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 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

American International Group, Inc.

(Exact name of registrant as specified in its charter)

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

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

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

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

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

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

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

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

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

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

As of July 26, 2024, there were 643,951,434 shares outstanding of the registrant's common stock.

AMERICAN INTERNATIONAL GROUP, INC.
QUARTERLY REPORT ON FORM 10-Q FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2024
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FORM 10-Q

Part I – Financial Information

Item 1. | Financial Statements

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

(in millions, except for share data)	June 30, 2024	December 31, 2023
Assets:		
Investments:		
Fixed maturity securities:		
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)*	$ 62,333	$ 65,242
Other bond securities, at fair value (See Note 6)	766	663
Equity securities, at fair value (See Note 6)	688	665
Mortgage and other loans receivable, net of allowance for credit losses of $37,799 in 2024 and $37,776 in 2023*	4,347	4,441
Other invested assets (portion measured at fair value: 2024 - $12,386; 2023 - $4,175)	14,788	6,368
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)*	12,563	12,865
Total investments	95,485	90,244
Cash	1,381	1,540
Accrued investment income*	563	580
Premiums and other receivables, net of allowance for credit losses and disputes of $126 in 2024 and $138 in 2023	11,669	9,967
Reinsurance assets - Fortitude Re, net of allowance for credit losses and disputes of $0 in 2024 and $0 in 2023	3,592	3,839
Reinsurance assets - other, net of allowance for credit losses and disputes of $211 in 2024 and $206 in 2023	37,068	35,293
Deferred income tax assets	5,568	6,186
Deferred policy acquisition costs	2,123	2,117
Goodwill	3,407	3,422
Deposit accounting assets, net of allowance for credit losses of $49 in 2024 and $49 in 2023	2,132	1,915
Other assets, including restricted cash of $18 in 2024 and $32 in 2023 (portion measured at fair value: 2024 - $189; 2023 - $374)*	4,717	5,425
Assets held for sale	185	30
Assets of discontinued operations	—	378,748
Total assets	$ 167,890	$ 539,306
Liabilities:		
Liability for unpaid losses and loss adjustment expenses, including allowance for credit losses of $14 in 2024 and $14 in 2023	$ 69,783	$ 70,393
Unearned premiums	18,738	17,375
Future policy benefits for life and accident and health insurance contracts	1,355	1,467
Other policyholder funds	435	495
Fortitude Re funds withheld payable (portion measured at fair value: 2024 - $(154); 2023 - $(148))	3,364	3,527
Premiums and other related payables	7,729	6,219
Deposit accounting liabilities	2,782	2,612
Commissions and premium taxes payable	1,395	1,351
Current and deferred income tax liabilities	375	347
Other liabilities (portion measured at fair value: 2024 - $323; 2023 - $482)	7,366	7,496
Long-term debt	9,861	10,375
Debt of consolidated investment entities*	79	231
Liabilities held for sale	153	28
Liabilities of discontinued operations	—	366,089
Total liabilities	123,415	488,005
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	—	485
Common stock, $2.50 par value; 5,000,000,000 shares authorized; shares issued: 2024 - 1,906,671,492 and 2023 - 1,906,671,492	4,766	4,766
Treasury stock, at cost; 2024 - 1,256,808,687 shares; 2023 - 1,217,831,721 shares of common stock	(62,255)	(59,189)
Additional paid-in capital	75,274	75,810
Retained earnings	34,225	37,516
Accumulated other comprehensive loss	(7,565)	(14,037)
Total AIG shareholders' equity	44,445	45,351
Non-redeemable noncontrolling interests	30	5,950
Total equity	44,475	51,301
Total liabilities and equity	$ 167,890	$ 539,306

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

See accompanying Notes to Condensed Consolidated Financial Statements.

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

(dollars in millions, except per common share data)	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Revenues:				
Premiums	$ 5,748	$ 6,614	$ 11,619	$ 12,990
Net investment income:				
Net investment income - excluding Fortitude Re funds withheld assets	957	812	1,897	1,604
Net investment income - Fortitude Re funds withheld assets	33	25	72	77
Total net investment income	990	837	1,969	1,681
Net realized gains (losses):				
Net realized losses - excluding Fortitude Re funds withheld assets and embedded derivative	(187)	(65)	(246)	(382)
Net realized losses on Fortitude Re funds withheld assets	(1)	(7)	(20)	(61)
Net realized gains (losses) on Fortitude Re funds withheld embedded derivative	8	58	(1)	(82)
Total net realized losses	(180)	(14)	(267)	(525)
Other income	2	(1)	2	(1)
Total revenues	6,560	7,436	13,323	14,145
Benefits, losses and expenses:				
Losses and loss adjustment expenses incurred	3,467	3,979	6,980	7,883
Amortization of deferred policy acquisition costs	842	933	1,680	1,972
General operating and other expenses	1,610	1,494	2,848	2,737
Interest expense	125	129	241	253
Loss on extinguishment of debt	1	—	1	—
Net (gain) loss on divestitures and other	(102)	15	(102)	12
Total benefits, losses and expenses	5,943	6,550	11,648	12,857
Income from continuing operations before income tax expense	617	886	1,675	1,288
Income tax expense	142	45	403	110
Income from continuing operations	475	841	1,272	1,178
Income (loss) from discontinued operations, net of income taxes	(4,359)	850	(3,556)	426
Net income (loss)	(3,884)	1,691	(2,284)	1,604
Less: Net income (loss) attributable to noncontrolling interests	93	198	477	81
Net income (loss) attributable to AIG	(3,977)	1,493	(2,761)	1,523
Less: Dividends on preferred stock and preferred stock redemption premiums	—	8	22	15
Net income (loss) attributable to AIG common shareholders	$ (3,977)	$ 1,485	$ (2,783)	$ 1,508
Income per common share attributable to AIG common shareholders:				
Basic:				
Income from continuing operations	$ 0.72	$ 1.15	$ 1.86	$ 1.59
Income (loss) from discontinued operations	$ (6.74)	$ 0.90	$ (6.00)	$ 0.47
Net income (loss) attributable to AIG common shareholders	$ (6.02)	$ 2.05	$ (4.14)	$ 2.06
Diluted:				
Income from continuing operations	$ 0.71	$ 1.14	$ 1.85	$ 1.58
Income (loss) from discontinued operations	$ (6.67)	$ 0.89	$ (5.96)	$ 0.47
Net income (loss) attributable to AIG common shareholders	$ (5.96)	$ 2.03	$ (4.11)	$ 2.05
Weighted average shares outstanding:				
Basic	661,092,967	725,754,549	671,834,907	732,175,533
Diluted	666,955,168	730,547,112	677,458,343	737,290,694

See accompanying Notes to Condensed Consolidated Financial Statements.

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

(in millions)	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Net income (loss)	**$ (3,884)**	$ 1,691	**$ (2,284)**	$ 1,604
Other comprehensive income (loss), net of tax				
Change in unrealized appreciation of fixed maturity securities on which allowance for credit losses was taken	**5**	29	**26**	17
Change in unrealized appreciation (depreciation) of all other investments	**(160)**	(591)	**(275)**	528
Change in the discount rates used to measure traditional and limited payment long-duration insurance contracts	**(92)**	(77)	**(90)**	(14)
Change in foreign currency translation adjustments	**35**	(64)	**(310)**	(107)
Change in retirement plan liabilities adjustment	**10**	52	**17**	78
Change in other comprehensive income (loss) related to discontinued operations	**(318)**	(1,087)	**(945)**	1,673
Corebridge Deconsolidation	**7,214**	—	**7,214**	—
Other comprehensive income (loss)	**6,694**	(1,738)	**5,637**	2,175
Comprehensive income (loss)	**2,810**	(47)	**3,353**	3,779
Comprehensive income (loss) attributable to noncontrolling interests	**93**	(60)	**179**	449
Comprehensive income (loss) attributable to AIG	**$ 2,717**	$ 13	**$ 3,174**	$ 3,330

See accompanying Notes to Condensed Consolidated Financial Statements.

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

(in millions, except per share data)	Preferred Stock and Additional Paid-in Capital	Common Stock	Treasury Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total AIG Share-holders' Equity	Non-redeemable Non-controlling Interests	Total Equity
Three Months Ended June 30, 2024									
Balance, beginning of period	**$ —**	**$ 4,766**	**$ (60,603)**	**$ 75,625**	**$ 38,466**	**$ (14,869)**	**$ 43,385**	**$ 5,725**	**$ 49,110**
Common stock issued under stock plans	**—**	**—**	**25**	**(15)**	**—**	**—**	**10**	**—**	**10**
Purchase of common stock	**—**	**—**	**(1,677)**	**—**	**—**	**—**	**(1,677)**	**—**	**(1,677)**
Net income (loss) attributable to AIG or noncontrolling interests	**—**	**—**	**—**	**—**	**(3,977)**	**—**	**(3,977)**	**93**	**(3,884)**
Dividends on common stock ($0.40 per share)	**—**	**—**	**—**	**—**	**(261)**	**—**	**(261)**	**—**	**(261)**
Other comprehensive income	**—**	**—**	**—**	**—**	**—**	**6,694**	**6,694**	**—**	**6,694**
Net decrease due to divestitures and acquisitions	**—**	**—**	**—**	**(408)**	**—**	**610**	**202**	**(5,802)**	**(5,600)**
Contributions from noncontrolling interests	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**17**	**17**
Distributions to noncontrolling interests	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(2)**	**(2)**
Other	**—**	**—**	**—**	**72**	**(3)**	**—**	**69**	**(1)**	**68**
Balance, end of period	**$ —**	**$ 4,766**	**$ (62,255)**	**$ 75,274**	**$ 34,225**	**$ (7,565)**	**$ 44,445**	**$ 30**	**$ 44,475**
Three Months Ended June 30, 2023									
Balance, beginning of period	$ 485	$ 4,766	$ (56,857)	$ 79,562	$ 34,690	$ (19,329)	$ 43,317	$ 2,989	$ 46,306
Common stock issued under stock plans	—	—	11	(4)	—	—	7	—	7
Purchase of common stock	—	—	(562)	—	—	—	(562)	—	(562)
Net income attributable to AIG or noncontrolling interests	—	—	—	—	1,493	—	1,493	198	1,691
Dividends on preferred stock ($365.625 per share)	—	—	—	—	(8)	—	(8)	—	(8)
Dividends on common stock ($0.36 per share)	—	—	—	—	(260)	—	(260)	—	(260)
Other comprehensive loss	—	—	—	—	—	(1,480)	(1,480)	(258)	(1,738)
Net increase (decrease) due to divestitures and acquisitions	—	—	—	(1,913)	—	1,827	(86)	1,261	1,175
Contributions from noncontrolling interests	—	—	—	—	—	—	—	11	11
Distributions to noncontrolling interests	—	—	—	—	—	—	—	(194)	(194)
Other	—	—	—	32	1	—	33	30	63
Balance, end of period	$ 485	$ 4,766	$ (57,408)	$ 77,677	$ 35,916	$ (18,982)	$ 42,454	$ 4,037	$ 46,491

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

(in millions, except per share data)	Preferred Stock and Additional Paid-in Capital	Common Stock	Treasury Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total AIG Share-holders' Equity	Non-redeemable Non-controlling Interests	Total Equity
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)*

(in millions)	Six Months Ended June 30, 2024	2023
Cash flows from operating activities:		
Net income (loss)	**$ (2,284)**	$ 1,604
(Income) loss from discontinued operations	**3,556**	(426)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Noncash revenues, expenses, gains and losses included in income (loss):		
Net losses on sales of securities available for sale and other assets	**259**	452
Net (gain) loss on divestitures and other	**(102)**	12
(Gain) loss on extinguishment of debt	**1**	—
Unrealized gains in earnings - net	**(349)**	(33)
Equity in (income) loss from equity method investments, net of dividends or distributions	**(46)**	18
Depreciation and other amortization	**1,751**	2,024
Impairments of assets	**26**	12
Changes in operating assets and liabilities:		
Insurance reserves	**2,082**	3,174
Premiums and other receivables and payables - net	**(544)**	(936)
Reinsurance assets, net	**(1,748)**	(2,551)
Capitalization of deferred policy acquisition costs	**(1,803)**	(2,396)
Current and deferred income taxes - net	**(63)**	(124)
Other, net	**817**	603
Total adjustments	**281**	255
Net cash provided by operating activities - continuing operations	**1,553**	1,433
Net cash used in operating activities - discontinued operations	**(104)**	(322)
Net cash provided by operating activities	**1,449**	1,111
Cash flows from investing activities:		
Proceeds from (payments for)		
Sales or distributions of:		
Available for sale securities	**5,148**	10,704
Other securities	**112**	157
Other invested assets	**763**	407
Divestitures, net	**—**	3
Maturities of fixed maturity securities available for sale	**4,938**	4,376
Principal payments received on and sales of mortgage and other loans receivable	**266**	587
Purchases of:		
Available for sale securities	**(7,987)**	(15,417)
Other securities	**(180)**	(163)
Other invested assets	**(218)**	(338)
Mortgage and other loans receivable	**(239)**	(601)
Net change in short-term investments	**323**	1,138
Other, net	**(51)**	(662)
Net cash provided by investing activities - continuing operations	**2,875**	191
Net cash used in investing activities - discontinued operations	**(4,171)**	(832)
Net cash used in investing activities	**(1,296)**	(641)
Cash flows from financing activities:		
Proceeds from (payments for)		
Issuance of long-term debt	**1**	742
Repayments of long-term debt	**(464)**	(451)
Repayments of debt of consolidated investment entities	**—**	(3)
Purchase of common stock	**(3,325)**	(1,117)
Redemption of preferred stock	**(485)**	—
Dividends on preferred stock and preferred stock redemption premiums	**(22)**	(15)
Dividends on common stock	**(504)**	(494)
Other, net	**242**	723
Net cash used in financing activities - continuing operations	**(4,557)**	(615)
Net cash provided by financing activities - discontinued operations	**4,409**	500
Net cash used in financing activities	**(148)**	(115)
Effect of exchange rate changes on cash and restricted cash	**(66)**	18
Net increase (decrease) in cash and restricted cash	**(61)**	373
Cash and restricted cash at beginning of year	**1,573**	1,571
Cash and restricted cash of held for sale assets	**(110)**	(384)
Cash and restricted cash at end of period	**$ 1,402**	$ 1,560

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

Supplementary Disclosure of Condensed Consolidated Cash Flow Information

	Six Months Ended June 30,	
(in millions)	**2024**	2023
Cash	**$ 1,381**	$ 1,531
Restricted cash included in Short-term investments*	**3**	3
Restricted cash included in Other assets*	**18**	26
Total cash and restricted cash shown in the Condensed Consolidated Statements of Cash Flows	**$ 1,402**	$ 1,560
Cash paid during the period for:		
Interest	**$ 470**	$ 636
Taxes	**$ 709**	$ 368
Non-cash investing activities:		
Fixed maturity securities available for sale received in connection with pension risk transfer transactions	**$ 1,316**	$ 2,818
Fixed maturity securities and other invested assets received in connection with reinsurance transactions	**$ 254**	$ —
Fixed maturity securities and other invested assets transferred in connection with reinsurance transactions	**$ (148)**	$ (714)
Non-cash financing activities:		
Interest credited to policyholder contract deposits included in financing activities	**$ 2,416**	$ 2,145
Fee income debited to policyholder contract deposits included in financing activities	**$ (1,426)**	$ (1,044)

* 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 six months ended 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 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

Global Personal Travel Business

On June 26, 2024, 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 end of 2024, subject to customary closing conditions, including the receipt of regulatory approvals. *For further details, see Note 4.*

Separation of Life and Retirement Business

For further details, see Note 4.

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;
- 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 on AIG Consolidated Financial Statements.

FUTURE APPLICATION OF ACCOUNTING STANDARDS

Income Tax

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

3. Segment Information

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 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.

