusted book value per share is derived by dividing total AIG common shareholders' equity, excluding Investments AOCI (AIG adjusted common 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), premiums.

Retroactive reinsurance See *Deferred gain on retroactive reinsurance*.

Return on Equity – Adjusted After-tax Income, Excluding Goodwill, VOBA, VODA and Other Intangible assets (Return on tangible equity) is used to show the return on AIG tangible common shareholder's equity, which we believe is a useful measure of realizable shareholder value. We exclude Goodwill, VOBA, VODA and Other intangible assets from AIG common shareholders' equity to derive AIG tangible common shareholders' equity. Return on AIG tangible common equity is derived by dividing actual or, for interim periods, annualized adjusted after-tax income attributable to AIG common shareholders by average AIG tangible common equity.

Return on equity – Adjusted after-tax income excluding Investments AOCI (Adjusted return on equity) is used to show the rate of return on common shareholders' equity excluding Investments AOCI. We believe this measure is useful to investors because it eliminates fair value of investments which can fluctuate significantly from period to period due to changes in market conditions. Adjusted return on equity is derived by dividing actual or, for interim periods, annualized adjusted after-tax income attributable to AIG common shareholders by average AIG adjusted common shareholders' equity.

[TABLE OF CONTENTS](#)

Glossary

Return on common equity – Adjusted after-tax income excluding Investments AOCI, adjusted for the cumulative unrealized gains DTA and losses related to Fortitude Re funds withheld assets and DTA (Adjusted AIG's ownership interest in Corebridge (Core operating return on common equity) is a non-GAAP measure and is used to show the rate of return on common shareholders' equity. Adjusted equity excluding Investments AOCI, DTA and AIG's ownership interest in Corebridge. We believe this measure is useful to investors because it eliminates fair value of investments that can fluctuate significantly from period to period due to changes in market conditions. We also exclude only the portion of DTA representing U.S. tax attributes related to NOLs and CAMTCs and FTCs that have not yet been utilized. Amounts for interim periods are estimates based on projections of full-year attribute utilization. As NOLs, CAMTCs and FTCs are utilized, the portion of the DTA utilized is included. We exclude AIG's ownership interest in Corebridge since it is not a core long-term investment for AIG. This metric will provide greater insight as to the underlying profitability of our property and casualty business. Core operating return on common equity is derived by dividing actual or, for interim periods, annualized adjusted after-tax income attributable to AIG common shareholders by average Adjusted common AIG core operating 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	GMWB	GIC	Guaranteed Minimum Withdrawal Benefits Investment Contracts
ABS	Asset-Backed Securities	ISDA		International Swaps and Derivatives Association, Inc.
APTI	Adjusted pre-tax income	Moody's		Moody's Investors' Service Inc.
AUM	Assets Under Management	MRBs		Market Risk Benefits
CDS	Credit Default Swap	NAIC		National Association of Insurance Commissioners
CLO	Collateralized Loan Obligations	NM		Not Meaningful
CMBS	Commercial Mortgage-Backed Securities	ORR		Obligor Risk Ratings
ERM	Enterprise Risk Management	RMBS		Residential Mortgage-Backed Securities
FASB	Financial Accounting Standards Board	S&P		Standard & Poor's Financial Services LLC
GAAP	Accounting Principles Generally Accepted in the United States of America	SEC		Securities and Exchange Commission
GIA	Guaranteed Investment Agreements	URR		Unearned Revenue Reserve
GIC	Guaranteed Investment Contracts	VIE		Variable Interest Entity

[TABLE OF CONTENTS](#)

ITEM 3 | Quantitative and Qualitative Disclosures About Market Risk

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** **June 30, 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** **June 30, 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** **June 30, 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** **13** 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 **following risk factor, as well as the other risk factors discussed in Part I, Item 1A. Risk Factors in the our 2023 Annual Report. Report (the 2023 Annual Report).**

We are subject to risks from our continuing equity market exposure to Corebridge. There can be no assurances that the anticipated benefits of our divestment of Corebridge stock will be achieved.

