

AIG, Inc.

3Q23 Earnings Review: Business Mix Optimization

AIG can afford to shrink business lines where it is not seeing the risk reward like financial lines (down 11%) and 2 large Lexington programs (\$115mn of NPW) that were catastrophe focused. Now that Validus Re is sold, which helps its PML, AIG can increase its property risk appetite.

We found AIG's commentary on casualty and public D&O headwinds as thoughtful and candid. AIG recapped its underwriting actions 5 year journey, we would have liked to hear more information about any changes in terms & conditions. We were struck by Lexington Casualty new business growth of +90% y/y (E&S business allows more freedom of form.) Likewise, excess casualty led growth by 33% y/y followed by property at 27% y/y within core Lexington (ex non-renewal of programs.) On a seasonality basis, we sense that 3Q is a lighter quarter for E&S property. While investor sentiment is cautious on casualty reserving, AIG's ADC with NICO (AYs 2015 and prior) provides some comfort with \$9bn of gross limit remaining/\$7.2bn of net limit remaining (at the 80% level.) Still, we will continue to pay attention to AYs 2016-2018, and to a lesser degree AY2019. AIG had embraced a more pragmatic reinsurance strategy in 2021 given its accomplished remediation efforts and in hindsight over-indexing to the market. While at the time, over-indexing reinsurance purchases may have compressed margin opportunities, that move likely provided added protection for its casualty reserves.

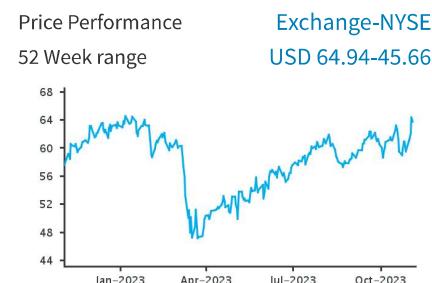
Despite business mix optimization, **AIG's pricing power decelerated q/q.** Specifically, NA commercial rate increases of 5.4% (vs 8% last quarter), or 6% rate increases ex workers compensation and exposure growth of 3% (vs 2% last quarter) sums up to 9% pricing increases (vs 10% last quarter.)

GI PYD: \$139mn favorable, of which \$129mn resulted from AIG's detailed valuation reserves (or DVRs.) AIG's DVRs covered 70% of its reserve total (on pre-ADC basis.) Favorable development was better than expected. Still, we were struck by \$40mn reserve releases in U.S. excess casualty and \$200mn of reserve releases from greener AYs 2021 and 2020. We include later in this note (figures 2 & 3) the PYD breakout.

NA Commercial AYLR improvement standout: NA Commercial AYLR ex cats of 57.8% (vs. our 61.0% estimate) improved 2.7pts q/q and improved 4.7 pts y/y. As pricing power is decelerating, we anticipate further underlying margin savings to come from improvements in business mix.

| CORE

AIG	EQUAL WEIGHT
	Unchanged
U.S. Insurance/Non-Life	POSITIVE
	Unchanged
Price Target	USD 68.00
	raised 3% from USD 66.00
Price (03-Nov-23)	USD 63.74
Potential Upside/Downside	+6.7%
Market Cap (USD mn)	44748
Shares Outstanding (mn)	702.04
Free Float (%)	99.74
52 Wk Avg Daily Volume (mn)	4.2
Dividend Yield (%)	2.26
Return on Equity TTM (%)	9.72
Current BVPS (USD)	56.06
Source: Bloomberg	



Source: IDC
[Link to Barclays Live for interactive charting](#)

U.S. Insurance/Non-Life

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AIG positioning in Public D&O market: AIG is one of the primary market leaders, it saw rates flat to slightly down while pricing pressures magnified on excess layers, particular higher layers. Excess public D&O new business down y/y and renewal retention is down 11 pts.