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, 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 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 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	
(in millions)	Adjusted Revenues	Adjusted Pre-tax Income (Loss)	Adjusted Revenues	Adjusted Pre-tax Income (Loss)
General Insurance				
North America	**$ 2,470**	**$ 163** [(a)]	$ 3,195	$ 352 [(a)]
International	**3,279**	**267** [(a)]	3,302	242 [(a)]
Net investment income	**746**	**746**	725	725
Total General Insurance	**6,495**	**1,176**	7,222	1,319
Other Operations				
Other Operations before consolidation and eliminations	**144**	**(158)**	173	(270)
Consolidation and eliminations	**(5)**	**—**	(17)	(8)
Total Other Operations	**139**	**(158)**	156	(278)
Total	**6,634**	**1,018**	7,378	1,041
Reconciling items:				
Changes in the fair values of equity securities and AIG's investment in Corebridge	**59**	**59**	41	41
Other income (expense) - net	**15**	**—**	8	—
Gain (loss) on extinguishment of debt	**—**	**(1)**	—	—
Net investment income on Fortitude Re funds withheld assets	**33**	**33**	25	25
Net realized losses on Fortitude Re funds withheld assets	**(1)**	**(1)**	(7)	(7)
Net realized gains on Fortitude Re funds withheld embedded derivative	**8**	**8**	58	58
Net realized losses[(b)]	**(188)**	**(186)**	(67)	(64)
Net gain (loss) on divestitures and other	**—**	**102**	—	(15)
Non-operating litigation reserves and settlements	**—**	**—**	—	(1)
Favorable prior year development and related amortization changes ceded under retroactive reinsurance agreements	**—**	**62**	—	18
Net loss reserve discount charge	**—**	**(26)**	—	(16)
Pension expense related to lump sum payments to former employees	**—**	**—**	—	(54)
Integration and transaction costs associated with acquiring or divesting businesses	**—**	**(18)**	—	(8)
Restructuring and other costs[(c)]	**—**	**(426)**	—	(125)
Non-recurring costs related to regulatory or accounting changes	**—**	**(7)**	—	(7)
Revenues and pre-tax income	**$ 6,560**	**$ 617**	$ 7,436	$ 886

Six Months Ended June 30,	2024		2023	
(in millions)	Adjusted Revenues	Adjusted Pre-tax Income (Loss)	Adjusted Revenues	Adjusted Pre-tax Income (Loss)
General Insurance				
North America	$ 4,972	$ 387 (a)	$ 6,175	$ 651 (a)
International	6,563	639 (a)	6,581	445 (a)
Net investment income	1,508	1,508	1,471	1,471
Total General Insurance	13,043	2,534	14,227	2,567
Other Operations				
Other Operations before consolidation and eliminations	308	(355)	319	(544)
AIG consolidation and eliminations	(3)	(1)	(39)	(13)
Total Other Operations	305	(356)	280	(557)
Total	13,348	2,178	14,507	2,010
Reconciling items:				
Changes in the fair values of equity securities and AIG's investment in Corebridge	147	147	62	62
Other income (expense) - net	17	—	23	—
Gain (loss) on extinguishment of debt	—	(1)	—	—
Net investment income on Fortitude Re funds withheld assets	72	72	77	77
Net realized losses on Fortitude Re funds withheld assets	(20)	(20)	(61)	(61)
Net realized losses on Fortitude Re funds withheld embedded derivative	(1)	(1)	(82)	(82)
Net realized losses(b)	(240)	(241)	(386)	(383)
Net gain (loss) on divestitures and other	—	102	—	(12)
Non-operating litigation reserves and settlements	—	—	1	—
(Unfavorable) favorable prior year development and related amortization changes ceded under retroactive reinsurance agreements	—	60	—	37
Net loss reserve discount benefit (charge)	—	(102)	—	(80)
Pension expense related to lump sum payments to former employees	—	—	—	(54)
Integration and transaction costs associated with acquiring or divesting businesses	—	(15)	—	(8)
Restructuring and other costs	—	(493)	—	(215)
Non-recurring costs related to regulatory or accounting changes	—	(11)	—	(15)
Net impact from elimination of international reporting lag(d)	—	—	4	12
Revenues and pre-tax income	$ 13,323	$ 1,675	$ 14,145	$ 1,288

(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 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.

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 June 30, 2024, businesses and assets reported and classified as held-for-sale primarily consisted of our global individual personal travel insurance and assistance business and did not meet the criteria for discontinued operations.

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 June 30,		Six Months Ended 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	
(in millions)	Assets and Liabilities Held for Sale	Corebridge (Assets and Liabilities of Discontinued Operations)	Assets and Liabilities Held for Sale
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
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	—
Total assets held for sale/assets of discontinued operations	$ 185	$ 378,748	$ 30
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	—
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 June 30,		Six Months Ended 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

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	**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.

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

ASSETS AND LIABILITIES MEASURED AT FAIR VALUE ON A RECURRING BASIS

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

June 30, 2024 *(in millions)*	Level 1	Level 2	Level 3	Counterparty Netting[a]	Cash Collateral	Total
Assets:						
Bonds available for sale:						
U.S. government and government sponsored entities	$ 24	$ 4,385	$ —	$ —	$ —	$ 4,409
Obligations of states, municipalities and political subdivisions	—	4,488	4	—	—	4,492
Non-U.S. governments	161	7,893	7	—	—	8,061
Corporate debt	1	30,427	359	—	—	30,787
RMBS	—	3,762	2,016	—	—	5,778
CMBS	—	4,193	94	—	—	4,287
CLO/ABS	—	3,244	1,275	—	—	4,519
Total bonds available for sale	186	58,392	3,755	—	—	62,333
Other bond securities:						
Obligations of states, municipalities and political subdivisions	—	50	—	—	—	50
Non-U.S. governments	—	25	—	—	—	25
Corporate debt	—	267	44	—	—	311
RMBS	—	53	49	—	—	102
CMBS	—	42	—	—	—	42
CLO/ABS	—	91	145	—	—	236
Total other bond securities	—	528	238	—	—	766
Equity securities	659	16	13	—	—	688
Other invested assets[b]	8,567	124	145	—	—	8,836
Derivative assets[c]**:**						
Interest rate contracts	—	263	3	—	—	266
Foreign exchange contracts	—	256	1	—	—	257
Equity contracts	—	—	35	—	—	35
Credit contracts	—	—	33	—	—	33
Other contracts	—	—	1	—	—	1
Counterparty netting and cash collateral	—	—	—	(245)	(288)	(533)
Total derivative assets	—	519	73	(245)	(288)	59
Short-term investments	3,845	4,292	—	—	—	8,137
Other assets[c]	—	—	130	—	—	130
Total[d]	$ 13,257	$ 63,871	$ 4,354	$ (245)	$ (288)	$ 80,949
Liabilities:						
Derivative liabilities[c]**:**						
Interest rate contracts	$ —	$ 291	$ —	$ —	$ —	$ 291
Foreign exchange contracts	—	324	1	—	—	325
Credit contracts	—	—	33	—	—	33
Counterparty netting and cash collateral	—	—	—	(245)	(180)	(425)
Total derivative liabilities	—	615	34	(245)	(180)	224
Fortitude Re funds withheld payable	—	—	(154)	—	—	(154)
Other liabilities	—	—	99	—	—	99
Total	$ —	$ 615	$ (21)	$ (245)	$ (180)	$ 169

December 31, 2023 *(in millions)*	Level 1	Level 2	Level 3	Counterparty Netting[(a)]	Cash Collateral	Total
Assets:						
Bonds available for sale:						
U.S. government and government sponsored entities	$ 15	$ 4,380	$ —	$ —	$ —	$ 4,395
Obligations of states, municipalities and political subdivisions	—	4,830	3	—	—	4,833
Non-U.S. governments	233	8,156	7	—	—	8,396
Corporate debt	—	32,023	323	—	—	32,346
RMBS	—	4,415	1,792	—	—	6,207
CMBS	—	4,122	25	—	—	4,147
CLO/ABS	—	3,629	1,289	—	—	4,918
Total bonds available for sale	248	61,555	3,439	—	—	65,242
Other bond securities:						
Obligations of states, municipalities and political subdivisions	—	51	—	—	—	51
Non-U.S. governments	—	24	—	—	—	24
Corporate debt	—	210	45	—	—	255
RMBS	—	42	51	—	—	93
CMBS	—	33	—	—	—	33
CLO/ABS	—	69	138	—	—	207
Total other bond securities	—	429	234	—	—	663
Equity securities	612	39	14	—	—	665
Other invested assets [(b)]	—	155	221	—	—	376
Derivative assets[(c)]:						
Interest rate contracts	—	335	406	—	—	741
Foreign exchange contracts	—	450	1	—	—	451
Equity contracts	—	18	48	—	—	66
Credit contracts	—	—	33	—	—	33
Other contracts	—	—	1	—	—	1
Counterparty netting and cash collateral	—	—	—	(450)	(711)	(1,161)
Total derivative assets	—	803	489	(450)	(711)	131
Short-term investments	2,613	6,750	—	—	—	9,363
Other assets[(c)]	—	—	243	—	—	243
Total[(d)]	$ 3,473	$ 69,731	$ 4,640	$ (450)	$ (711)	$ 76,683
Liabilities:						
Derivative liabilities[(c)]:						
Interest rate contracts	$ —	$ 352	$ —	$ —	$ —	$ 352
Foreign exchange contracts	—	561	3	—	—	564
Credit contracts	—	3	33	—	—	36
Counterparty netting and cash collateral	—	—	—	(450)	(249)	(699)
Total derivative liabilities	—	916	36	(450)	(249)	253
Fortitude Re funds withheld payable	—	—	(148)	—	—	(148)
Other liabilities	—	107	122	—	—	229
Total	$ —	$ 1,023	$ 10	$ (450)	$ (249)	$ 334

(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 $3.6 billion and $3.8 billion as of 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 $22 million and $15 million as of June 30, 2024 and December 31, 2023, respectively, of assets reclassified to Assets held for sale on the Condensed Consolidated Balance Sheets.

CHANGES IN LEVEL 3 RECURRING FAIR VALUE MEASUREMENTS

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

(in millions)	Fair Value Beginning of Period	Net Realized and Unrealized Gains (Losses) Included in Income	Other Comprehensive Income (Loss)	Purchases, Sales, Issuances and Settlements, Net	Gross Transfers In	Gross Transfers Out	Other	Fair Value End of Period	Changes in Unrealized Gains (Losses) Included in Income on Instruments Held at End of Period	Changes in Unrealized Gains (Losses) Included in Other Comprehensive Income (Loss) for Recurring Level 3 Instruments Held at End of Period
Three Months Ended June 30, 2024										
Assets:										
Bonds available for sale:										
Obligations of states, municipalities and political subdivisions	$ 4	$ —	$ —	$ —	$ —	$ —	$ —	$ 4	$ —	$ —
Non-U.S. governments	7	—	—	—	—	—	—	7	—	—
Corporate debt	383	—	(2)	(22)	36	(36)	—	359	—	(2)
RMBS	1,766	24	(29)	(75)	287	(1)	44	2,016	—	(30)
CMBS	43	(4)	6	(18)	68	(1)	—	94	—	—
CLO/ABS	1,284	3	3	(47)	44	(12)	—	1,275	—	3
Total bonds available for sale	3,487	23	(22)	(162)	435	(50)	44	3,755	—	(29)
Other bond securities:										
Corporate Debt	46	1	—	—	—	—	(3)	44	—	—
RMBS	53	—	—	(2)	—	(2)	—	49	—	—
CLO/ABS	144	1	—	(3)	2	—	1	145	1	—
Total other bond securities	243	2	—	(5)	2	(2)	(2)	238	1	—
Equity securities	13	—	—	—	—	—	—	13	—	—
Other invested assets	183	(4)	—	(36)	—	—	2	145	(1)	—
Other assets	129	—	—	1	—	—	—	130	—	—
Total	$ 4,055	$ 21	$ (22)	$ (202)	$ 437	$ (52)	$ 44	$ 4,281	$ —	$ (29)

(in millions)	Fair Value Beginning of Period	Net Realized and Unrealized (Gains) Losses Included in Income	Other Comprehensive Income (Loss)	Purchases, Sales, Issuances and Settlements, Net	Gross Transfers In	Gross Transfers Out	Other	Fair Value End of Period	Changes in Unrealized Gains (Losses) Included in Income on Instruments Held at End of Period	Changes in Unrealized Gains (Losses) Included in Other Comprehensive Income (Loss) for Recurring Level 3 Instruments Held at End of Period
Liabilities:										
Derivative liabilities, net:										
Interest rate contracts	$ (128)	$ (8)	$ —	$ 133	$ —	$ —	$ —	$ (3)	$ —	$ —
Foreign exchange contracts	2	(2)	—	—	—	—	—	—	—	—
Equity contracts	(56)	(2)	—	23	—	—	—	(35)	2	—
Other contracts	(1)	—	—	—	—	—	—	(1)	1	—
Total derivative liabilities, net[(a)]	(183)	(12)	—	156	—	—	—	(39)	3	—
Fortitude Re funds withheld payable	(119)	(8)	—	(27)	—	—	—	(154)	33	—
Other Liabilities	92	28	—	(21)	—	—	—	99	—	—
Total	$ (210)	$ 8	$ —	$ 108	$ —	$ —	$ —	$ (94)	$ 36	$ —

(in millions)	Fair Value Beginning of Period	Net Realized and Unrealized Gains (Losses) Included in Income	Other Comprehensive Income (Loss)	Purchases, Sales, Issuances and Settlements, Net	Gross Transfers In	Gross Transfers Out	Other	Fair Value End of Period	Changes in Unrealized Gains (Losses) Included in Income on Instruments Held at End of Period	Changes in Unrealized Gains (Losses) Included in Other Comprehensive Income (Loss) for Recurring Level 3 Instruments Held at End of Period
Three Months Ended 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

(in millions)	Fair Value Beginning of Period	Net Realized and Unrealized (Gains) Losses Included in Income	Other Comprehensive Income (Loss)	Purchases, Sales, Issuances and Settlements, Net	Gross Transfers In	Gross Transfers Out	Other	Fair Value End of Period	Changes in Unrealized Gains (Losses) Included in Income on Instruments Held at End of Period	Changes in Unrealized Gains (Losses) Included in Other Comprehensive Income (Loss) for Recurring Level 3 Instruments Held at End of Period
Liabilities:										
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)

(in millions)	Fair Value Beginning of Year	Net Realized and Unrealized Gains (Losses) Included in Income	Other Comprehensive Income (Loss)	Purchases, Sales, Issuances and Settlements, Net	Gross Transfers In	Gross Transfers Out	Other	Fair Value End of Period	Changes in Unrealized Gains (Losses) Included in Income on Instruments Held at End of Period	Changes in Unrealized Gains (Losses) Included in Other Comprehensive Income (Loss) for Recurring Level 3 Instruments Held at End of Period
Six Months Ended June 30, 2024										
Assets:										
Bonds available for sale:										
Obligations of states, municipalities and political subdivisions	$ 3	$ —	$ —	$ 1	$ —	$ —	$ —	$ 4	$ —	$ —
Non-U.S. governments	7	—	—	—	—	—	—	7	—	—
Corporate debt	323	1	(2)	(60)	134	(37)	—	359	—	(1)
RMBS	1,792	47	(2)	(150)	287	(2)	44	2,016	—	(2)
CMBS	25	(4)	6	(18)	85	—	—	94	—	1
CLO/ABS	1,289	(12)	32	(66)	44	(12)	—	1,275	—	29
Total bonds available for sale	3,439	32	34	(293)	550	(51)	44	3,755	—	27
Other bond securities:										
Corporate debt	45	1	—	—	—	—	(2)	44	—	—
RMBS	51	—	—	—	—	(2)	—	49	—	—
CLO/ABS	138	—	—	5	2	—	—	145	(1)	—
Total other bond securities	234	1	—	5	2	(2)	(2)	238	(1)	—
Equity securities	14	—	—	—	—	(1)	—	13	1	—
Other invested assets	221	(13)	—	(39)	—	(13)	(11)	145	(12)	—
Other assets	243	—	—	(113)	—	—	—	130	—	—
Total	$ 4,151	$ 20	$ 34	$ (440)	$ 552	$ (67)	$ 31	$ 4,281	$ (12)	$ 27