Since September of 2022 when AIG closed on the initial public offering of Corebridge's common stock, we have continued to sell down our interest in Corebridge. On June 9, 2024, AIG met the requirements for the deconsolidation of Corebridge for accounting purposes. *For a detailed discussion of the deconsolidation, see Note 4 to the Condensed Consolidated Financial Statements.*

Although Corebridge has been deconsolidated from our consolidated financial results, we continue to hold a significant stake in Corebridge's common stock. At the time of deconsolidation, we elected the fair value option to account for our remaining investment in Corebridge. From that date onward, the fair value change in Corebridge's stock and dividends received from Corebridge are recognized in net investment income. As a result, a decline in the market value of Corebridge common stock may result in a decrease in our investment income and may have a material and adverse effect on our results and financial condition. There can be no assurances given as to the price, transaction costs, or timing of further Corebridge stock sales and, as a result, we may fail to realize the expected benefits of our sales of such stock if there are adverse movements in its market value prior to, or at the time of, such sales.

Further, the sale of our remaining Corebridge stock involves a number of divestment-related risks, including (i) unanticipated developments that may delay, prevent or otherwise adversely affect our ability to continue the full divestment, including an economic downturn or unfavorable capital markets conditions; (ii) unforeseen losses, liabilities or asset impairments arising from further dispositions; and (iii) challenges associated with the valuation of Corebridge and AIG as we seek to fully divest our investment in Corebridge. Further, AIG is subject to certain sale restrictions under the stock purchase agreement with Nippon Life Insurance Company (Nippon). In addition, there can be no assurances that the closing conditions of AIG's sale of Corebridge stock to Nippon will be satisfied and that the transaction will be consummated. *For a detailed discussion of the Nippon transaction, see Note 4 to the Condensed Consolidated Financial Statements.*

In addition, the divestment of Corebridge, or a significant delay in our ability to continue to sell our Corebridge stock, has caused and could continue to cause the emergence or exacerbate the effects of many of the other risks discussed in our 2023 Annual Report, including: (i) the risk of indemnity claims or breach of contract claims that could be made against us in connection with divested businesses; (ii) changes in our deferred tax assets and liabilities and our ability to utilize certain tax loss and credit carryforwards to offset future taxable income; (iii) competition for employees and managing retention of key employees; and (iv) significantly decreased diversification of our insurance and other risk exposures.

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** **June 30, 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

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)
April 1-30	8,169,681	\$ 75.31	8,169,681	\$ 3,880
May 1-31	7,284,798	78.73	7,284,798	9,426
June 1-30	6,222,864	75.06	6,222,864	8,959
Total	21,677,343	\$ 76.39	21,677,343	\$ 8,959

* Excludes excise tax of **\$14** **\$35** million due to the Inflation Reduction Act of 2022 for the **three** **six** months ended **March 31, 2024** **June 30, 2024**.

During the three months ended **March 31, 2024** **June 30, 2024**, AIG Parent repurchased approximately **23 million** **22 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** **July 1, 2024** to **April 26, 2024** **July 26, 2024**, we repurchased approximately **7** **6** million shares of AIG Common Stock for an aggregate purchase price of approximately **\$558** **\$459** 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

Not applicable.

[TABLE OF CONTENTS](#)

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.

Exhibit Index

Exhibit Number	Description	Location
10 3(i)	(1) AIG Long Term Incentive Plan (as amended and restated effective February 1, 2024)* Restated Certificate of Incorporation of American International Group, Inc.	Incorporated by reference to Exhibit 10.50 3.3 to AIG's Annual Current Report on Form 10-K, 8-K, filed with the SEC on February 14, 2024 May 17, 2024 (File No. 1-8787).
3(ii)	American International Group, Inc. Certificate of Elimination of the Participating Preferred Stock.	Incorporated by reference to Exhibit 3.1 to AIG's Current Report on Form 8-K, filed with the SEC on May 17, 2024 (File No. 1-8787).
3(iii)	American International Group, Inc. Certificate of Elimination of the Series A 5.85% Non-Cumulative Perpetual Preferred Stock	Incorporated by reference to Exhibit 3.2 to AIG's Current Report on Form 8-K, filed with the SEC on May 17, 2024 (File No. 1-8787).
10	(1) Stock Purchase Agreement, dated as of May 16, 2024, by and among American International Group, Inc., Corebridge Financial, Inc. and Nippon Life Insurance Company	Incorporated by reference to Exhibit 10.1 to AIG's Current Report on Form 8-K, filed with the SEC on May 16, 2024 (File No. 1-8787).
	(2) AIG Annual Short-Term Incentive Plan (as amended Amendment, dated as of May 16, 2024, to Separation Agreement, by and restated effective February 1, 2024)* between American International Group, Inc. and Corebridge Financial, Inc.*	Incorporated by reference to Exhibit 10.51 99.1 to AIG's Annual Current Report on Form 10-K, 8-K, filed with the SEC on February 14, 2024 May 16, 2024 (File No. 1-8787).
	(3) Irrevocable Waiver of American International Group, Inc. Pursuant to Separation Agreement, dated June 9, 2024	Filed herewith.
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 June 30, 2024 and December 31, 2023, (ii) the Condensed Consolidated Statements of Income (Loss) for the three and six months ended March 31, 2024 June 30, 2024 and 2023, (iii) the Condensed Consolidated Statements of Equity for the three and six months ended March 31, 2024 June 30, 2024 and 2023, (iv) the Condensed Consolidated Statements of Cash Flows for the three six months ended March 31, 2024 June 30, 2024 and 2023, (v) the Condensed Consolidated Statements of Comprehensive Income (Loss) for the three and six months ended March 31, 2024 June 30, 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 Certain schedules and other similar attachments to this exhibit is have been omitted from this filing pursuant to Item 601(a)(5) of Regulation S-K. The Company will provide a management contract or compensatory arrangement, copy of such omitted documents to the Securities and Exchange Commission upon request.