Validus impact to 3Q results: Accretive to the global commercial combined ratio by >100bps in 3Q23, no difference in global commercial accident year combined ratio. NA Commercial NPW decreased (7.7)% y/y, ex Validus adds 3.7% NPW growth y/y and ex crop adds 8.9% NPW growth y/y. Likewise, Validus portion of catastrophe losses was \$70mn (included in the total \$462mn.)

PF AIG ex CRBG Book Value: Given the sale of Validus Re and the redeployment of proceeds into share repurchases and debt reduction, AIG revised its view of current PF AIG equity (ex CRBG) to \$37bn (from the prior \$40bn) including \$4bn of DTA. AIG calculates ROCE on an ex DTA basis, or \$33bn of adjusted shareholders equity. We infer that AIG ex CRBG needs to make at least \$3.3bn of annual operating earnings to meet its 10% of greater ROCE target. We understand that PF SHE ex AOCI for Remain Co. reflects to AIG's legal entity balance sheet view and does not take into consideration an implied valuation for its remaining 65.6% stake in CRBG, as that piece is not in AIG's starting point.

AIG: Quarterly and Annual EPS (USD)

FY Dec	2022	2023			2024			Change y/y	
	Actual	Old	New	Cons	Old	New	Cons	2023	2024
Q1	1.49A	1.63A	1.63A	1.63A	1.78E	1.90E	1.85E	9%	17%
Q2	1.39A	1.75A	1.75A	1.75A	1.81E	1.84E	1.96E	26%	5%
Q3	0.84A	1.16E	1.61A	1.61A	1.58E	1.69E	1.81E	92%	5%
Q4	1.39A	1.67E	1.75E	1.76E	2.04E	2.12E	2.09E	26%	21%
Year	5.12A	6.22E	6.74E	6.58E	7.20E	7.54E	7.67E	32%	12%
P/E	12.4		9.5			8.4			

Consensus numbers are from Bloomberg received on 03-Nov-2023; 12:50 GMT

Source: Barclays Research

U.S. Insurance/Non-Life						POSITIVE	
AIG, Inc. (AIG)						EQUAL WEIGHT	
Income statement (\$mn)	2022A	2023E	2024E	2025E	CAGR	Price (03-Nov-2023)	USD 63.74
Net premiums earned	25,340	25,926	25,625	25,817	0.6%	Price Target	USD 68.00
Net investment income (NII)	2,382	2,993	3,207	3,432	12.9%	Why EQUAL WEIGHT?	
Underwriting income	2,048	2,327	1,835	1,844	-3.4%	We view AIG as a wait-and-see proposition as it goes down the complex path of deconsolidation as well as ongoing initiatives to achieve expense savings objectives.	
Operating income	4,036	4,870	4,803	4,836	6.2%	Upside case	USD 78.00
Net income	10,198	4,747	4,803	4,836	-22.0%		
Effective tax rate (%)	22.2	22.5	22.0	22.0	-0.3%	Downside case	USD 55.00
Combined ratio (%)	91.9	91.0	92.8	92.9	0.3%		
Combined ratio (ex cats & py development) (%)	88.7	87.4	87.8	87.9	-0.3%	Eventual successful deconsolidation that yields a fair market value resulting in a rerating of AIG RemainCo. Our upside case of \$78 assumes ~10.3x our '24 EPS estimate.	
Per share data (\$)	2022A	2023E	2024E	2025E	CAGR		
EPS (adj)	5.12	6.74	7.54	8.50	18.4%		
EPS (reported)	12.58	6.62	7.55	8.50	-12.2%		
DPS	1.28	1.40	1.44	2.52	25.3%		
BVPS	54.95	57.98	64.11	71.55	9.2%		
BVPS (ex AOCI)	85.64	91.06	102.74	112.86	9.6%		
Diluted shares (mn)	799	723	637	569	-10.7%		
Balance sheet and capital return (\$mn)	2022A	2023E	2024E	2025E	CAGR		
Total investments	89,145	81,183	84,479	87,909	-0.5%		
Common shareholders' equity (ex AOCI)	63,101	62,003	59,915	61,548	-0.8%		
Share buybacks	5,149	3,442	6,000	2,400	-22.5%		
Dividends paid	997	1,004	908	1,419	12.5%		
Balance sheet and capital return metrics	2022A	2023E	2024E	2025E	Average		
Debt leverage (%)	31.2	31.4	32.4	31.6	31.7		
Financial leverage (%)	33.5	33.7	34.8	33.9	34.0		
Total capital return as a % of op. earnings	152.3	91.3	143.8	79.0	116.6		
Valuation metrics	2022A	2023E	2024E	2025E	Average		
P/BV (ex AOCI) (x)	0.74	0.70	0.62	0.56	0.66		
P/E (adj) (x)	12.4	9.5	8.4	7.5	9.4		
Dividend yield (%)	2.0	2.2	2.3	4.0	2.6		
ROE (%)	7.6	12.2	12.5	12.7	11.2		