(in millions)	Fair Value Beginning of Year	Net Realized and Unrealized (Gains) Losses Included in Income	Other Comprehensive Income (Loss)	Purchases, Sales, Issuances and Settlements, Net	Gross Transfers In	Gross Transfers Out	Other	Fair Value End of Period	Changes in Unrealized Gains (Losses) Included in Income on Instruments Held at End of Period	Changes in Unrealized Gains (Losses) Included in Other Comprehensive Income (Loss) for Recurring Level 3 Instruments Held at End of Period
Liabilities:										
Derivative liabilities, net:										
Interest rate contracts	$ (406)	$ 61	$ —	$ 342	$ —	$ —	$ —	$ (3)	$ (3)	$ —
Foreign exchange contracts	2	(2)	—	—	—	—	—	—	—	—
Equity contracts	(48)	(18)	—	31	—	—	—	(35)	10	—
Other contracts	(1)	(1)	—	1	—	—	—	(1)	1	—
Total derivative liabilities, net[(a)]	(453)	40	—	374	—	—	—	(39)	8	—
Fortitude Re funds withheld payable	(148)	1	—	(7)	—	—	—	(154)	47	—
Other Liabilities	122	(2)	—	(21)	—	—	—	99	—	—
Total	$ (479)	$ 39	$ —	$ 346	$ —	$ —	$ —	$ (94)	$ 55	$ —

(in millions)	Fair Value Beginning of Year	Net Realized and Unrealized Gains (Losses) Included in Income	Other Comprehensive Income (Loss)	Purchases, Sales, Issuances and Settlements, Net	Gross Transfers In	Gross Transfers Out	Other	Fair Value End of Period	Changes in Unrealized Gains (Losses) Included in Income on Instruments Held at End of Period	Changes in Unrealized Gains (Losses) Included in Other Comprehensive Income (Loss) for Recurring Level 3 Instruments Held at End of Period
Six Months Ended June 30, 2023										
Assets:										
Bonds available for sale:										
Obligations of states, municipalities and political subdivisions	$ 20	$ —	$ 1	$ (5)	$ —	$ —	$ —	$ 16	$ —	$ 1
Non-U.S. governments	2	—	1	(2)	7	(2)	—	6	—	1
Corporate debt	879	(4)	17	(347)	108	(235)	—	418	—	3
RMBS	1,884	59	26	(18)	—	(48)	(35)	1,868	—	24
CMBS	207	(22)	(1)	1	11	(148)	—	48	—	(12)
CLO/ABS	1,483	(12)	20	(83)	17	(42)	13	1,396	—	12
Total bonds available for sale	4,475	21	64	(454)	143	(475)	(22)	3,752	—	29
Other bond securities:										
Corporate debt	—	—	—	44	—	—	—	44	—	—
RMBS	65	2	—	(15)	—	—	—	52	(9)	—
CLO/ABS	158	1	—	(13)	—	(3)	11	154	(23)	—
Total other bond securities	223	3	—	16	—	(3)	11	250	(32)	—
Equity securities	13	2	—	4	10	(1)	—	28	2	—
Other invested assets	244	(7)	—	(10)	—	—	—	227	(10)	—
Other assets	107	—	—	4	—	—	—	111	—	—
Total	$ 5,062	$ 19	$ 64	$ (440)	$ 153	$ (479)	$ (11)	$ 4,368	$ (40)	$ 29

(in millions)	Fair Value Beginning of Year	Net Realized and Unrealized (Gains) Losses Included in Income	Other Comprehensive Income (Loss)	Purchases, Sales, Issuances and Settlements, Net	Gross Transfers In	Gross Transfers Out	Other	Fair Value End of Period	Changes in Unrealized Gains (Losses) Included in Income on Instruments Held at End of Period	Changes in Unrealized Gains (Losses) Included in Other Comprehensive Income (Loss) for Recurring Level 3 Instruments Held at End of Period
Liabilities:										
Derivative liabilities, net:										
Interest rate contracts	$ (311)	$ 84	$ —	$ (112)	$ —	$ —	$ —	$ (339)	$ —	$ (29)
Foreign exchange contracts	—	2	—	—	—	—	—	2	—	(2)
Equity contracts	(271)	(69)	—	(59)	—	—	—	(399)	63	—
Credit contracts	—	(1)	—	1	—	—	—	—	—	—
Other contracts	(1)	(1)	—	1	—	—	—	(1)	1	—
Total derivative liabilities, net[(a)]	(583)	15	—	(169)	—	—	—	(737)	64	(31)
Fortitude Re funds withheld payable	(41)	82	—	(310)	—	—	—	(269)	(48)	—
Other liabilities	112	(14)	—	—	—	—	—	98	—	—
Total	$ (512)	$ 83	$ —	$ (479)	$ —	$ —	$ —	$ (908)	$ 16	$ (31)

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

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)	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)

(in millions)	Net Investment Income	Net Realized (Gains) Losses	Total
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:

(in millions)	Purchases	Sales	Issuances and Settlements[(a)]	Purchases, Sales, Issuances and Settlements, Net[(a)]
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)

(in millions)	Purchases	Sales	Issuances and Settlements[(a)]	Purchases, Sales, Issuances and Settlements, Net[(a)]
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 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 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 $0 million and $1 million of net gains (losses) related to assets and liabilities transferred into Level 3 during the three and six months ended June 30, 2023, respectively, and includes $(9) million and $(9) million of net gains (losses) related to assets and liabilities transferred out of Level 3 during the three and six months ended June 30, 2023, respectively.

Transfers of Level 3 Assets

During the three and six months ended 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, 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 June 30, 2024 and 2023, transfers out of Level 3 assets primarily included certain investments in private placement corporate debt and CMBS. Transfers of private placement corporate debt 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 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 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:

(in millions)	Fair Value at June 30, 2024	Valuation Technique	Unobservable Input[b]	Range (Weighted Average)[c]
Assets:				
Obligations of states, municipalities and political subdivisions	$ 4	Discounted cash flow	Yield	5.09% - 5.47% (5.28%)
Corporate debt	306	Discounted cash flow	Yield	5.69% - 10.38% (8.04%)
RMBS[a]	1,268	Discounted cash flow	Constant prepayment rate	4.58% - 10.68% (7.63%)
			Loss severity	41.73% - 76.79% (59.26%)
			Constant default rate	0.77% - 2.62% (1.70%)
			Yield	6.30% - 7.61% (6.96%)
CLO/ABS[a]	1,163	Discounted cash flow	Yield	5.47% - 8.82% (7.15%)
CMBS	14	Discounted cash flow	Yield	7.22% - 15.19% (11.20%)

(in millions)	Fair Value at December 31, 2023	Valuation Technique	Unobservable Input[b]	Range (Weighted Average)[c]
Assets:				
Obligations of states, municipalities and political subdivisions	$ 3	Discounted cash flow	Yield	5.00% - 5.50% (5.23%)
Corporate debt	332	Discounted cash flow	Yield	5.16% - 9.62% (7.39%)
RMBS[a]	1,341	Discounted cash flow	Constant prepayment rate	4.43% - 10.30% (7.36%)
			Loss severity	43.21% - 76.65% (59.93%)
			Constant default rate	0.82% - 2.64% (1.73%)
			Yield	6.18% - 7.42% (6.80%)
CLO/ABS[a]	1,100	Discounted cash flow	Yield	5.31% - 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.

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.

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.

		June 30, 2024		December 31, 2023	
(in millions)	Investment Category Includes	Fair Value Using NAV Per Share (or its equivalent)	Unfunded Commitments	Fair Value Using NAV Per Share (or its equivalent)	Unfunded Commitments
Investment Category					
Private equity funds:					
Leveraged buyout	Debt and/or equity investments made as part of a transaction in which assets of mature companies are acquired from the current shareholders, typically with the use of financial leverage	$ 1,212	$ 479	$ 1,171	$ 558
Real assets	Investments in real estate properties, agricultural and infrastructure assets, including power plants and other energy producing assets	839	308	870	344
Venture capital	Early-stage, high-potential, growth companies expected to generate a return through an eventual realization event, such as an initial public offering or sale of the company	77	45	67	50
Growth equity	Funds that make investments in established companies for the purpose of growing their businesses	204	13	196	9
Mezzanine	Funds that make investments in the junior debt and equity securities of leveraged companies	129	54	140	56
Other	Includes distressed funds that invest in securities of companies that are in default or under bankruptcy protection, as well as funds that have multi- strategy, and other strategies	901	60	944	64
Total private equity funds		3,362	959	3,388	1,081
Hedge funds:					
Event-driven	Securities of companies undergoing material structural changes, including mergers, acquisitions and other reorganizations	13	—	13	—
Long-short	Securities that the manager believes are undervalued, with corresponding short positions to hedge market risk	168	—	389	—
Macro	Investments that take long and short positions in financial instruments based on a top-down view of certain economic and capital market conditions	—	—	—	—
Other	Includes investments held in funds that are less liquid, as well as other strategies which allow for broader allocation between public and private investments	7	—	9	—
Total hedge funds		188	—	411	—
Total		$ 3,550	$ 959	$ 3,799	$ 1,081

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:

	Gain (Loss) Three Months Ended June 30,		Gain (Loss) Six Months Ended June 30,	
(in millions)	**2024**	2023	**2024**	2023
Other bond securities[(a)]	**$ 5**	$ (11)	**$ 7**	$ 9
Alternative investments[(b)]	**28**	54	**108**	130
All other investments[(c)]	**65**	—	**65**	—
Total gain (loss)	**$ 98**	$ 43	**$ 180**	$ 139

(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 real estate investments.

(c) 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.

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				
(in millions)	Level 1	Level 2	Level 3	Total	Carrying Value
June 30, 2024					
Assets:					
Mortgage and other loans receivable	**$ —**	**$ 341**	**$ 3,871**	**$ 4,212**	**$ 4,347**
Other invested assets	**—**	**591**	**6**	**597**	**597**
Short-term investments[(a)]	**—**	**4,426**	**—**	**4,426**	**4,426**
Cash[(b)]	**1,381**	**—**	**—**	**1,381**	**1,381**
Other assets	**18**	**—**	**—**	**18**	**18**
Liabilities:					
Fortitude Re funds withheld payable	**—**	**—**	**3,518**	**3,518**	**3,518**
Long-term debt	**—**	**8,867**	**235**	**9,102**	**9,861**
Debt of consolidated investment entities	**—**	**—**	**79**	**79**	**79**

	Estimated Fair Value				
(in millions)	Level 1	Level 2	Level 3	Total	Carrying Value
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 $7 million at June 30, 2024 reclassified to Assets held for sale on the Condensed Consolidated Balance Sheets.

(b) Excludes $90 million at June 30, 2024 reclassified to Assets held for sale on the Condensed Consolidated Balance Sheets.

6. Investments

SECURITIES AVAILABLE FOR SALE

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

(in millions)	Amortized Cost	Allowance for Credit Losses[(a)]	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
June 30, 2024					
Bonds available for sale:					
U.S. government and government sponsored entities	**$ 4,511**	**$ —**	**$ 15**	**$ (117)**	**$ 4,409**
Obligations of states, municipalities and political subdivisions	**4,635**	**—**	**32**	**(175)**	**4,492**
Non-U.S. governments	**8,649**	**—**	**67**	**(655)**	**8,061**
Corporate debt	**32,503**	**(24)**	**481**	**(2,173)**	**30,787**
Mortgage-backed, asset-backed and collateralized:					
RMBS	**6,041**	**(5)**	**197**	**(455)**	**5,778**
CMBS	**4,431**	**(4)**	**19**	**(159)**	**4,287**
CLO/ABS	**4,556**	**—**	**36**	**(73)**	**4,519**
Total mortgage-backed, asset-backed and collateralized	**15,028**	**(9)**	**252**	**(687)**	**14,584**
Total bonds available for sale[(b)]	**$ 65,326**	**$ (33)**	**$ 847**	**$ (3,807)**	**$ 62,333**
December 31, 2023					
Bonds available for sale:					
U.S. government and government sponsored entities	$ 4,444	$ —	$ 40	$ (89)	$ 4,395
Obligations of states, municipalities and political subdivisions	4,930	—	60	(157)	4,833
Non-U.S. governments	8,973	(1)	94	(670)	8,396
Corporate debt	34,013	(20)	606	(2,253)	32,346
Mortgage-backed, asset-backed and collateralized:					
RMBS	6,423	(9)	219	(426)	6,207
CMBS	4,326	(4)	23	(198)	4,147
CLO/ABS	5,010	—	31	(123)	4,918
Total mortgage-backed, asset-backed and collateralized	15,759	(13)	273	(747)	15,272
Total bonds available for sale[(b)]	$ 68,119	$ (34)	$ 1,073	$ (3,916)	$ 65,242

(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 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 $4.8 billion or 8 percent and $5.2 billion or 8 percent, respectively.

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

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

	Less than 12 Months		12 Months or More		Total	
(in millions)	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
June 30, 2024						
Bonds available for sale:						
U.S. government and government sponsored entities	**$ 2,137**	**$ 20**	**$ 1,274**	**$ 97**	**$ 3,411**	**$ 117**
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**

(in millions)	Less than 12 Months Fair Value	Less than 12 Months Gross Unrealized Losses	12 Months or More Fair Value	12 Months or More Gross Unrealized Losses	Total Fair Value	Total Gross Unrealized 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 June 30, 2024, we held 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 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 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 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 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.

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:

June 30, 2024 (in millions)	Total Fixed Maturity Securities Available for Sale: Amortized Cost, Net of Allowance	Total Fixed Maturity Securities Available for Sale: Fair Value
Due in one year or less	**$ 4,441**	**$ 4,383**
Due after one year through five years	**24,968**	**24,177**
Due after five years through ten years	**16,122**	**15,111**
Due after ten years	**4,743**	**4,078**
Mortgage-backed, asset-backed and collateralized	**15,019**	**14,584**
Total	**$ 65,293**	**$ 62,333**

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 June 30,				Six Months Ended June 30,			
	2024		2023		**2024**		2023	
(in millions)	Gross Realized Gains	Gross Realized Losses	Gross Realized Gains	Gross Realized Losses	Gross Realized Gains	Gross Realized Losses	Gross Realized Gains	Gross Realized Losses
Fixed maturity securities	**$ 28**	**$ 197**	$ 24	$ 119	**$ 43**	**$ 313**	$ 118	$ 577

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

	June 30, 2024		December 31, 2023	
(in millions)	Fair Value	Percent of Total	Fair Value	Percent of Total
Fixed maturity securities:				
Obligations of states, municipalities and political subdivisions	$ 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 %

OTHER INVESTED ASSETS

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

(in millions)	June 30, 2024	December 31, 2023
Alternative investments[(a)(b)]	$ 4,283	$ 4,345
Retained investment in Corebridge using fair value option	8,567	—
All other investments	1,938	2,023
Total	$ 14,788	$ 6,368

(a) At June 30, 2024, included hedge funds of $188 million and private equity funds of $3.9 billion. At December 31, 2023, included hedge funds of $411 million and private equity funds of $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.