** 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 August 1, 2024

AIG |
First Second
Quarter 2024
126 Form 10-Q 109

Exhibit 10.3

IRREVOCABLE WAIVER OF AMERICAN INTERNATIONAL GROUP, INC.
PURSUANT TO SEPARATION AGREEMENT

Reference is made to the Separation Agreement, dated as of September 14, 2022 (the "Agreement") and amended as of May 16, 2024 between American International Group, Inc. ("AIG") and Corebridge Financial, Inc. ("CRBG"). All capitalized terms not otherwise defined herein have the meanings set forth in the Agreement.

WHEREAS, pursuant to Section 4.1(e)(ii) of the Agreement, after the Majority Holder Date and until the Fourth Threshold Date, AIG shall have the right to include on each Corebridge Slate a number of Directors equal to the product of: (x) the total number of Directors entitled to serve on the Corebridge Board multiplied by (y) the quotient obtained by dividing (A) the number of shares of Common Stock beneficially owned by AIG by (B) the total number of shares of Common Stock outstanding, rounded up to the nearest whole number (the "Director Formula");

WHEREAS, in the event that the application of the Director Formula should result in AIG being entitled under the Agreement to include a majority of the Directors on the Corebridge Slate, AIG wishes to irrevocably waive its right under the Agreement to include on a Corebridge Slate the number of Directors equal to the difference between: (x) the number of Directors to which AIG is entitled under the Agreement to include on such Corebridge Slate and (y) the maximum number of Directors that AIG may include on such Corebridge Slate without including the majority of the Directors on such Corebridge Slate and

WHEREAS, pursuant to Section 11.7 of the Agreement, a provision of the Agreement may only be waived by a written instrument signed by the Party waiving a right under the Agreement.

NOW, THEREFORE,

1. In the event that the application of the Director Formula should result in AIG being entitled under the Agreement to include a majority of the Directors on a Corebridge Slate, AIG hereby irrevocably waives its right under the Agreement to include on such Corebridge Slate the number of Directors equal to the difference between: (x) the number of Directors to which AIG is entitled under the Agreement to include on such Corebridge Slate and (y) the maximum number of Directors that AIG may include on such Corebridge Slate without including the majority of the Directors on such Corebridge Slate. As an example, if the Corebridge Slate consists of thirteen Directors and the application of the Director Formula would result in AIG being entitled under the Agreement to include seven Directors on the Corebridge Slate, AIG irrevocably waives its right to include one of the seven Directors on the Corebridge Slate and retains its right under the Agreement to include six of the seven Directors on the Corebridge Slate.
2. Except as otherwise expressly provided herein, all of the terms, agreements and conditions of the Agreement remain unwaived and unchanged and continue in full force and effect. This Irrevocable Waiver is limited precisely as written and shall not be deemed to be a waiver of any other term, agreement or condition of the Agreement or any of the documents referred to therein or any consent to any other action.

IN WITNESS WHEREOF, the undersigned has executed this Irrevocable Waiver as of June 9, 2024.

AMERICAN INTERNATIONAL GROUP, INC.

By: /s/ Peter Zaffino

Peter Zaffino, Chairman & CEO

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 August 1, 2024

/s/ PETER ZAFFINO

Peter Zaffino

Chairman and Chief Executive Officer

CERTIFICATIONS

I, Sabra R. Purtil, 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 August 1, 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 June 30, 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 August 1, 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 June 30, 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 August 1, 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.

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