Note: FY End Dec

Source: Company data, Bloomberg, Barclays Research



NA Commercial Pricing Deceleration

NA commercial rate increases of 5.4% (vs 8% last quarter), or 6% rate increases ex workers compensation and exposure growth of 3% (vs 2% last quarter) sums up to 9% pricing increases (vs 10% last quarter.) In prior quarters, AIG mentioned loss cost trends of 6.5% (unchanged). International Commercial rates increased 4% (vs 9% last quarter) while exposure increased 2% (vs. 1% last quarter.)

Finer details per figure 1 below.

FIGURE 1. AIG Rate Deceleration

AIG Lines of Business	3Q23		2Q23		1Q23	
	Rate (ex exposure)	Exposure	Rate (ex exposure)	Exposure	Rate (ex exposure)	Exposure
NA Commercial	+5.4%	+3%	+8%	+2%	+7%	+2%
NA Commercial ex WC	+6%	+3%	+9%	+2%	+8%	+2%
Public D&O					(20)%	
Excess Casualty	+12%					
Lexington	+15%		+23%		+26%	
Lexington - Property	+28		+35%		+35%	
NA Retail Property	+27%		+30%		+32%	
Intl Commercial	+4%	+2%	+9%	+1%	+8%	+2%
Talbot	+9%		+14%		+16%	
Commercial Property	+13%		+21		+11%	
Specialty - UK, Middle East, Africa			+11%		+9%	
Global Energy	+10%		+21%			
Loss trend	+6.5%		+6.5%		+6.5%	

Note: Cyber rates are included in financial lines, NA and International respectively.

Source: Barclays Research, Company Data.

NPW growth on a comparable basis (ex Validus and crop); GI NPW increased 9% y/y thanks to growth in both the North American (up 5%) and International (up 7%) segments. NA Commercial increased 5% y/y due to growth in Lexington (25% y/y), led by growth in casualty (up 33% y/y) and property (+27% y/y). International Commercial NPW increased by 7% y/y driven by property (+13% y/y), global specialty (up 12%), and Talbot (+7% y/y). New business was up 13% y/y in NA Commercial (+27% ex Financial Lines) and up 90% y/y in Lexington Casualty. Conversely, financial lines shrunk (11)% y/y - the brunt of which was experienced in NA while International is not experiencing the same rate issues.

Favorable PYD Better than Expected

GI \$139mn Favorable PYD (inc. other), releases from multiple accident years, it was most pronounced in AY21 (\$114mn release) and AY20 (\$82mn release.) Most of the releases reflected WC and international financial lines. AIG moved its reserve review cadence, WC to 3Q from 2Q, yet it completed its U.S. casualty review in 2Q. We were pleased to see that US financial lines PYD was modestly unfavorable (vs. \$653mn unfavorable in 3Q22.) We had modeled net unfavorable PYD of \$60mn in NA Commercial for 3Q23. GI favorable PYD of \$142mn in 3Q was larger than prior quarters of \$115mn in 2Q and \$68mn in 1Q.