NET INVESTMENT INCOME

The following table presents the components of Net investment income:

Three Months Ended June 30,	2024			2023		
(in millions)	Excluding Fortitude Re Funds Withheld Assets	Fortitude Re Funds Withheld Assets	Total	Excluding Fortitude Re Funds Withheld Assets	Fortitude Re Funds Withheld Assets	Total
Available for sale fixed maturity securities, including short-term investments	$ 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,	2024			2023		
(in millions)	Excluding Fortitude Re Funds Withheld Assets	Fortitude Re Funds Withheld Assets	Total	Excluding Fortitude Re Funds Withheld Assets	Fortitude Re Funds Withheld Assets	Total
Available for sale fixed maturity securities, including short-term investments	$ 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 June 30,	2024			2023		
(in millions)	Excluding Fortitude Re Funds Withheld Assets	Fortitude Re Funds Withheld Assets	Total	Excluding Fortitude Re Funds Withheld Assets	Fortitude Re Funds Withheld Assets	Total
Sales of fixed maturity securities	$ (168)	$ (1)	$ (169)	$ (88)	$ (7)	$ (95)
Change in allowance for credit losses on fixed maturity securities	(18)	—	(18)	(30)	—	(30)
Change in allowance for credit losses on loans	(12)	3	(9)	1	1	2
Foreign exchange transactions	52	—	52	123	2	125
All other derivatives and hedge accounting	(21)	—	(21)	(89)	(3)	(92)
Sales of alternative investments	4	—	4	—	—	—
Other	(24)	(3)	(27)	18	—	18
Net realized losses – excluding Fortitude Re funds withheld embedded derivative	(187)	(1)	(188)	(65)	(7)	(72)
Net realized gains on Fortitude Re funds withheld embedded derivative	—	8	8	—	58	58
Net realized gains (losses)	$ (187)	$ 7	$ (180)	$ (65)	$ 51	$ (14)

Six Months Ended June 30,	2024			2023		
(in millions)	Excluding Fortitude Re Funds Withheld Assets	Fortitude Re Funds Withheld Assets	Total	Excluding Fortitude Re Funds Withheld Assets	Fortitude Re Funds Withheld Assets	Total
Sales of fixed maturity securities	$ (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,	
(in millions)	2024	2023	2024	2023
Increase (decrease) in unrealized appreciation (depreciation) of investments:				
Fixed maturity securities	$ 15	$ (180)	$ (117)	$ 829
Other investments	(39)	—	(39)	—
Total increase (decrease) in unrealized appreciation (depreciation) of investments*	$ (24)	$ (180)	$ (156)	$ 829

* Excludes net unrealized gains and losses attributable to businesses held for sale or reclassified to discontinued operations at 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 June 30,	2024			2023		
(in millions)	Equities	Other Invested Assets*	Total	Equities	Other Invested 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		
(in millions)	Equities	Other Invested Assets*	Total	Equities	Other Invested Assets	Total
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.

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 June 30,	2024			2023		
(in millions)	Structured	Non-Structured	Total	Structured	Non-Structured	Total
Balance, beginning of period	**$ 3**	**$ 25**	**$ 28**	$ 16	$ 12	$ 28
Additions:						
Securities for which allowance for credit losses were not previously recorded	**1**	**5**	**6**	1	23	24
Reductions:						
Securities sold during the period	**—**	**(1)**	**(1)**	(2)	(1)	(3)
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	**2**	**10**	**12**	1	5	6
Write-offs charged against the allowance	**—**	**(14)**	**(14)**	(10)	(11)	(21)
Other	—	**2**	**2**	1	(1)	—
Balance, end of period	**$ 6**	**$ 27**	**$ 33**	$ 7	$ 27	$ 34

Six Months Ended June 30,	2024			2023		
(in millions)	Structured	Non-Structured	Total	Structured	Non-Structured	Total
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 six months ended 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 collateral) may be sold or repledged by the counterparties. These agreements are recorded at their contracted amounts plus accrued interest, other than those that are accounted for at fair value.

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

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

(in millions)	**June 30, 2024**	December 31, 2023
Fixed maturity securities available for sale	**$ —**	$ 106

At June 30, 2024 and December 31, 2023, amounts borrowed under repurchase and securities lending agreements totaled $0 million and $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:

	Remaining Contractual Maturity of the Agreements					
(in millions)	Overnight and Continuous	up to 30 days	31 - 90 days	91 - 364 days	365 days or greater	Total
December 31, 2023						
Bonds available for sale:						
Non-U.S. governments	$ —	$ 106	$ —	$ —	$ —	$ 106
Corporate debt	—	—	—	—	—	—
Total	$ —	$ 106	$ —	$ —	$ —	$ 106

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)	**June 30, 2024**	December 31, 2023
Securities collateral pledged to us	**$ 1,700**	$ 1,200

At June 30, 2024 and December 31, 2023, the carrying value of reverse repurchase agreements totaled $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 $8.5 billion and $8.4 billion at 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 $14 million and $15 million of stock in FHLBs at June 30, 2024 and December 31, 2023, respectively. In addition, our subsidiaries have pledged securities available for sale with a fair value of $1.7 billion at June 30, 2024 and $1.7 billion at December 31, 2023.

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

Reinsurance transactions between AIG and Fortitude Re were structured as 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)	June 30, 2024	December 31, 2023
Commercial mortgages[(a)]	$ 3,728	$ 3,836
Life insurance policy loans	6	7
Commercial loans, other loans and notes receivable[(b)]	776	738
Total mortgage and other loans receivable[(c)]	4,510	4,581
Allowance for credit losses[(c)(d)]	(163)	(140)
Mortgage and other loans receivable, net[(c)]	$ 4,347	$ 4,441

(a) Commercial mortgages primarily represent loans for apartments, offices and retail properties, with exposures in California and New York representing the largest geographic concentrations (aggregating approximately 12 percent and 10 percent, respectively, at June 30, 2024 and 13 percent and 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 June 30, 2024 and December 31, 2023.

(c) Excludes $37.6 billion at both June 30, 2024 and December 31, 2023 of 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 $5 million and $9 million, respectively, at 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 June 30, 2024 and December 31, 2023, $241 million and $73 million, respectively, of commercial mortgage loans 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 June 30, 2024 and December 31, 2023, accrued interest receivable was $20 million and $21 million, respectively, associated with commercial mortgage 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.

CREDIT QUALITY OF COMMERCIAL MORTGAGES

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

June 30, 2024 (in millions)	2024	2023	2022	2021	2020	Prior	Total
>1.2X	$ 33	$ 460	$ 183	$ 407	$ 102	$ 1,719	$ 2,904
1.00 - 1.20X	19	33	48	285	56	247	688
<1.00X	—	—	11	—	—	125	136
Total commercial mortgages	$ 52	$ 493	$ 242	$ 692	$ 158	$ 2,091	$ 3,728

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:

June 30, 2024 (in millions)	2024	2023	2022	2021	2020	Prior	Total
Less than 65%	**$ 33**	**$ 357**	**$ 154**	**$ 506**	**$ 150**	**$ 1,400**	**$ 2,600**
65% to 75%	**19**	**81**	**46**	**134**	**—**	**302**	**582**
76% to 80%	**—**	**—**	**—**	**—**	**—**	**62**	**62**
Greater than 80%	**—**	**55**	**42**	**52**	**8**	**327**	**484**
Total commercial mortgages	**$ 52**	**$ 493**	**$ 242**	**$ 692**	**$ 158**	**$ 2,091**	**$ 3,728**

December 31, 2023 (in millions)	2023	2022	2021	2020	2019	Prior	Total
Less than 65%	$ 359	$ 159	$ 492	$ 177	$ 156	$ 1,385	$ 2,728
65% to 75%	10	15	137	—	21	367	550
76% to 80%	—	32	10	—	—	—	42
Greater than 80%	34	43	9	14	—	416	516
Total commercial mortgages	$ 403	$ 249	$ 648	$ 191	$ 177	$ 2,168	$ 3,836

(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 1.8x at both periods ended 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 64 percent and 62 percent at 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	Class							Percent of Total
(dollars in millions)		Apartments	Offices	Retail	Industrial	Hotel	Others	Total	
June 30, 2024									
Past Due Status:									
In good standing	**206**	**$ 1,241**	**$ 1,073**	**$ 422**	**$ 446**	**$ 243**	**$ 120**	**$ 3,545**	**95 %**
90 days or less delinquent	**1**	**—**	**112**	**—**	**—**	**—**	**—**	**112**	**3**
>90 days delinquent or in process of foreclosure	**3**	**—**	**10**	**61**	**—**	**—**	**—**	**71**	**2**
Total*	**210**	**$ 1,241**	**$ 1,195**	**$ 483**	**$ 446**	**$ 243**	**$ 120**	**$ 3,728**	**100 %**
Allowance for credit losses		**$ 6**	**$ 99**	**$ 34**	**$ 9**	**$ 12**	**$ 2**	**$ 162**	**4 %**

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

* Does not reflect allowance for credit losses.

METHODOLOGY USED TO ESTIMATE THE ALLOWANCE FOR CREDIT LOSSES

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

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

Three Months Ended June 30,	2024[(b)]			2023		
(in millions)	Commercial Mortgages	Other Loans	Total	Commercial Mortgages	Other Loans	Total
Allowance, beginning of period	**$ 150**	**$ 3**	**$ 153**	$ 119	$ 8	$ 127
Loans charged off	**—**	**—**	**—**	(2)	—	(2)
Net charge-offs	**—**	**—**	**—**	(2)	—	(2)
Addition to (release of) allowance for loan losses	**12**	**(2)**	**10**	(1)	(5)	(6)
Allowance, end of period	**$ 162**	**$ 1**	**$ 163**	$ 116	$ 3	$ 119

Six Months Ended June 30,	2024[(b)]			2023		
(in millions)	Commercial Mortgages	Other Loans	Total	Commercial Mortgages	Other 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 $5 million and $13 million, respectively, at 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 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 six months ended June 30, 2024, commercial mortgage loans with an amortized cost of $5 million supporting the funds withheld arrangements with Fortitude Re were granted term extensions.

There were no loans that had defaulted during the six months ended 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 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 June 30, 2024, $3.6 billion of reserves 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:

	June 30, 2024		December 31, 2023		
(in millions)	Carrying Value	Fair Value	Carrying Value	Fair Value	Corresponding Accounting Policy
Fixed maturity securities - available for sale[(a)]	**$ 1,997**	**$ 1,997**	$ 2,180	$ 2,180	Fair value through other comprehensive income (loss)
Fixed maturity securities - fair value option	**761**	**761**	655	655	Fair value through net investment income
Commercial mortgage loans	**474**	**461**	543	528	Amortized cost
Short-term investments	**18**	**18**	46	46	Fair value through net investment income
Funds withheld investment assets	**3,250**	**3,237**	3,424	3,409	
Derivative assets, net[(b)]	**1**	**1**	—	—	Fair value through net realized gains (losses)
Other[(c)]	**126**	**126**	118	118	Amortized cost
Total	**$ 3,377**	**$ 3,364**	$ 3,542	$ 3,527	

(a) The change in the net unrealized gains (losses) on available for sale securities related to the Fortitude Re funds withheld assets was $(53) million ($(42) million after-tax) and $21 million ($16 million after-tax), respectively for the six months ended 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 $3 million and $27 million, respectively, as of June 30, 2024. The derivative assets and liabilities supporting the Fortitude Re funds withheld arrangements had a fair market value of $1 million and $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 June 30,		Six Months Ended June 30,	
(in millions)	**2024**	2023	**2024**	2023
Net investment income - Fortitude Re funds withheld assets	**$ 33**	$ 25	**$ 72**	$ 77
Net realized gains (losses) on Fortitude Re funds withheld assets:				
Net realized losses - Fortitude Re funds withheld assets	**(1)**	(7)	**(20)**	(61)
Net realized gains (losses) - Fortitude Re funds withheld embedded derivative	**8**	58	**(1)**	(82)
Net realized gains (losses) on Fortitude Re funds withheld assets	**7**	51	**(21)**	(143)
Income (loss) from continuing operations before income tax expense (benefit)	**40**	76	**51**	(66)
Income tax expense (benefit)[(a)]	**9**	16	**11**	(14)
Net income (loss)	**31**	60	**40**	(52)
Change in unrealized appreciation (depreciation) of all other investments[(a)]	**(34)**	(58)	**(42)**	16
Comprehensive income (loss)	**$ (3)**	$ 2	**$ (2)**	$ (36)

(a) The income tax expense (benefit) and the tax impact in 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 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 June 30, 2024 were $43.1 billion. As of that date, utilizing AIG's ORRs, (i) approximately 82 percent of the reinsurance recoverables were investment grade; (ii) approximately 15 percent of the reinsurance recoverables were non-investment grade and (iii) approximately 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 $41.4 billion. As of that date, utilizing AIG's ORRs, (i) approximately 83 percent of the reinsurance recoverables were investment grade; (ii) approximately 15 percent of the reinsurance recoverables were non-investment grade; (iii) approximately 2 percent of the reinsurance recoverables related to entities that were not rated by AIG.

As of June 30, 2024 and December 31, 2023, approximately 78 percent and 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 June 30,		Six Months Ended June 30,	
(in millions)	**2024**	2023	**2024**	2023
Balance, beginning of period	**$ 255**	$ 253	**$ 255**	$ 260
Addition to (release of) allowance for expected credit losses and disputes, net	**(1)**	(1)	**—**	(4)
Write-offs charged against the allowance for credit losses and disputes	**—**	—	**(1)**	(1)
Other changes	**6**	2	**6**	(1)
Balance, end of period	**$ 260**	$ 254	**$ 260**	$ 254

Past-Due Status

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

9. Deferred Policy Acquisition Costs

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

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

The following table presents a rollforward of DAC:

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)	June 30, 2024	December 31, 2023
Assets:		
Bonds available for sale	**$ 30**	$ 72
Mortgage and other loans receivable	**—**	122
Short-term investments	**—**	5
Accrued investment income	**1**	2
Other assets	**1**	1
Total*	**$ 32**	$ 202
Liabilities:		
Debt of consolidated investment entities	**$ —**	$ 38
Total	**$ —**	$ 38

* The assets of each VIE can be used only to settle specific obligations of that VIE.

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

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

		Maximum Exposure to Loss		
(in millions)	Total VIE Assets	On-Balance Sheet[c]	Off-Balance Sheet	Total
June 30, 2024				
Real estate and investment entities[a]	**$ 361,397**	**$ 3,686**	**$ 1,306** [d]	**$ 4,992**
Other[b]	**1,027**	**—**	**748** [e]	**748**
Total	**$ 362,424**	**$ 3,686**	**$ 2,054**	**$ 5,740**
December 31, 2023				
Real estate and investment entities[a]	$ 355,003	$ 4,107	$ 1,492 [d]	$ 5,599
Other[b]	1,027	—	748 [e]	748
Total	$ 356,030	$ 4,107	$ 2,240	$ 6,347

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

(b) At 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 June 30, 2024 and December 31, 2023, $3.7 billion and $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.

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

11. Derivatives and Hedge Accounting

We use derivatives and other financial instruments as part of our financial risk management programs and as part of our investment operations. Interest rate derivatives (such as interest rate swaps) are used to manage interest rate risk associated with embedded derivatives contained in insurance contract liabilities, fixed maturity securities, outstanding medium- and long-term notes as well as other interest rate sensitive assets and liabilities. Foreign exchange derivatives (principally foreign exchange forwards and swaps) are used to economically mitigate risk associated with non-U.S. dollar denominated debt, net capital exposures, foreign currency transactions, and foreign denominated investments. Equity derivatives are used to economically mitigate financial risk associated with embedded derivatives. 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:

	June 30, 2024				December 31, 2023			
	Gross Derivative Assets		Gross Derivative Liabilities		Gross Derivative Assets		Gross Derivative Liabilities	
(in millions)	Notional Amount	Fair Value	Notional Amount	Fair Value	Notional Amount	Fair Value	Notional Amount	Fair Value
Derivatives designated as hedging instruments:[a]								
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	—	—

	June 30, 2024				December 31, 2023			
	Gross Derivative Assets		Gross Derivative Liabilities		Gross Derivative Assets		Gross Derivative Liabilities	
(in millions)	Notional Amount	Fair Value	Notional Amount	Fair Value	Notional Amount	Fair Value	Notional Amount	Fair Value
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 June 30, 2024 and December 31, 2023, included CDSs on super senior multi-sector CLO with a net notional amount of $48 million and $50 million (fair value liability of $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 $154 million at June 30, 2024 and $3.4 billion at December 31, 2023. Fair value of liabilities related to bifurcated embedded derivatives was zero at 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 $437 million and $593 million at 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 $370 million and $856 million at 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.

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 guaranteed investment contracts attributable to changes in benchmark interest rates.

