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PRESS RELEASE

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First Shariah-compliant Warranty & Indemnity insurance policy issued in London

October 19, 2017– AIG UK announces that it has underwritten the first Shariah-compliant Warranty and Indemnity (W&I) Insurance Policy issued in the London M&A insurance market. Brokers, Risk Capital Advisors placed the £5,000,000 W&I policy which was issued through Cobalt Underwriting’s ‘Islamic Window’ solution.

Angus Marshall, AIG’s Head of M&A, UK and London Market, commented *“AIG was delighted to work with our strategic partner, Cobalt Underwriting, to provide a ground-breaking W&I insurance policy in compliance with Shariah principles. While AIG has previously issued Shariah-complaint W&I policies in the Middle East, we have not done so in the London M&A insurance market.*

“We estimate that Takaful insurance accounts for around 2% of the \$1.8 trillion Islamic finance market – we now have an M&A insurance product that can service this growing market.”

The buyer was a Gulf-based financial institution run on Shariah principles. They acquired an industrial property in the North of England for an amount in excess of £24,000,000. The investor sourced Shariah-compliant financing to fund the acquisition and requested RCA place a Shariah-compliant W&I policy – all elements of the transaction needed to comply with Shariah principles.

Ben Brindle, Director of Risk Capital Advisors commented *“We are seeing an increasing demand for W&I insurance from financial institutions run on Islamic principles. This is particularly the case in the UK, and we were very pleased to be able to provide a solution to the buyer on this transaction with a UK-issued Shariah-compliant policy”*

Sheikh Zubair Miah, Shariah Scholar at Cobalt Underwriting commented: *“This is highly significant and positive step in the right direction for those involved in Islamic finance, who work extremely hard to ensure their business activities are Shariah compliant, but who have previously struggled to find appropriate Shariah-compliant insurance products. Now thanks to our work with AIG, we have such a product that is not only highly rated but is Shariah-compliant”.*

Cobalt’s Islamic Window, approved by Islamic scholars, draws on the expertise of Shariah scholar Sheikh Zubair Miah who reviews and administers the insurance policy enabling the investors to insure transaction risks in full compliance with Shariah principles.

Sheikh Zubair follows a three-step process to ensure the policy is Shariah compliant: Firstly, the risk is reviewed to establish that the risk itself is not prohibited by Shariah. Secondly, the policy issued does not stipulate, infer or impose any act or condition that would contravene the principles of Shariah. Finally, the insurance policy is endorsed and certified to reflect this process.

Ends

Notes to editors



American International Group, Inc. (AIG) is a leading global insurance organization. Founded in 1919, today AIG member companies provide a wide range of property casualty insurance, life insurance, retirement products, and other financial services to customers in more than 80 countries and jurisdictions. These diverse offerings include products and services that help businesses and individuals protect their assets, manage risks and provide for retirement security. AIG common stock is listed on the New York Stock Exchange and the Tokyo Stock Exchange.

Additional information about AIG can be found at www.aig.com and www.aig.com/strategyupdate | YouTube: www.youtube.com/aig | Twitter: @AIGinsurance | LinkedIn: <http://www.linkedin.com/company/aig>. These references with additional information about AIG have been provided as a convenience, and the information contained on such websites is not incorporated by reference into this press release.

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