FIGURE 2. Reserve releases led by WC and U.S. excess casualty; strengthening led by Int'l Casualty and Financial Lines

AIG 3Q23 Reserve Development by Business Line (\$mns)	Total	2022	2021 & Prior
General Insurance North America:			
U.S. Workers' Compensation	(81)	(8)	(73)
U.S. Excess Casualty	(40)	—	(40)
U.S. Other Casualty	(5)	2	(7)
U.S. Financial Lines	24	—	24
U.S. Property and Special Risks	10	(43)	53
U.S. Personal Insurance	(10)	(9)	(1)

AIG 3Q23 Reserve Development by Business Line (\$mns)	Total	2022	2021 & Prior
Other Product Lines	(52)	(9)	(43)
Total General Insurance North America	(154)	(67)	(87)
General Insurance International:			
UK/Europe Casualty and Financial Lines	104	(45)	149
UK/Europe Property and Special Risks	(28)	43	(71)
UK/Europe and Japan Personal Insurance	(38)	(28)	(10)
Other product lines	(23)	114	(137)
Total General Insurance International	15	84	(69)
Other Operations Run-Off	(3)	—	(3)
Total Prior Year (Favorable) Unfavorable Development	(142)	17	(159)

Source: Barclays Research, AIG 10Q

FIGURE 3. Reserve Releases led by AY21 and AY20

AIG GI Reserve Development by Accident Year (\$mns)	3Q23	YTD 3Q23
2022	17	126
2021	(114)	(222)
2020	(82)	(136)
2019	(46)	-117
2018	127	107
2017	17	12
2016	(27)	(1)
2015	(20)	(42)
2014	(29)	(72)
2013 and prior	18	23
GI Total Prior Year (Favorable) Unfavorable Development	(139)	(322)

Source: Barclays Research, Co. Report

We note AIG provides more disclosures on PYD than some of its peers.

Forward Looking Statements

Further debt reduction. Leverage is a key consideration with respect to AIG's share repurchase strategy. AIG plans to ramp up debt repayment during 4Q23.

Hold Co Liquidity: The Validus and Laya Healthcare sale will yield about \$3.7bn of additional parent liquidity in 4Q23. To recap, net proceeds of Laya healthcare was \$730mn, of which CRBG is paying a special dividend. Validus Re net proceeds were \$3.3bn of cash and \$275mn RNR shares. AIG deployed \$289mn to retire Validus Re debt right before the deal closed on Nov. 1.

Capital allocation. AIG's \$7.5bn board authorized share repurchases program will drive its share count reduction to 600mn. Based on current average daily trading volumes, AIG expects to repurchase about \$1.5bn of shares a quarter or \$500mn a month, beginning when the market window opens after its earnings. AIG expect to continue at this rate into 2024.

Furthermore, in Sept. 2023, Corebridge entered into a definitive agreement to sell the UK Life Insurance business to Aviva Plc for £460mn, to close sometime in 2Q24, subject to regulatory approvals. AIG expects its share of proceeds to be used for buybacks.

Investment yields. Average new money yields are 5.88% (~145 bps higher than the yield on sales and maturities). In General Insurance, fixed maturity and loan portfolio yields increased by 88 bps y/y and 9 bps q/q. In Life and Retirement, the yield increased 63 bps y/y and 9 bps q/q.

Leadership Changes in GI: AIG has eliminated a management layer and plans to continue this process in 2024.

3Q Highlights

Underlying combined ratio of 86.3% (212 bps improvement y/y) vs. our estimated 88.5%.