We use foreign currency denominated debt and cross-currency swaps as hedging instruments in net investment hedge relationships to mitigate the foreign exchange risk associated with our non-U.S. dollar functional currency foreign subsidiaries. For net investment hedge relationships where issued debt is used as a hedging instrument, we assess the hedge effectiveness and measure the amount of ineffectiveness based on changes in spot rates. For net investment hedge relationships that use derivatives as hedging instruments, we assess hedge effectiveness and measure hedge ineffectiveness using changes in forward rates. For the three and six months ended June 30, 2024, we recognized gains (losses) of $9 million and $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:			
(in millions)	Hedging Derivatives[(a)]	Excluded Components[(b)]	Hedged Items	Net Impact
Three Months Ended June 30, 2024				
Foreign exchange contracts:				
Net realized gains/(losses)	**$ (57)**	**$ (15)**	**$ 57**	**$ (15)**
Three Months Ended June 30, 2023				
Foreign exchange contracts:				
Net realized gains/(losses)	$ (141)	$ (2)	$ 141	$ (2)
Six Months Ended June 30, 2024				
Foreign exchange contracts:				
Net realized gains/(losses)	**$ (115)**	**$ (27)**	**$ 115**	**$ (27)**
Six Months Ended June 30, 2023				
Foreign exchange contracts:				
Net realized gains/(losses)	$ (191)	$ (2)	$ 191	$ (2)

(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):

	Gains (Losses) Recognized in Income			
	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	**2024**	2023	**2024**	2023
By Derivative Type:				
Interest rate contracts	**$ —**	$ (3)	**$ (2)**	$ (2)
Foreign exchange contracts	**(26)**	(92)	**(65)**	(126)
Equity contracts	**—**	1	**—**	1
Commodity contracts	**—**	1	**—**	8
Credit contracts	**(1)**	—	**—**	(1)
Embedded derivatives	**8**	58	**(1)**	(82)
Total	**$ (19)**	$ (35)	**$ (68)**	$ (202)
By Classification:				
Net investment income - Fortitude Re funds withheld assets	**—**	(1)	**—**	(1)
Net realized losses - excluding Fortitude Re funds withheld assets	**(27)**	(89)	**(69)**	(113)
Net realized gains (losses) on Fortitude Re funds withheld assets*	**8**	55	**1**	(88)
Total	**$ (19)**	$ (35)	**$ (68)**	$ (202)

* 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.

CREDIT RISK-RELATED CONTINGENT FEATURES

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

12. Insurance Liabilities

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

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

Our gross loss reserves before reinsurance and discount are net of contractual deductible recoverable amounts due from policyholders of approximately $12.3 billion and $12.1 billion at 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 June 30, 2024 and December 31, 2023 we held collateral of approximately $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 June 30, 2024 and December 31, 2023.

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

(in millions)	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Six Months Ended June 30, 2024	Six Months Ended June 30, 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	**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 June 30, 2024, we recognized favorable prior year loss reserve development of $108 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 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 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 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 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 June 30, 2024 and December 31, 2023, the discount consists of $288 million and $294 million of tabular discount, respectively, and $921 million and $939 million of non-tabular discount for workers' compensation, respectively. During the six months ended June 30, 2024 and 2023, the benefit / (charge) from changes in discount of $(102) million and $(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)	**June 30, 2024**	December 31, 2023
U.S. workers' compensation	**$ 2,235**	$ 2,337
Retroactive reinsurance	**(1,026)**	(1,104)
Total reserve discount[(a)(b)]	**$ 1,209**	$ 1,233

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

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

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

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	**2024**	2023	**2024**	2023
Current accident year	**$ 36**	$ 38	**$ 66**	$ 68
Accretion and other adjustments to prior year discount	**(62)**	(54)	**(168)**	(148)
Net reserve discount benefit (charge)	**(26)**	(16)	**(102)**	(80)
Change in discount on loss reserves ceded under retroactive reinsurance	**23**	26	**78**	96
Net change in total reserve discount*	**$ (3)**	$ 10	**$ (24)**	$ 16

* Excludes $2 million and $4 million discount related to certain long-tail liabilities in the UK for the three months ended 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 $(6) million and $19 million related to the adverse development reinsurance cover with NICO for the three months ended 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.

FUTURE POLICY BENEFITS

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

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

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

Six Months Ended June 30, *(in millions, except for liability durations)*		2024		2023
Present value of expected net premiums				
Balance, beginning of year	$	1,702	$	1,929
Effect of changes in discount rate assumptions (AOCI)		339		262
Beginning balance at original discount rate		2,041		2,191
Effect of actual variances from expected experience		(7)		(26)
Adjusted beginning of year balance		2,034		2,165
Issuances		54		67
Interest accrual		21		21
Net premium collected		(208)		(117)
Foreign exchange impact		(155)		(88)
Ending balance at original discount rate		1,746		2,048
Effect of changes in discount rate assumptions (AOCI)		(246)		(330)
Balance, end of period	$	1,500	$	1,718
Present value of expected future policy benefits				
Balance, beginning of year	$	2,149	$	2,380
Effect of changes in discount rate assumptions (AOCI)		441		362
Beginning balance at original discount rate		2,590		2,742
Effect of actual variances from expected experience[(a)]		(8)		(16)
Adjusted beginning of year balance		2,582		2,726
Issuances		56		70
Interest accrual		26		26
Benefit payments		(212)		(122)
Foreign exchange impact		(203)		(121)
Ending balance at original discount rate		2,249		2,579
Effect of changes in discount rate assumptions (AOCI)		(329)		(423)
Balance, end of period	$	1,920	$	2,156
Net liability for future policy benefits, end of period	$	420	$	438
Deferred profit liability		1		1
Other reconciling items[(b)]		934		963
Future policy benefits for life and accident and health insurance contracts		1,355		1,402
Less: Reinsurance recoverable		(761)		(754)
Net liability for future policy benefits after reinsurance recoverable	$	594	$	648
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) Other reconciling items primarily include Accident and Health (short-duration) contracts and $724 million and $713 million at June 30, 2024 and 2023, respectively, of certain long-duration contracts that are 100 percent ceded.

(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.

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

13. 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 that any such charges are likely to have a material adverse effect on our financial position or results of operation.

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

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 $1.6 billion and $1.7 billion at 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 June 30, 2024, a $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.*

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:

Six Months Ended June 30, 2024 *(in millions)*	Common Stock Issued	Treasury Stock	Common Stock Outstanding
Shares, beginning of year	**1,906.7**	**(1,217.9)**	**688.8**
Shares issued	**—**	**6.1**	**6.1**
Shares repurchased	**—**	**(45.1)**	**(45.1)**
Shares, end of period	**1,906.7**	**(1,256.9)**	**649.8**

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.

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 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 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.

DIVIDENDS DECLARED

On July 31, 2024, our Board of Directors declared a cash dividend on AIG Common Stock of $0.40 per share, payable on September 30, 2024 to shareholders of record on September 16, 2024.

ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

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

(in millions)	Unrealized Appreciation (Depreciation) of Fixed Maturity Securities on Which Allowance for Credit Losses Was Taken	Unrealized Appreciation (Depreciation) of All Other Investments	Change in Fair Value of Market Risk Benefits Attributable to Changes in Our Own Credit Risk	Change in the discount rates used to measure traditional and limited payment long-duration insurance contracts	Foreign Currency Translation Adjustments	Retirement Plan Liabilities Adjustment	Total
Balance, 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)

(in millions)	Unrealized Appreciation (Depreciation) of Fixed Maturity Securities on Which Allowance for Credit Losses Was Taken	Unrealized Appreciation (Depreciation) of All Other Investments	Change in Fair Value of Market Risk Benefits Attributable to Changes in Our Own Credit Risk	Change in the discount rates used to measure traditional and limited payment long-duration insurance contracts	Foreign Currency Translation Adjustments	Retirement Plan Liabilities Adjustment	Total
Balance, December 31, 2023, net of tax	**$ (106)**	**$ (10,888)**	**$ (476)**	**$ 1,233**	**$ (2,979)**	**$ (821)**	**$ (14,037)**
Change in unrealized appreciation (depreciation) of investments*	**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)**

(in millions)		Unrealized Appreciation (Depreciation) of Fixed Maturity Securities on Which Allowance for Credit Losses Was Taken	Unrealized Appreciation (Depreciation) of All Other Investments	Change in Fair Value of Market Risk Benefits Attributable to Changes in Our Own Credit Risk	Change in the discount rates used to measure traditional and limited payment long-duration insurance contracts	Foreign Currency Translation Adjustments	Retirement Plan Liabilities Adjustment	Total
Balance, December 31, 2022, net of tax	$	(136) $	(20,675) $	(284) $	2,459 $	(3,056) $	(924) $	(22,616)
Change in unrealized appreciation (depreciation) of investments*		113	2,613	—	—	—	—	2,726
Change in other		—	(53)	—	—	—	—	(53)
Change in fair value of market risk benefits, net		—	—	(146)	—	—	—	(146)
Change in discount rates		—	—	—	4	—	—	4
Change in future policy benefits		—	37	—	—	—	—	37
Change in foreign currency translation adjustments		—	—	—	—	(44)	—	(44)
Change in net actuarial loss		—	—	—	—	—	105	105
Change in prior service cost		—	—	—	—	—	2	2
Change in deferred tax asset (liability)		(23)	(343)	31	(51)	(43)	(27)	(456)
Total other comprehensive income (loss)		90	2,254	(115)	(47)	(87)	80	2,175
Corebridge noncontrolling interests		4	2,125	54	(345)	(10)	(1)	1,827
Noncontrolling interests		18	359	(30)	—	21	—	368
Balance, June 30, 2023, net of tax	$	(60) $	(16,655) $	(315) $	2,067 $	(3,174) $	(845) $	(18,982)

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

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

(in millions)		Unrealized Appreciation (Depreciation) of Fixed Maturity Securities on Which Allowance for Credit Losses Was Taken	Unrealized Appreciation (Depreciation) of All Other Investments	Change in Fair Value of Market Risk Benefits Attributable to Changes in Our Own Credit Risk	Change in the discount rates used to measure traditional and limited payment long-duration insurance contracts	Foreign Currency Translation Adjustments	Retirement Plan Liabilities Adjustment	Total
Three Months Ended June 30, 2024								
Unrealized change arising during period	**$**	**(13) $**	**(811) $**	**159 $**	**262 $**	**85 $**	**3 $**	**(315)**
Less: Reclassification adjustments included in net income		**(36)**	**(8,346)**	**(330)**	**1,583**	**88**	**(8)**	**(7,049)**
Total other comprehensive income (loss), before income tax expense (benefit)		**23**	**7,535**	**489**	**(1,321)**	**(3)**	**11**	**6,734**
Less: Income tax expense (benefit)		**(3)**	**(52)**	**34**	**72**	**(13)**	**2**	**40**
Total other comprehensive income (loss), net of income tax expense (benefit)	**$**	**26 $**	**7,587 $**	**455 $**	**(1,393) $**	**10 $**	**9 $**	**6,694**
Three Months Ended June 30, 2023								
Unrealized change arising during period	$	97 $	(2,739) $	(241) $	531 $	(25) $	72 $	(2,305)
Less: Reclassification adjustments included in net income		(7)	(334)	—	—	—	(8)	(349)
Total other comprehensive income (loss), before income tax expense (benefit)		104	(2,405)	(241)	531	(25)	80	(1,956)
Less: Income tax expense (benefit)		20	(407)	(51)	158	34	28	(218)
Total other comprehensive income (loss), net of income tax expense (benefit)	$	84 $	(1,998) $	(190) $	373 $	(59) $	52 $	(1,738)

(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
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

(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
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 Condensed Consolidated Statements of Income (Loss)
	Three Months Ended June 30,		
(in millions)	2024	2023	
Unrealized appreciation (depreciation) of fixed maturity securities on which allowance for credit losses was taken			
Investments	$ 6	$ (7)	Net realized gains (losses)
Total	6	(7)	
Unrealized appreciation (depreciation) of all other investments			
Investments	167	(334)	Net realized gains (losses)
Total	167	(334)	
Change in retirement plan liabilities adjustment			
Prior-service credit	(1)	—	(b)
Actuarial losses	(7)	(8)	(b)
Total	(8)	(8)	
Corebridge deconsolidation, net of tax	(7,214)	—	(c)
Total reclassifications for the period	$ (7,049)	$ (349)	

	Amount Reclassified from AOCI		Affected Line Item in the Condensed Consolidated Statements of Income (Loss)
	Six Months Ended June 30,		
(in millions)	2024	2023	
Unrealized appreciation (depreciation) of fixed maturity securities on which allowance for credit losses was taken			
Investments	$ —	$ (23)	Net realized gains (losses)
Total	—	(23)	
Unrealized appreciation (depreciation) of all other investments			
Investments	(270)	(770)	Net realized gains (losses)
Total	(270)	(770)	
Change in retirement plan liabilities adjustment			
Prior-service credit	(1)	(1)	(b)
Actuarial losses	(14)	(16)	(b)
Total	(15)	(17)	
Corebridge deconsolidation, net of tax	(7,214)	—	(c)
Total reclassifications for the period	$ (7,499)	$ (810)	

(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.

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 June 30,		Six Months Ended June 30,	
(dollars in millions, except per common share data)	**2024**	2023	**2024**	2023
Numerator for EPS:				
Income from continuing operations	**$ 475**	$ 841	**$ 1,272**	$ 1,178
Less: Preferred stock dividends and preferred stock redemption premiums	**—**	8	**22**	15
Income attributable to AIG common shareholders from continuing operations	**475**	833	**1,250**	1,163
Income (loss) from discontinued operations, net of income tax expense	**(4,359)**	850	**(3,556)**	426
Less: Net income attributable to noncontrolling interests	**93**	198	**477**	81
Income (loss) from discontinued operations, net of noncontrolling interest	**(4,452)**	652	**(4,033)**	345
Net income (loss) attributable to AIG common shareholders	**$ (3,977)**	$ 1,485	**$ (2,783)**	$ 1,508
Denominator for EPS:				
Weighted average common shares outstanding - basic	**661,092,967**	725,754,549	**671,834,907**	732,175,533
Dilutive common shares	**5,862,201**	4,792,563	**5,623,436**	5,115,161
Weighted average common shares outstanding - diluted(a)	**666,955,168**	730,547,112	**677,458,343**	737,290,694
Income (loss) per common share attributable to AIG common shareholders:				
Basic:				
Income from continuing operations	**$ 0.72**	$ 1.15	**$ 1.86**	$ 1.59
Income (loss) from discontinued operations	**$ (6.74)**	$ 0.90	**$ (6.00)**	$ 0.47
Income (loss) attributable to AIG common shareholders	**$ (6.02)**	$ 2.05	**$ (4.14)**	$ 2.06
Diluted:				
Income from continuing operations	**$ 0.71**	$ 1.14	**$ 1.85**	$ 1.58
Income (loss) from discontinued operations	**$ (6.67)**	$ 0.89	**$ (5.96)**	$ 0.47
Income (loss) attributable to AIG common shareholders	**$ (5.96)**	$ 2.03	**$ (4.11)**	$ 2.05

(a) Potential dilutive common shares include our share-based employee compensation plans. The number of potential common shares excluded from diluted shares outstanding was 0.1 million and 0.1 million for the three and six months ended June 30, 2024, respectively, and 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 14.

16. Income Taxes

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.

TAX ACCOUNTING POLICIES

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 June 30, 2024, the effective tax rate on income from continuing operations was 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, 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 June 30, 2023, the effective tax rate on income from continuing operations was 5.1 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 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 compensation payments recorded through the income statement and tax adjustments related to prior year returns. These tax benefits were 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.

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 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, significant market volatility 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.

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 six months ended June 30, 2024, we recorded no change in valuation allowance.

For the six months ended 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 our general insurance and 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. As of June 30, 2024, based on all available evidence, we concluded that a valuation allowance of $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. For the three and six months ended June 30, 2024, we recorded an increase in valuation allowance of $12 million and $23 million, respectively, associated with the unrealized tax capital losses in AIG's available for sale securities portfolio. The valuation allowance increase was allocated to other comprehensive income.

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

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.

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;
- 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 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).

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Use of Non-GAAP Measures

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

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

Book value per 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 (collectively, Investments AOCI) (Adjusted book value per share) is used to show the amount of our net worth on a per share basis after eliminating the fair value 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 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.

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 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.

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.

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, 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 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 equity is derived by dividing actual or, for interim periods, annualized adjusted after-tax income attributable to AIG common shareholders by average AIG core operating shareholders’ equity.

Adjusted revenues exclude Net realized gains (losses), income from non-operating litigation settlements (included in Other 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 the fair values of equity securities and AIG's ownership interest in Corebridge;
- net investment income on Fortitude Re funds withheld assets;
- 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);
- income or loss from discontinued operations;
- net loss reserve discount benefit (charge);
- pension expense related to lump sum payments to former employees;
- net gain or loss on divestitures and other;
- non-operating litigation reserves and settlements;
- restructuring and other costs related to initiatives designed to reduce operating expenses, improve efficiency and simplify our organization;
- the portion of favorable or unfavorable prior year reserve development for which we have ceded the risk under retroactive reinsurance agreements and related changes in amortization of the deferred gain;
- integration and transaction costs associated with acquiring or divesting businesses;
- losses from the impairment of goodwill;
- non-recurring costs associated with the implementation of non-ordinary course legal or regulatory changes or changes to accounting principles; and
- income from elimination of the international reporting lag.

Adjusted after-tax income attributable to AIG common shareholders 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:

- 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.

Results from discontinued operations, including Corebridge, are excluded from all of these measures.

Critical Accounting Estimates

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

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

- loss reserves;
- 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 detailed discussion of our critical accounting estimates, see Part II, Item 7. MD&A – Critical Accounting Estimates in the 2023 Annual Report.

Executive Summary

OVERVIEW

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

OPERATING STRUCTURE

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.

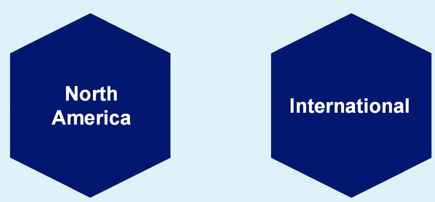
As a result of the Corebridge deconsolidation, we no longer present a Life and Retirement segment and no longer include asset management and Corebridge Life Holdings, Inc. interest and general expenses within the Other Operations segment. Historical results of Other Operations have been revised to reflect 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 two segments – General Insurance and Other Operations. General Insurance consists of two operating segments – North America and International. Other Operations is primarily comprised of corporate 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 the sale of our global individual personal travel insurance and assistance business, see 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, results of our consolidated investment entities, General Insurance portfolios in run-off as well as the historical results of our legacy insurance lines ceded to Fortitude Re.

REGULATORY, INDUSTRY AND ECONOMIC FACTORS

Regulatory Environment

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

On March 6, 2024, the 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 requirements at this time, including in connection with ongoing litigation challenging such requirements and the SEC's stay of its requirements pending judicial review. If and when such requirements become effective, they may significantly increase the complexity of AIG’s periodic reporting as a U.S. public 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.

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

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

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

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

Impact of Currency Volatility

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

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

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

Rate for 1 USD	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Percentage Change	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023	Percentage Change
Currency:						
GBP	**0.79**	0.81	(2)%	**0.79**	0.82	(4)%
EUR	**0.93**	0.92	1 %	**0.92**	0.93	(1)%
JPY	**153.24**	134.75	14 %	**149.92**	133.79	12 %

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 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:

(in millions)	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Percentage Change	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023	Percentage Change
Revenues:						
Premiums	**$ 5,748**	$ 6,614	(13) %	**$ 11,619**	$ 12,990	(11) %
Net investment income:						
Net investment income - excluding Fortitude Re funds withheld assets	**957**	812	18	**1,897**	1,604	18
Net investment income - Fortitude Re funds withheld assets	**33**	25	32	**72**	77	(6)
Total net investment income	**990**	837	18	**1,969**	1,681	17
Net realized gains (losses):						
Net realized losses - excluding Fortitude Re funds withheld assets and embedded derivative	**(187)**	(65)	(188)	**(246)**	(382)	36
Net realized losses on Fortitude Re funds withheld assets	**(1)**	(7)	86	**(20)**	(61)	67
Net realized gains (losses) on Fortitude Re funds withheld embedded derivative	**8**	58	(86)	**(1)**	(82)	99
Total net realized losses	**(180)**	(14)	NM	**(267)**	(525)	49
Other income	**2**	(1)	NM	**2**	(1)	NM
Total revenues	**6,560**	7,436	(12)	**13,323**	14,145	(6)
Benefits, losses and expenses:						
Losses and loss adjustment expenses incurred	**3,467**	3,979	(13)	**6,980**	7,883	(11)
Amortization of deferred policy acquisition costs	**842**	933	(10)	**1,680**	1,972	(15)
General operating and other expenses	**1,610**	1,494	8	**2,848**	2,737	4
Interest expense	**125**	129	(3)	**241**	253	(5)
Loss on extinguishment of debt	**1**	—	NM	**1**	—	NM
Net (gain) loss on divestitures and other	**(102)**	15	NM	**(102)**	12	NM
Total benefits, losses and expenses	**5,943**	6,550	(9)	**11,648**	12,857	(9)
Income from continuing operations before income tax expense	**617**	886	(30)	**1,675**	1,288	30
Income tax expense	**142**	45	216	**403**	110	266
Income from continuing operations	**475**	841	(44)	**1,272**	1,178	8
Income (loss) from discontinued operations, net of income taxes	**(4,359)**	850	NM	**(3,556)**	426	NM
Net income (loss)	**(3,884)**	1,691	NM	**(2,284)**	1,604	NM

(in millions)	Three Months Ended June 30, 2024	2023	Percentage Change	Six Months Ended June 30, 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 share data)	June 30, 2024	December 31, 2023
Balance sheet data:		
Total assets	**$ 167,890**	$ 539,306
Long-term debt	**9,861**	10,375
Debt of consolidated investment entities	**79**	231
Total AIG shareholders' equity	**44,445**	45,351
Book value per share	**68.40**	65.14
Adjusted book value per share	**72.78**	78.50
Tangible book value per share	**62.56**	59.60
Core operating book value per share	**53.35**	52.74

NET INCOME (LOSS) ATTRIBUTABLE TO AIG COMMON SHAREHOLDERS

Three Months Ended June 30, 2024 and 2023 Comparison

Net income (loss) attributable to AIG common shareholders decreased $5.5 billion due to the following:

- a decrease in Income (loss) from discontinued operations, net of income taxes of $5.2 billion primarily as a result of the loss on deconsolidation of Corebridge of $4.7 billion as well as the decline in Corebridge net income;
- 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 $122 million, driven by a $71 million decrease in foreign exchange gains and higher losses on sales of securities of $80 million, partially offset by derivative and hedge activity gains of $68 million;
- an increase in General operating and other expenses primarily due to a severance charge of $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 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 $153 million primarily driven by dividends received from Corebridge of $68 million and changes in its stock price of $65 million, an increase in the fair value of fixed maturity securities where we elected the fair value option of $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 $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 income attributable to noncontrolling interest of $396 million primarily driven by increase in net income at Corebridge compared to 2023; and
- a decrease in underwriting income in General Insurance of $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;

- an increase in income tax expense $293 million as a result of prior year discrete items partially offset by 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 $288 million primarily driven by dividends received from Corebridge of $68 million and changes in its stock price of $65 million, higher income on 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 realized gains excluding Fortitude Re funds withheld assets and embedded derivative of $136 million, driven by a $146 million decrease in losses from sales of securities and a $44 million increase in 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 Net realized losses on Fortitude Re funds withheld assets of $41 million.

INCOME TAX EXPENSE ANALYSIS

For the three months ended June 30, 2024 and 2023, the effective tax rate on income (loss) from continuing operations was 23.0 percent and 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 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.*

(in millions, except per share data)	**June 30, 2024**	December 31, 2023
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

(in millions, except per share data)	**June 30, 2024**	December 31, 2023
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

(in millions, except per share data)	June 30, 2024	December 31, 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 tables present reconciliations of Return on equity to Adjusted return on equity, Tangible return on equity and Core operating return on equity, which are non-GAAP measures. ***For additional information, see Use of Non-GAAP Measures.***

	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 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 %

The following table presents a reconciliation of revenues to adjusted revenues

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	**2024**	2023	**2024**	2023
Revenues	**$ 6,560**	$ 7,436	**$ 13,323**	$ 14,145
Changes in the fair values of equity securities and AIG's investment in Corebridge	**(59)**	(41)	**(147)**	(62)
Other (income) expense - net	**(15)**	(8)	**(17)**	(23)
Net investment income on Fortitude Re funds withheld assets	**(33)**	(25)	**(72)**	(77)
Net realized losses on Fortitude Re funds withheld assets	**1**	7	**20**	61
Net realized (gains) losses on Fortitude Re funds withheld embedded derivative	**(8)**	(58)	**1**	82
Net realized losses[(a)]	**188**	67	**240**	386
Non-operating litigation reserves and settlements	**—**	—	**—**	(1)
Net impact from elimination of international reporting lag[(b)]	**—**	—	**—**	(4)
Adjusted revenues	**$ 6,634**	$ 7,378	**$ 13,348**	$ 14,507

(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 June 30,	**2024**				2023			
(in millions, except per common share data)	Pre-tax	Total Tax (Benefit) Charge	Non-controlling Interests[(d)]	After Tax	Pre-tax	Total Tax (Benefit) Charge	Non-controlling Interests[(d)]	After Tax
Pre-tax income/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[(d)]			**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

Six Months Ended June 30, *(in millions, except per common share data)*	2024 Pre-tax	2024 Total Tax (Benefit) Charge	2024 Non-controlling Interests[d]	2024 After Tax	2023 Pre-tax	2023 Total Tax (Benefit) Charge	2023 Non-controlling Interests[d]	2023 After Tax
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 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) Noncontrolling interest primarily relates to Corebridge and is the portion of Corebridge earnings that AIG did not own. Corebridge is consolidated until June 9, 2024. The historical results of Corebridge owned by AIG are reflected in the Income (loss) from discontinued operations, net of income taxes.

PRE-TAX INCOME (LOSS) COMPARISON

Pre-tax income (loss) was $617 million and $886 million in the three months ended 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

Adjusted pre-tax income (loss) was $1.0 billion and $1.0 billion in the three months ended 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 and Other Operations.

General Insurance consists of two operating segments: North America and International. Other Operations is primarily comprised of corporate 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		Six Months Ended	
(in millions)	**2024**	2023	**2024**	2023
General Insurance				
North America - Underwriting income	**$ 163**	$ 352	**$ 387**	$ 651
International - Underwriting income	**267**	242	**639**	445
Net investment income	**746**	725	**1,508**	1,471
General Insurance	**1,176**	1,319	**2,534**	2,567
Other Operations				
Other Operations before consolidation and eliminations	**(158)**	(270)	**(355)**	(544)
Consolidation and eliminations	**—**	(8)	**(1)**	(13)
Other Operations	**(158)**	(278)	**(356)**	(557)
Adjusted pre-tax income	**$ 1,018**	$ 1,041	**$ 2,178**	$ 2,010

General Insurance

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

PRODUCTS AND DISTRIBUTION

North America

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

International

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

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

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

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

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

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

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

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

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

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.

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 six months ended 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 and strong growth in new business. We continue to monitor the impact of inflation and other economic factors on rate adequacy and loss cost trends. Similarly, we are monitoring monetary policy actions taken or anticipated to be taken by central banks and the corresponding impact on market interest rates.

General Insurance – North America

North America Commercial continues to 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 pricing levels which is putting pressure on rates. We have focused on retaining our best accounts which has led to 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. 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 underwriting quality and portfolio diversity.

GENERAL INSURANCE RESULTS

	Three Months Ended June 30,			Six Months Ended June 30,		
(in millions)	**2024**	2023	Change	**2024**	2023	Change
Underwriting results:						
Net premiums written	**$ 6,933**	$ 7,537	(8) %	**$ 11,445**	$ 14,502	(21) %
(Increase) decrease in unearned premiums	**(1,184)**	(1,040)	(14)	**90**	(1,746)	NM
Net premiums earned	**5,749**	6,497	(12)	**11,535**	12,756	(10)
Losses and loss adjustment expenses incurred[(a)]	**3,508**	3,852	(9)	**6,861**	7,604	(10)
Acquisition expenses:						
Amortization of deferred policy acquisition costs	**841**	931	(10)	**1,669**	1,843	(9)
Other acquisition expenses	**258**	333	(23)	**533**	649	(18)
Total acquisition expenses	**1,099**	1,264	(13)	**2,202**	2,492	(12)
General operating expenses	**712**	787	(10)	**1,446**	1,564	(8)
Underwriting income	**430**	594	(28)	**1,026**	1,096	(6)
Net investment income	**746**	725	3	**1,508**	1,471	3
Adjusted pre-tax income	**$ 1,176**	$ 1,319	(11) %	**$ 2,534**	$ 2,567	(1) %
Loss ratio[(a)]	**61.0**	59.3	1.7	**59.5**	59.6	(0.1)
Acquisition ratio	**19.1**	19.5	(0.4)	**19.1**	19.5	(0.4)
General operating expense ratio	**12.4**	12.1	0.3	**12.5**	12.3	0.2
Expense ratio	**31.5**	31.6	(0.1)	**31.6**	31.8	(0.2)
Combined ratio[(a)]	**92.5**	90.9	1.6	**91.1**	91.4	(0.3)
Adjustments for accident year loss ratio, as adjusted and accident year combined ratio, as adjusted:						
Catastrophe losses and reinstatement premiums	**(5.7)**	(3.9)	(1.8)	**(3.8)**	(4.0)	0.2
Prior year development, net of reinsurance and prior year premiums	**0.8**	1.0	(0.2)	**0.6**	0.9	(0.3)
Accident year loss ratio, as adjusted	**56.1**	56.4	(0.3)	**56.3**	56.5	(0.2)
Accident year combined ratio, as adjusted	**87.6**	88.0	(0.4)	**87.9**	88.3	(0.4)

(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:

(in millions)	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Percentage Change in U.S. dollars	Percentage Change in Original Currency	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023	Percentage Change in U.S. dollars	Percentage Change in Original Currency
North America	$ 3,360	$ 3,973	(15) %	(15) %	$ 4,694	$ 7,653	(39) %	(39) %
International	3,573	3,564	—	4	6,751	6,849	(1)	1
Total net premiums written	$ 6,933	$ 7,537	(8) %	(6) %	$ 11,445	$ 14,502	(21) %	(20) %

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

(dollars in millions)	# of Events	North America	International	Total
Three Months Ended June 30, 2024				
Flooding, rainstorms and other	2	$ 2	115	117
Windstorms and hailstorms	10	154	59	213
Winter storms	2	—	—	—
Earthquakes	1	—	(5)	(5)
Reinstatement premiums		6	(1)	5
Total catastrophe-related charges	15	$ 162	168	330
Three Months Ended June 30, 2023				
Flooding, rainstorms and other	1	$ —	1	1
Windstorms and hailstorms	13	146	92	238
Winter storms	2	3	(5)	(2)
Wildfires	1	10	—	10
Earthquakes	1	—	4	4
Reinstatement premiums		—	(1)	(1)
Total catastrophe-related charges	18	$ 159	91	250
Six Months Ended June 30, 2024				
Flooding, rainstorms and other	2	$ 2	$ 115	$ 117
Windstorms and hailstorms	10	$ 196	$ 59	$ 255
Winter storms	2	50	—	50
Earthquakes	1	—	10	10
Reinstatement premiums		6	(2)	4
Total catastrophe-related charges	15	$ 254	$ 182	$ 436
Six Months Ended June 30, 2023				
Flooding, rainstorms and other	1	$ 10	$ 78	$ 88
Windstorms and hailstorms	13	213	131	344
Winter storms	2	28	17	45
Wildfires	1	10	—	10
Earthquakes	1	15	14	29
Reinstatement premiums		(1)	(1)	(2)
Total catastrophe-related charges	18	$ 275	$ 239	$ 514

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

NORTH AMERICA RESULTS

	Three Months Ended June 30,			Six Months Ended June 30,		
(in millions)	**2024**	2023	Change	**2024**	2023	Change
Underwriting results:						
Net premiums written	**$ 3,360**	$ 3,973	(15) %	**$ 4,694**	$ 7,653	(39) %
(Increase) decrease in unearned premiums	**(890)**	(778)	(14)	**278**	(1,478)	NM
Net premiums earned	**2,470**	3,195	(23)	**4,972**	6,175	(19)
Losses and loss adjustment expenses incurred[(a)]	**1,610**	1,949	(17)	**3,182**	3,757	(15)
Acquisition expenses:						
Amortization of deferred policy acquisition costs	**326**	438	(26)	**666**	848	(21)
Other acquisition expenses	**119**	139	(14)	**216**	285	(24)
Total acquisition expenses	**445**	577	(23)	**882**	1,133	(22)
General operating expenses	**252**	317	(21)	**521**	634	(18)
Underwriting income	**$ 163**	$ 352	(54) %	**$ 387**	$ 651	(41) %
Loss ratio[(a)]	**65.2**	61.0	4.2	**64.0**	60.8	3.2
Acquisition ratio	**18.0**	18.1	(0.1)	**17.7**	18.3	(0.6)
General operating expense ratio	**10.2**	9.9	0.3	**10.5**	10.3	0.2
Expense ratio	**28.2**	28.0	0.2	**28.2**	28.6	(0.4)
Combined ratio[(a)]	**93.4**	89.0	4.4	**92.2**	89.4	2.8
Adjustments for accident year loss ratio, as adjusted and accident year combined ratio, as adjusted:						
Catastrophe losses and reinstatement premiums	**(6.5)**	(5.0)	(1.5)	**(5.1)**	(4.4)	(0.7)
Prior year development, net of reinsurance and prior year premiums	**1.5**	3.8	(2.3)	**1.2**	3.2	(2.0)
Accident year loss ratio, as adjusted	**60.2**	59.8	0.4	**60.1**	59.6	0.5
Accident year combined ratio, as adjusted	**88.4**	87.8	0.6	**88.3**	88.2	0.1

(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 June 30, 2024 and 2023

Net premiums written decreased by $613 million due to a decline in Commercial Lines ($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 June 30, 2024 and 2023

Underwriting income decreased by $189 million primarily due to:

- lower net favorable prior year development (2.3 points or $73 million), primarily as a result of lower favorable development in Casualty and Programs;
- higher catastrophe losses (1.5 points or $3 million);
- the impact of the sale of AIG Re on accident year results; and
- a higher expense ratio (0.2 points) reflecting an increase in general operating expense ratio (0.3 points), partially offset by a lower acquisition ratio (0.1 points), primarily driven by changes in business mix including the impact from the sales of AIG Re and CRS.