- NA Commercial NPW was down (8)% y/y. However, on a comparable basis NA Commercial NPW was up 5%. Key adjustments were the exclusion of Validus Re and Crop. Outside these adjustments, AIG non-renewed some program business that was cat heavy, out of Lexington.
 - Property NPW increased 12% y/y. Financial lines shrunk (11)% y/y.
- **Commercial Lines.** NA Commercial AYLR ex cats of 57.8% (vs. our 61.0% estimate) improved 2.7pts q/q and improved 4.7 pts y/y. International Commercial AYCR improved by ~70 bps y/y and improved by ~340 bps sequentially.

Personal Lines. NA Personal Lines AYCR was again unprofitable at 108.4% in 3Q23, vs. 107.1% in 2Q23, 107.6% in 1Q23, and 112.8% in 3Q22).

Life and Retirement: Within Individual Retirement (IR), base net investment spread increased to 2.79% in 3Q23 vs. 2.70% in 2Q23. While FA sales were up 2% y/y and up 6% q/q, FIA sales were up 27% y/y but down 4% q/q. PRT sales were \$137mn in 3Q23 and down from \$1.9bn in 2Q23. Negligible assumption update.

Fixed annuity surrender rate increased sequentially from 15.9% to 17.7% amid a backlog from earlier in the year. On a monthly basis, surrenders peaked early in the quarter and declined sequentially each month with continued improvement in October.

BVPS (common) fell to \$56.06 in 3Q23, from \$58.49 in 2Q23.

VII: Alternative returns of about 1% were \$185mn (pre-tax) worse than AIG's expectations, we modeled \$44mn adverse. Private equity returns were a key driver as AIG reduced its exposure to hedge funds over the last year.

Cat losses: \$427mn (net of reinsurance) vs. our \$548mn estimate.

Capital Management: Parent liquidity (ex CRBG) was \$3.6bn at 9/30/23, down from \$4.3bn at 6/30/23. AIG repurchased \$785mn of shares (vs. our \$800mn estimate).

Elevated tax rate of 26.3% reflecting geographic premium shift and a Japanese legacy tax issue.

EPS Beat: AIG's 3Q23 operating EPS of \$1.61 was above our \$1.16 estimate and \$1.48 Street consensus estimate. The beat was driven by better GI underwriting income including better catastrophe losses, PYD releases and underlying margins vs. estimates.

Valuation

Our Equal Weight rating and \$68 price target (was \$66) are based on a 50/50 weighted average of 9.2x (unchanged) our 2024 EPS estimate of \$7.54 (was \$7.20) and 0.65x (unchanged) our 2024 book value per share (ex-AOCI) estimate of \$102.74 (was \$101.24).