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 June 30,			Six Months Ended June 30,		
(in millions)	**2024**	2023	Change	**2024**	2023	Change
Underwriting results:						
Net premiums written	**$ 3,573**	$ 3,564	— %	**$ 6,751**	$ 6,849	(1) %
Increase in unearned premiums	**(294)**	(262)	(12)	**(188)**	(268)	30
Net premiums earned	**3,279**	3,302	(1)	**6,563**	6,581	—
Losses and loss adjustment expenses incurred	**1,898**	1,903	—	**3,679**	3,847	(4)
Acquisition expenses:						
Amortization of deferred policy acquisition costs	**515**	493	4	**1,003**	995	1
Other acquisition expenses	**139**	194	(28)	**317**	364	(13)
Total acquisition expenses	**654**	687	(5)	**1,320**	1,359	(3)
General operating expenses	**460**	470	(2)	**925**	930	(1)
Underwriting income	**$ 267**	$ 242	10 %	**$ 639**	$ 445	44 %
Loss ratio	**57.9**	57.6	0.3	**56.1**	58.5	(2.4)
Acquisition ratio	**19.9**	20.8	(0.9)	**20.1**	20.7	(0.6)
General operating expense ratio	**14.0**	14.2	(0.2)	**14.1**	14.1	—
Expense ratio	**33.9**	35.0	(1.1)	**34.2**	34.8	(0.6)
Combined ratio	**91.8**	92.6	(0.8)	**90.3**	93.3	(3.0)
Adjustments for accident year loss ratio, as adjusted and accident year combined ratio, as adjusted:						
Catastrophe losses and reinstatement premiums	**(5.2)**	(2.7)	(2.5)	**(2.8)**	(3.7)	0.9
Prior year development, net of reinsurance and prior year premiums	**0.3**	(1.9)	2.2	**0.1**	(1.2)	1.3
Accident year loss ratio, as adjusted	**53.0**	53.0	—	**53.4**	53.6	(0.2)
Accident year combined ratio, as adjusted	**86.9**	88.0	(1.1)	**87.6**	88.4	(0.8)

Business and Financial Highlights

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

Net premiums written, excluding the impact of unfavorable foreign exchange ($125 million), increased by $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:

- 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 ($26 million), 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 Financial Lines.

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

Underwriting income increased by $25 million primarily due to:

- net favorable prior year reserve development of $5 million in 2024 compared to net adverse prior year reserve development in 2023 of $63 million (2.2 points or $68 million), primarily as a result of higher favorable development in Casualty and Property; and
- a lower expense ratio (1.1 points) reflecting a lower acquisition ratio (0.9 points) primarily driven by changes in 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 (0.2 points) primarily driven by changes in business mix along with continued positive rate change, focused risk selection and improved terms and conditions.

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, 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 June 30,			Six Months Ended June 30,		
(in millions)	**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 JUNE 30, 2024 AND 2023 COMPARISON

Adjusted pre-tax loss before consolidation and eliminations of $158 million in 2024 compared to $270 million in 2023, an decrease of $112 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 of $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 $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.

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 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 of a soft landing increased.

Our Investment Management Agreements with BlackRock, Inc.

Since April 2022, AIG 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 June 30, 2024, BlackRock manages $57 billion of our investment portfolio, consisting of liquid fixed income and certain private placement 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 SIX MONTHS ENDED 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.
- Total Net investment income increased for the six months ended June 30, 2024 compared to the same period in the prior year, primarily due to our equity investment in Corebridge, higher income of available for sale fixed maturity securities, partially offset by lower returns on our 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., 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 3.4 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.

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:

June 30, 2024 *(in millions)* NAIC Designation	1	2	Total Investment Grade	3	4	5	6	Total Below Investment Grade	Total
Other fixed maturity securities	$ 30,576	$ 12,788	$ 43,364	$ 1,653	$ 2,913	$ 174	$ 24	$ 4,764	$ 48,128
Mortgage-backed, asset-backed and collateralized	14,327	470	14,797	29	64	67	6	166	14,963
Total*	$ 44,903	$ 13,258	**$ 58,161**	$ 1,682	$ 2,977	$ 241	$ 30	**$ 4,930**	**$ 63,091**

* Excludes $8 million of fixed maturity securities for which no NAIC Designation is available.

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

June 30, 2024 (in millions)								
Composite AIG Credit Rating	AAA/AA/A	BBB	Total Investment Grade	BB	B	CCC and Lower	Total Below Investment Grade	Total
Other fixed maturity securities	$ 32,301	$ 12,386	$ 44,687	$ 1,748	$ 1,360	$ 333	$ 3,441	$ 48,128
Mortgage-backed, asset-backed and collateralized	13,010	582	13,592	60	125	1,186	1,371	14,963
Total*	$ 45,311	$ 12,968	$ 58,279	$ 1,808	$ 1,485	$ 1,519	$ 4,812	$ 63,091

* Excludes $8 million of fixed maturity securities for which no NAIC Designation is available.

CREDIT RATINGS

At June 30, 2024, approximately 61 percent of our fixed maturity securities were held by our U.S. entities. Approximately 92 percent of these securities were rated investment grade by one or more of the principal rating agencies.

Moody's Investors Service Inc. (Moody's), Standard & Poor's Financial Services LLC, a subsidiary of S&P Global Inc. (S&P), or similar foreign rating services rate a significant portion of our foreign entities' fixed maturity securities portfolio. Rating services are not available for some foreign-issued securities. We closely monitor the credit quality of the foreign portfolio's non-rated fixed maturity securities. At 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 (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 those tables consists of fixed maturity securities that have not been rated by any of the major rating agencies, the NAIC or us.

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

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

	Available for Sale		Other		Total	
(in millions)	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Rating:						
Other fixed maturity securities						
AAA	$ 5,648	$ 5,625	$ 14	$ 16	$ 5,662	$ 5,641
AA	12,495	12,775	146	145	12,641	12,920
A	13,888	14,758	112	73	14,000	14,831
BBB	12,276	12,992	114	96	12,390	13,088
Below investment grade	3,313	3,653	—	—	3,313	3,653
Non-rated	129	167	—	—	129	167
Total	$ 47,749	$ 49,970	$ 386	$ 330	$ 48,135	$ 50,300
Mortgage-backed, asset-backed and collateralized						
AAA	$ 6,471	$ 6,650	$ 108	$ 77	$ 6,579	$ 6,727
AA	5,723	6,065	123	108	5,846	6,173
A	559	614	27	29	586	643
BBB	492	517	90	81	582	598
Below investment grade	1,336	1,426	28	30	1,364	1,456
Non-rated	3	—	4	8	7	8
Total	$ 14,584	$ 15,272	$ 380	$ 333	$ 14,964	$ 15,605
Total						
AAA	$ 12,119	$ 12,275	$ 122	$ 93	$ 12,241	$ 12,368
AA	18,218	18,840	269	253	18,487	19,093

(in millions)	Available for Sale				Other				Total			
		June 30, 2024		December 31, 2023		**June 30, 2024**		December 31, 2023		**June 30, 2024**		December 31, 2023
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)		**June 30, 2024**		December 31, 2023
Bonds available for sale:				
U.S. government and government sponsored entities	**$**	**4,409**	$	4,395
Obligations of states, municipalities and political subdivisions		**4,492**		4,833
Non-U.S. governments		**8,061**		8,396
Corporate debt		**30,787**		32,346
Mortgage-backed, asset-backed and collateralized:				
RMBS		**5,778**		6,207
CMBS		**4,287**		4,147
CLO/ABS		**4,519**		4,918
Total mortgage-backed, asset-backed and collateralized		**14,584**		15,272
Total bonds available for sale*	**$**	**62,333**	$	65,242

* At 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 $4.8 billion and $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

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

	June 30, 2024					December 31, 2023
(in millions)	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 June 30, 2024, the U.S. municipal bond portfolio was composed primarily of essential service revenue bonds and high-quality tax-exempt bonds with 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:

	June 30, 2024				December 31, 2023
(in millions)	State General Obligation	Local General Obligation	Revenue	Total Fair Value	Total Fair Value
California	$ 206	$ 186	$ 500	$ 892	$ 903
New York	42	111	541	694	746
Texas	1	253	192	446	490
Illinois	26	42	184	252	301
Florida	3	1	221	225	227
Massachusetts	52	19	131	202	209
Pennsylvania	56	2	134	192	203
New Jersey	3	2	134	139	200
Georgia	72	26	36	134	159
Connecticut	57	3	50	110	109
Washington	9	11	87	107	140
Ohio	11	—	73	84	89
Hawaii	75	1	7	83	89
All other states	124	60	748	932	968
Total	$ 737	$ 717	$ 3,038	$ 4,492	$ 4,833

Investments in Corporate Debt Securities

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

Industry Category *(in millions)*	June 30, 2024	December 31, 2023
Financial institutions:		
Money center/Global bank groups	$ 4,903	$ 5,153
Regional banks – other	217	222
Life insurance	600	617
Securities firms and other finance companies	308	296
Insurance non-life	914	938
Regional banks – North America	1,956	2,029
Other financial institutions	3,135	3,152
Utilities	2,922	2,989
Communications	1,967	2,111
Consumer noncyclical	3,013	3,436
Capital goods	1,552	1,552
Energy	1,643	1,672
Consumer cyclical	2,914	3,049
Basic materials	1,024	1,141
Other	3,719	3,989
Total*	$ 30,787	$ 32,346

* At June 30, 2024 and December 31, 2023, approximately 90 percent and 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)	June 30, 2024	December 31, 2023
Agency RMBS	$ 2,454	$ 2,827
Alt-A RMBS	1,321	1,338
Subprime RMBS	299	323
Prime non-agency	682	580
Other housing related	1,022	1,139
Total RMBS[(a)(b)]	$ 5,778	$ 6,207

(a) Includes approximately $1.3 billion and $1.3 billion at 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 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)	June 30, 2024	December 31, 2023
CMBS (traditional)	$ 3,516	$ 3,604
Agency	740	488
Other	31	55
Total	$ 4,287	$ 4,147

The fair value of CMBS holdings remained stable during the six months ended 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.

Investments in CLO/ABS

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

(in millions)	June 30, 2024	December 31, 2023
Collateral Type:		
ABS	$ 2,000	$ 1,827
Bank loans	2,518	3,090
Other	1	1
Total	$ 4,519	$ 4,918

Unrealized Losses of Fixed Maturity Securities

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

June 30, 2024	Less Than or Equal to 20% of Cost(b)			Greater Than 20% to 50% of Cost(b)			Greater Than 50% of Cost(b)			Total		
Aging(a) (dollars in millions)	Cost(c)	Unrealized Loss	Items(d)	Cost(c)	Unrealized Loss	Items(d)	Cost(c)	Unrealized Loss	Items(d)	Cost(c)	Unrealized Loss	Items(d)
Investment grade bonds												
0-6 months	$ 12,141	$ 117	2,893	$ 120	$ 31	4	$ —	$ —	—	$ 12,261	$ 148	2,897
7-11 months	1,168	77	349	98	20	11	—	—	—	1,266	97	360
12 months or more	28,579	2,332	8,225	3,115	880	609	263	149	21	31,957	3,361	8,855
Total	$ 41,888	$ 2,526	11,467	$ 3,333	$ 931	624	$ 263	$ 149	21	$ 45,484	$ 3,606	12,112
Below investment grade bonds												
0-6 months	$ 376	$ 9	293	$ 18	$ 6	42	$ 6	$ 4	10	$ 400	$ 19	345
7-11 months	261	21	92	22	6	3	2	2	2	285	29	97
12 months or more	1,732	115	986	110	33	74	5	5	2	1,847	153	1,062
Total	$ 2,369	$ 145	1,371	$ 150	$ 45	119	$ 13	$ 11	14	$ 2,532	$ 201	1,504
Total bonds												
0-6 months	$ 12,517	$ 126	3,186	$ 138	$ 37	46	$ 6	$ 4	10	$ 12,661	$ 167	3,242
7-11 months	1,429	98	441	120	26	14	2	2	2	1,551	126	457
12 months or more	30,311	2,447	9,211	3,225	913	683	268	154	23	33,804	3,514	9,917
Total	$ 44,257	$ 2,671	12,838	$ 3,483	$ 976	743	$ 276	$ 160	35	$ 48,016	$ 3,807	13,616

(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) Item count is by CUSIP by subsidiary.

The allowance for credit losses was $1 million for investment grade bonds and $32 million for below investment grade bonds as of June 30, 2024.

Commercial Mortgage Loans

At June 30, 2024, we had direct commercial mortgage loan exposure of $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: Apartments	Offices	Retail	Industrial	Hotel	Others	Total	Percent of Total
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

(dollars in millions)	Number of Loans	Class: Apartments	Offices	Retail	Industrial	Hotel	Others	Total	Percent of Total
Florida	**11**	**65**	**—**	**63**	**9**	**37**	**—**	**174**	**5**
Illinois	**6**	**89**	**20**	**—**	**—**	**—**	**—**	**109**	**3**
Pennsylvania	**9**	**15**	**40**	**29**	**18**	**—**	**—**	**102**	**3**
Ohio	**6**	**63**	**3**	**30**	**—**	**—**	**—**	**96**	**3**
Colorado	**5**	**7**	**32**	**16**	**—**	**6**	**—**	**61**	**2**
Other states	**36**	**199**	**26**	**59**	**39**	**16**	**—**	**339**	**9**
Foreign	**46**	**378**	**218**	**108**	**204**	**119**	**110**	**1,137**	**29**
Total*	**210**	**$ 1,241**	**$ 1,195**	**$ 483**	**$ 446**	**$ 243**	**$ 120**	**$ 3,728**	**100 %**
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 June 30,	**2024**			2023		
(in millions)	Excluding Fortitude Re Funds Withheld Assets	Fortitude Re Funds Withheld Assets	Total	Excluding Fortitude Re Funds Withheld Assets	Fortitude Re Funds Withheld Assets	Total
Sales of fixed maturity securities	**$ (168)**	**$ (1)**	**$ (169)**	$ (88)	$ (7)	$ (95)
Change in allowance for credit losses on fixed maturity securities	**(18)**	**—**	**(18)**	(30)	—	(30)
Change in allowance for credit losses on loans	**(12)**	**3**	**(9)**	1	1	2
Foreign exchange transactions	**52**	**—**	**52**	123	2	125
All other derivatives and hedge accounting	**(21)**	**—**	**(21)**	(89)	(3)	(92)
Sales of alternative investments	**4**	**—**	**4**	—	—	—
Other	**(24)**	**(3)**	**(27)**	18	—	18
Net realized losses – excluding Fortitude Re funds withheld embedded derivative	**(187)**	**(1)**	**(188)**	(65)	(7)	(72)
Net realized gains on Fortitude Re funds withheld embedded derivative	**—**	**8**	**8**	—	58	58
Net realized gains (losses)	**$ (187)**	**$ 7**	**$ (180)**	$ (65)	$ 51	$ (14)

Six Months Ended June 30,	**2024**			2023		
(in millions)	Excluding Fortitude Re Funds Withheld Assets	Fortitude Re Funds Withheld Assets	Total	Excluding Fortitude Re Funds Withheld Assets	Fortitude Re Funds Withheld Assets	Total
Sales of fixed maturity securities	**$ (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 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 lower losses on sales of fixed maturity securities derivatives gains in the current period compared to the prior year period.

Net realized gains (losses) on Fortitude Re funds withheld assets primarily reflect changes in the valuation of the modified coinsurance and funds withheld assets. Increases in the valuation of these assets result in losses to AIG as the appreciation on the assets under those reinsurance arrangements must be transferred to Fortitude Re. Decreases in valuation of the assets result in gains to AIG as the depreciation on the assets under those reinsurance arrangements must be transferred to Fortitude Re. *For additional information on the impact of the funds withheld arrangements with Fortitude Re, see Note 8 to the Condensed Consolidated Financial Statements.*

For additional information on 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 June 30, 2024 was primarily attributable to a change in the fair value of fixed maturity securities. For the three months ended 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 $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 June 30, 2023 was primarily attributable to a change in the fair value of fixed maturity securities. For the three months ended 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 $829 million primarily due to 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)]:

	June 30, 2024			December 31, 2023		
(in millions)	Net liability for unpaid losses and loss adjustment expenses	Reinsurance recoverable on unpaid losses and loss adjustment expenses	Gross liability for unpaid losses and loss adjustment expenses	Net liability for unpaid losses and loss adjustment expenses	Reinsurance recoverable on unpaid losses and loss adjustment expenses	Gross liability for unpaid losses and loss adjustment expenses
General Insurance:						
U.S. Workers' Compensation (net of discount)	**$ 2,580**	**$ 4,198**	**$ 6,778**	$ 2,655	$ 4,099	$ 6,754
U.S. Excess Casualty	**3,273**	**3,340**	**6,613**	3,321	3,272	6,593
U.S. Other Casualty	**4,397**	**3,786**	**8,183**	4,112	3,676	7,788
U.S. Financial Lines	**5,627**	**1,908**	**7,535**	5,672	1,622	7,294
U.S. Property and Special Risks	**4,249**	**1,609**	**5,858**	4,403	1,494	5,897
U.S. Personal Insurance	**757**	**2,142**	**2,899**	767	2,163	2,930
UK/Europe Casualty and Financial Lines	**7,378**	**1,420**	**8,798**	7,447	1,951	9,398
UK/Europe Property and Special Risks	**2,977**	**1,549**	**4,526**	2,913	1,665	4,578
UK/Europe and Japan Personal Insurance	**1,338**	**574**	**1,912**	1,483	671	2,154
Other product lines[(b)]	**5,364**	**4,881**	**10,245**	5,416	5,182	10,598
Unallocated loss adjustment expenses[(b)]	**1,544**	**898**	**2,442**	1,298	841	2,139
Total General Insurance	**39,484**	**26,305**	**65,789**	39,487	26,636	66,123
Other Operations Run-Off:						
U.S. run-off long tail insurance lines (net of discount)	**185**	**3,243**	**3,428**	283	3,360	3,643
Other run-off product lines	**187**	**71**	**258**	228	60	288
Blackboard U.S. Holdings, Inc.	**64**	**115**	**179**	91	119	210
Unallocated loss adjustment expenses	**14**	**115**	**129**	15	114	129
Total Other Operations Run-Off	**450**	**3,544**	**3,994**	617	3,653	4,270
Total	**$ 39,934**	**$ 29,849**	**$ 69,783**	$ 40,104	$ 30,289	$ 70,393

(a) Includes net loss reserve discount of $1.2 billion and $1.2 billion at 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 June 30, 2024 and December 31, 2023, respectively.

Prior Year Development

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

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	**2024**	2023	**2024**	2023
General Insurance:				
North America	**$ (70)**	$ (172)	**$ (102)**	$ (254)
International	**(9)**	57	**(11)**	71
Total General Insurance*	**$ (79)**	$ (115)	**$ (113)**	$ (183)
Other Operations Run-Off	**—**	—	**—**	—
Total prior year favorable development	**$ (79)**	$ (115)	**$ (113)**	$ (183)

* 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 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, which were $(1) million and $(16) million for the three months ended 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 June 30, 2024, we recognized favorable prior year loss reserve development of $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 June 30, 2023, we recognized favorable prior year loss reserve development of $115 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.

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 June 30, 2024 *(in millions)*	Total	2023	2022 & Prior
General Insurance North America:			
U.S. Workers' Compensation	**$ (80)**	**$ (26)**	**$ (54)**
U.S. Excess Casualty	**22**	**—**	**22**
U.S. Other Casualty	**(17)**	**12**	**(29)**
U.S. Financial Lines	**(5)**	**—**	**(5)**
U.S. Property and Special Risks	**10**	**—**	**10**
U.S. Personal Insurance	**—**	**—**	**—**
Other Product Lines	**—**	**—**	**—**
Total General Insurance North America	**$ (70)**	**$ (14)**	**$ (56)**
General Insurance International:			
UK/Europe Casualty and Financial Lines	**$ —**	**$ —**	**$ —**
UK/Europe Property and Special Risks	**—**	**4**	**(4)**
UK/Europe and Japan Personal Insurance	**—**	**—**	**—**
Other Product Lines	**(9)**	**—**	**(9)**
Total General Insurance International	**$ (9)**	**$ 4**	**$ (13)**
Other Operations Run-Off	**—**	**—**	**—**
Total Prior Year (Favorable) Unfavorable Development	**$ (79)**	**$ (10)**	**$ (69)**

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)

Six Months Ended June 30, 2024 (in millions)	Total	2023	2022 & Prior
General Insurance North America:			
U.S. Workers' Compensation	**$ (91)**	**$ (26)**	**$ (65)**
U.S. Excess Casualty	**14**	**—**	**14**
U.S. Other Casualty	**(25)**	**12**	**(37)**
U.S. Financial Lines	**(10)**	**—**	**(10)**
U.S. Property and Special Risks	**10**	**—**	**10**
U.S. Personal Insurance	**—**	**—**	**—**
Other Product Lines	**—**	**—**	**—**
Total General Insurance North America	**$ (102)**	**$ (14)**	**$ (88)**
General Insurance International:			
UK/Europe Casualty and Financial Lines	**$ —**	**$ —**	**$ —**
UK/Europe Property and Special Risks	**—**	**4**	**(4)**
UK/Europe and Japan Personal Insurance	**—**	**—**	**—**
Other Product Lines	**(11)**	**—**	**(11)**
Total General Insurance International	**$ (11)**	**$ 4**	**$ (15)**
Other Operations Run-Off	**—**	**—**	**—**
Total Prior Year (Favorable) Unfavorable Development	**$ (113)**	**$ (10)**	**$ (103)**

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	$ (254)	$ 64	$ (318)
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	$ 71	$ 45	$ 26
Other Operations Run-Off	—	—	—
Total Prior Year (Favorable) Unfavorable Development	$ (183)	$ 109	$ (292)

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)	June 30, 2024	December 31, 2023
Gross Covered Losses		
Covered reserves before discount	$ 10,273	$ 10,849
Inception to date losses paid	30,655	30,157
Attachment point	(25,000)	(25,000)
Covered losses above attachment point	$ 15,928	$ 16,006
Deferred Gain Development		
Covered losses above attachment ceded to NICO (80%)	$ 12,742	$ 12,805
Consideration paid including interest	(10,188)	(10,188)
Pre-tax deferred gain before discount and amortization	2,554	2,617
Discount on ceded losses[a]	(1,026)	(1,104)
Pre-tax deferred gain before amortization	1,528	1,513
Inception to date amortization of deferred gain at inception	(1,496)	(1,428)
Inception to date amortization attributed to changes in deferred gain[b]	111	64
Deferred gain liability reflected in AIG's balance sheet	$ 143	$ 149

(a) The accretion of discount and a reduction in effective interest rates is offset by changes in estimates of the amount and timing of future recoveries.

(b) Excluded from APTI.

The following table presents the rollforward of activity in the deferred gain from the adverse development reinsurance agreement:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	2024	2023	2024	2023
Balance at beginning of period, net of discount	$ 177	$ 222	$ 149	$ 205
(Favorable) unfavorable prior year reserve development ceded to NICO[a]	(63)	(33)	(63)	(33)
Amortization attributed to deferred gain at inception[b]	(34)	(41)	(68)	(82)
Amortization attributed to changes in deferred gain[c]	40	22	47	10
Changes in discount on ceded loss reserves	23	26	78	96
Balance at end of period, net of discount	$ 143	$ 196	$ 143	$ 196

(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 June 30, 2024, $3.6 billion of reserves related to business written by multiple wholly-owned AIG subsidiaries, had been ceded to Fortitude Re under these reinsurance transactions.

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 six months ended June 30, 2024, our General Insurance companies distributed dividends of $2.3 billion to AIG Parent or applicable intermediate holding companies.

Secondary 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 offering to AIG, before deducting underwriting discounts and commissions and other expenses payable by AIG, were approximately $876 million.

USES

General Borrowings

During the six months ended June 30, 2024, $464 million of debt categorized as general borrowings matured, was repaid 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 $225 million during the six months ended June 30, 2024.

Dividends

During the six months ended 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) for the three months ended March 31, 2024 totaling $7 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 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 July 1, 2024 to July 26, 2024, AIG Parent repurchased approximately 6 million shares of AIG Common Stock for an aggregate purchase price of approximately $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 $470 million and $636 million in the six months ended June 30, 2024 and 2023, respectively. Excluding interest payments, AIG had operating cash inflows of $1.9 billion, including $104 million outflow from discontinued operations, in the six months ended June 30, 2024 compared to operating cash inflows of $1.7 billion, including $322 million outflow from discontinued operations, in the prior year period.

Investing Cash Flow Activities

Net cash used in investing activities in the six months ended June 30, 2024 was $1.3 billion, including $4.2 billion used in discontinued operations, compared to net cash used in investing activities of $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 on AIG Common Stock;
- $22 million to pay a first quarter dividend of $365.625 per share on AIG's Series A Preferred Stock and redemption premiums;
- $3.3 billion to repurchase approximately 45 million shares of AIG Common Stock;
- $463 million in net outflows from the issuance and repayment of long-term debt; and
- $4.4 billion in net inflows from discontinued operations.

Net cash 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 June 30, 2023, and $0.32 per share for the three months ended March 31, 2023 on AIG Common Stock;
- $15 million to pay quarterly dividends of $365.625 per share on AIG's Series A Preferred Stock;
- $1.1 billion to repurchase approximately 21 million shares of AIG Common Stock;
- $291 million in net inflows from the issuance and repayment of long-term debt;
- $3 million in net outflows from the issuance and repayment of debt of consolidated investment entities; and
- $500 million in net inflows from discontinued operations.

LIQUIDITY AND CAPITAL RESOURCES OF AIG PARENT AND SUBSIDIARIES

AIG Parent

As of June 30, 2024 and December 31, 2023, respectively, AIG Parent and applicable intermediate holding companies had approximately $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. 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 insurance companies have access to FHLB borrowings as an additional source of funding. The primary uses of liquidity are paid losses, reinsurance payments, 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 insurance companies.

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 our insurance companies totaled approximately $2.2 billion at June 30, 2024.

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 June 30, 2024, a total of $4.5 billion remained available under the Facility.

CONTRACTUAL OBLIGATIONS

As of 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 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*.

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.

The following table provides the rollforward of AIG's total debt outstanding:

Six Months Ended June 30, 2024 *(in millions)*	Balance, Beginning of Year	Issuances	Maturities and Repayments	Effect of Foreign Exchange	Other Changes	**Balance, End of Period**
Debt issued or guaranteed:						
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) At June 30, 2024, includes debt of consolidated investment entities primarily related to real estate investments of $79 million. At December 31, 2023, includes debt of consolidated investment entities related to real estate investments of $79 million and other securitization vehicles of $152 million.

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

Debt Maturities

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

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

The following table presents maturities of long-term debt (including unamortized original issue discount, hedge accounting valuation adjustments and fair value adjustments, when applicable):

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**

* Does not reflect $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 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.

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

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 July 31, 2024, our Board of Directors declared a cash dividend on AIG Common Stock of $0.40 per share, payable on September 30, 2024 to shareholders of record on 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 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. 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 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 14 to the Condensed Consolidated Financial 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. 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 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.

Attritional losses are losses recorded in the current accident year, which are not catastrophe losses.

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 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 (collectively, Investments AOCI) (Adjusted book value per share) is used to show the amount of our net worth on a per share basis after eliminating the fair value 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 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.

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.

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.

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.

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.

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.

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.

Return on equity – Adjusted after-tax income excluding Investments AOCI, 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 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 equity is derived by dividing actual or, for interim periods, annualized adjusted after-tax income attributable to AIG common shareholders by average 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.

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	**GIC**	Guaranteed 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.
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	**VIE**	Variable Interest Entity

ITEM 3 | Quantitative and Qualitative Disclosures About Market Risk

The information required by this item is set forth in the Enterprise Risk Management section of Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations and is incorporated herein by reference.

ITEM 4 | Controls and Procedures

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures are designed to ensure that information required to be disclosed in reports filed or submitted under the Securities Exchange Act of 1934, as amended (the Exchange Act), is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and that such information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosures. In connection with the preparation of this Quarterly Report on Form 10-Q, an evaluation was carried out by American International Group, Inc. (AIG) management, with the participation of AIG's Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act), as of 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 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 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 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 our 2023 Annual 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 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)
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 $35 million due to the Inflation Reduction Act of 2022 for the six months ended June 30, 2024.

During the three months ended June 30, 2024, AIG Parent repurchased approximately 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 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. 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.

ITEM 5 | Other Information

Not applicable.

ITEM 6 | Exhibits

Exhibit Index

Exhibit Number	Description	Location
3(i)	Restated Certificate of Incorporation of American International Group, Inc.	Incorporated by reference to Exhibit 3.3 to AIG's Current Report on Form 8-K, filed with the SEC on 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) Amendment, dated as of May 16, 2024, to Separation Agreement, by and between American International Group, Inc. and Corebridge Financial, Inc.*	Incorporated by reference to Exhibit 99.1 to AIG's Current Report on Form 8-K, filed with the SEC on 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 June 30, 2024 and December 31, 2023, (ii) the Condensed Consolidated Statements of Income (Loss) for the three and six months ended June 30, 2024 and 2023, (iii) the Condensed Consolidated Statements of Equity for the three and six months ended June 30, 2024 and 2023, (iv) the Condensed Consolidated Statements of Cash Flows for the six months ended June 30, 2024 and 2023, (v) the Condensed Consolidated Statements of Comprehensive Income (Loss) for the three and six months ended 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.

* Certain schedules and other similar attachments to this exhibit have been omitted from this filing pursuant to Item 601(a)(5) of Regulation S-K. The Company will provide a 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: August 1, 2024

Exhibit 31

CERTIFICATIONS

I, Peter Zaffino, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of American International Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 1, 2024

/S/ PETER ZAFFINO

Peter Zaffino

Chairman and Chief Executive Officer

CERTIFICATIONS

I, Sabra R. Purtill, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of American International Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: 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 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: 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 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: 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.