3Q Variance Analysis

FIGURE 4. 3Q23 Variance Analysis

Financial Summary (in \$ mn, expect per share data)	Q/Q			Y/Y		Barclays Est.	
	3Q23A	2Q23	% Change	3Q22	% Change	3Q23E	% Var.
Adjusted pre-tax income (loss)	\$1,873	\$1,890	-1%	\$920	104%	\$1,413	33%
General Insurance	\$1,367	\$1,319	4%	\$750	82%	\$922	48%
Life and Retirement	\$971	\$991	-2%	\$784	24%	\$941	3%
Other Ops	(\$465)	(\$420)	-11%	(\$614)	24%	(\$450)	-3%
NII APTI Basis	\$3,282	\$3,278	0.1%	\$2,535	29.5%	\$3,143	4.4%
Adjusted Net Income	\$1,158	\$1,282	-10%	\$644	80%	\$833	39%
Adjusted EPS	\$1.61	\$1.75	-8%	\$0.84	93%	\$1.16	38%
Adjusted return on common equity	8.5%	9.4%	(86 bps)	4.6%	394 bps	5.9%	261 bps
Repurchases	\$785	\$554	42%	\$1,268	-38%	\$800	-2%
Adjusted book value per common share	\$78.17	\$75.76	3%	\$74.90	4%	\$83.68	-7%
Book value per common share	\$56.06	\$58.49	-4%	\$52.76	6%	\$59.37	-6%
General Insurance							
(in \$ mn, expect per share data)	3Q23A	2Q23	% Change	3Q22	% Change	3Q23E	% Var.
	Net premiums written	\$6,462	\$7,537	-14%	\$6,403	1%	\$6,561
Underwriting gains (loss)	\$611	\$594	3%	\$168	264%	\$165	271%
Adjusted pre-tax income	\$1,367	\$1,319	4%	\$750	82%	\$922	48%
Underwriting ratios							
Loss ratio	59.6%	59.3%	31 bps	67.5%	(792 bps)	66.9%	(734 bps)
Cat losses & reinstatement premiums	6.9%	3.9%	304 bps	9.3%	(239 bps)	8.2%	(130 bps)
PYD	2.7%	(1.0%)	370 bps	(0.3%)	303 bps	0.8%	190 bps
Underlying Loss ratio	50.0%	56.4%	(642 bps)	58.6%	(857 bps)	57.9%	(794 bps)
Expense ratio	30.9%	31.6%	(67 bps)	29.9%	104 bps	30.6%	30 bps
Combined ratio	90.5%	90.9%	(36 bps)	97.4%	(688 bps)	97.5%	(704 bps)
Underlying combined ratio	86.3%	88.0%	(169 bps)	88.4%	(212 bps)	88.5%	(224 bps)
General Insurance - North America							
(in \$ mn, expect per share data)	3Q23A	2Q23	% Change	3Q22	% Change	3Q23E	% Var.
	Net premiums written	\$3,151	\$3,973	-21%	\$3,138	0%	\$3,391
Commercial	\$2,544	\$3,410	-25%	\$2,757	-8%	\$2,867	-11%
Personal	\$607	\$563	8%	\$381	59%	\$524	16%
Underwriting gain (loss)							
Commercial	\$235	\$352	-33%	(\$439)	154%	\$15	1444%
Personal	\$292	\$403	-28%	(\$374)	178%	\$86	238%
(\$57)	(\$51)	12%	(\$65)	12%	(\$71)	20%	
Underwriting ratios - North America Commercial							
Combined ratio	88.9%	85.6%	330 bps	113.6%	(2472 bps)	97.1%	(820 bps)
Underlying combined ratio	83.0%	85.1%	(212 bps)	84.6%	(164 bps)	84.9%	(190 bps)
Underwriting ratios - North America Personal							
Combined ratio	113.0%	112.9%	12 bps	116.5%	(346 bps)	115.8%	(280 bps)
Underlying combined ratio	108.4%	107.1%	133 bps	112.8%	(443 bps)	103.8%	460 bps
General Insurance - International							
(in \$ mn, expect per share data)	3Q23A	2Q23	% Change	3Q22	% Change	3Q23E	% Var.
	Net premiums written	\$3,311	\$3,564	-7%	\$3,265	1%	\$3,170
Commercial	\$2,038	\$2,223	-8%	\$1,992	2%	\$1,949	5%
Personal	\$1,273	\$1,341	-5%	\$1,273	0%	\$1,221	4%
Underwriting gain (loss)							
Commercial	\$376	\$242	55%	\$607	-38%	\$149	152%
Personal	\$339	\$216	-57%	\$469	-28%	\$177	91%
\$37	\$26	42%	\$138	-73%	(\$28)	233%	
Underwriting ratios - Intl Commercial							
Combined ratio	83.4%	89.0%	(558 bps)	75.4%	802 bps	91.1%	(770 bps)
Underlying combined ratio	79.7%	83.1%	(343 bps)	80.4%	(69 bps)	84.1%	(440 bps)
Underwriting ratios - Intl Personal							
Combined ratio	97.2%	98.0%	(84 bps)	89.9%	733 bps	102.2%	(500 bps)
Underlying combined ratio	95.9%	95.3%	57 bps	99.9%	(397 bps)	98.6%	(270 bps)
Life and Retirement							
(in \$ mn, expect per share data)	3Q23A	2Q23	% Change	3Q22	% Change	3Q23E	% Var.

Adjusted pre-tax income	\$971	\$991	-2%	\$784	24%	\$941	3%
Premiums and fees	\$1,512	\$3,238	-53%	\$2,133	-29%	\$2,184	-31%
Net flows	(\$2,931)	(\$2,105)	39%	(\$92)	-3086%	(\$368)	-696%
NII APTI basis	\$2,465	\$2,478	-1%	\$2,004	23%	\$2,217	11%

Source: Barclays Research, Company Data.

Model Summary

FIGURE 5. Model Summary

Summary (\$ in mn except per share data)	2021	2022	2023E	2024E	2025E
Operating Income by Segment					
General Insurance					
General Insurance	\$4,359	\$4,430	\$5,319	\$5,042	\$5,276
Life and Retirement					
Individual Retirement	\$1,939	\$1,676	\$2,335	\$2,518	\$2,700
Group Retirement	\$1,284	\$786	\$762	\$817	\$845
Life Insurance	\$106	\$521	\$369	\$366	\$440
Institutional Markets	\$582	\$334	\$402	\$479	\$536
Other Operations	(\$2,350)	(\$1,947)	(\$1,845)	(\$1,535)	(\$1,312)
Total Operating Earnings					
Pre-Tax	\$5,920	\$5,800	\$7,343	\$7,687	\$8,484
After-Tax	\$4,430	\$4,036	\$4,870	\$4,803	\$4,836
Operating EPS					
	\$5.12	\$5.12	\$6.74	\$7.54	\$8.50
General Insurance					
Net premiums written	\$25,890	\$25,512	\$26,993	\$25,111	\$26,223
Net earned premiums	\$25,057	\$25,340	\$25,926	\$25,625	\$25,817
Combined Ratio	95.8%	91.9%	91.0%	92.8%	92.9%
Combined ratio ex cats, prior yr dev. & chg in disc.	90.9%	88.7%	87.4%	87.8%	87.9%
General Insurance - NA commercial					
Net premiums written	\$10,226	\$10,899	\$11,684	\$8,923	\$9,280
Net earned premiums	\$9,451	\$10,444	\$10,936	\$9,700	\$9,155
Combined Ratio	103.6%	92.9%	87.2%	89.6%	89.4%
Combined ratio ex cats, prior yr dev. & chg in disc.	90.9%	86.6%	84.0%	83.0%	83.0%
General Insurance - NA Personal					
Net premiums written	\$1,507	\$1,465	\$2,086	\$2,477	\$2,651
Net earned premiums	\$1,538	\$1,627	\$1,761	\$2,410	\$2,583
Combined Ratio	80.8%	105.9%	111.6%	113.7%	113.2%
Combined ratio ex cats, prior yr dev. & chg in disc.	99.6%	105.7%	107.7%	108.0%	108.0%
General Insurance - International Commercial					
Net premiums written	\$8,030	\$7,877	\$8,138	\$8,524	\$8,951
Net earned premiums	\$7,746	\$7,701	\$7,983	\$8,375	\$8,794
Combined Ratio	92.9%	85.2%	87.4%	86.8%	86.8%
Combined ratio ex cats, prior yr dev. & chg in disc.	86.9%	81.6%	82.0%	82.3%	82.3%
General Insurance - International Personal					
Net premiums written	\$6,127	\$5,271	\$5,086	\$5,186	\$5,341
Net earned premiums	\$6,322	\$5,568	\$5,247	\$5,140	\$5,284
Combined Ratio	91.3%	95.3%	97.8%	99.0%	99.0%
Combined ratio ex cats, prior yr dev. & chg in disc.	93.7%	97.2%	95.9%	96.1%	96.1%
Net Investment Income by Segment					
General Insurance	\$3,304	\$2,382	\$2,993	\$3,207	\$3,432
Life and Retirement	\$9,521	\$8,347	\$9,719	\$10,567	\$11,189
Corporate	\$1,112	\$714	\$327	\$672	\$672
Total NII before eliminations	\$13,937	\$11,443	\$13,039	\$14,447	\$15,293
Book value per share, ex AOCI	\$73.91	\$85.64	\$91.06	\$102.74	\$112.86
Operating ROE, ex AOCI and DTA	8.7%	7.1%	8.0%	8.0%	8.1%
Share Buybacks	\$2,643	\$5,149	\$3,442	\$6,000	\$2,400

Source: Barclays Research, Company Data.

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Primary Stocks (Ticker, Date, Price)

AIG, Inc. (AIG, 03-Nov-2023, USD 63.74), Equal Weight/Positive, A/CD/CE/D/E/J/K/L/M/N

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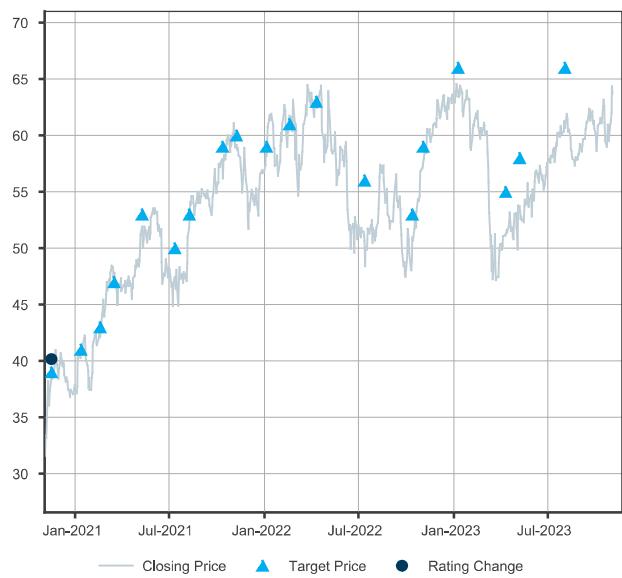
Stock Rating: **EQUAL WEIGHT**

Industry View: **POSITIVE**

Closing Price: **USD 63.74** (03-Nov-2023)

Rating and Price Target Chart - USD (as of 03-Nov-2023)

Currency=USD



Source: IDC, Barclays Research

[Link to Barclays Live for interactive charting](#)

Publication Date	Closing Price*	Rating	Adjusted Price Target
03-Aug-2023	61.27		66.00
08-May-2023	53.79		58.00
11-Apr-2023	51.11		55.00
09-Jan-2023	64.55		66.00
03-Nov-2022	57.28		59.00
13-Oct-2022	48.96		53.00
13-Jul-2022	51.12		56.00
11-Apr-2022	63.14		63.00
18-Feb-2022	61.38		61.00
05-Jan-2022	59.00		59.00
08-Nov-2021	59.16		60.00
12-Oct-2021	57.40		59.00
09-Aug-2021	51.85		53.00
12-Jul-2021	47.44		50.00
10-May-2021	51.92		53.00
17-Mar-2021	47.67		47.00
18-Feb-2021	42.11		43.00
12-Jan-2021	41.00		41.00
16-Nov-2020	38.49	Equal Weight	39.00

Source: Bloomberg, Barclays Research

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Risks which May Impede the Achievement of the Barclays Research Valuation and Price Target: Potential calls on capital to complete a separation. Expansion of underwriting risk appetite too fast too soon and/or over exuberance at hardening pricing that falter AIG's resolve to walk away from business that does not meet risk return hurdles. Unexpected adverse reserve development which would not only impair earnings or capital but undermine the creditability of its underwriting remediation actions to date. Ultimately we think a smaller capital base post separation may temper AIG's ability to compete at the upper end of the market where we see less trading partners.

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