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IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF MICHIGAN

KEVIN J. MURRAY,

Plaintiff,

v.

TIMOTHY F. GEITHNER, in his official
capacity as Secretary, U.S. Department of
Treasury; BOARD OF GOVERNORS OF
THE FEDERAL RESERVE SYSTEM,

Defendants.

Case No. 08-CV-15147

Hon. Lawrence P. Zatkoff

Magistrate Mona K. Majzoub

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DECLARATION OF STEPHEN C. COUGHLIN, ESQ.

I, Stephen C. Coughlin, Esq., make this declaration pursuant to 28 U.S.C. § 1746 based on my personal knowledge:

1. I am an adult citizen of the United States and declare the following to be true and correct based upon my personal knowledge and expert opinion.

2. I am an expert on the subjects of Islam, Shariah, and Shariah-compliant finance, including takaful (i.e., Shariah-compliant insurance products), as more specifically set forth in my Supplemental and Amended Disclosure of Expert Testimony pursuant to Federal Rule of Civil Procedure 26, a true and correct copy of which is attached hereto as Exhibit A (“Coughlin Report”), and which is incorporated herein by this reference.

3. I was asked by Plaintiff Murray’s legal counsel to review and analyze the following materials:

- First Amended Complaint (Doc No. 26);
- Relevant excerpts from AIG’s website, including an “About Us” Web page (Doc No. 6-2, Ex. I), a “FAQs” Web page (Doc. No. 6-2, Ex. H), and an online Microsoft PowerPoint presentation posted as a hypertext-linked file titled, “What is Takaful?” (a true and correct copy of which is attached hereto as Exhibit B), all of which were accessible through an AIG website on or about May 9, 2008, and which remained published until sometime in 2009, after the filing of this lawsuit (original hypertext-links available at: <http://www.aigtakaful-enaya.com.wstub.archive.org/aig/takaful/aboutus.jsp> and now archived and available through hypertext-links accessed through the Web page located at

<http://web.archive.org/web/20080527124141/http://www.aigtakafulenaya.com/aig/takaful/index.jsp> (last accessed on May 27, 2010)).

- AIG news release, announcing the introduction of a series of Shari'ah-compliant product offerings in the United States (a true and correct copy of which is attached hereto as Exhibit C); and
- All of the affidavits of various employees, officers, and directors of AIG and AIG subsidiaries filed by Plaintiff Murray concurrently herewith.

4. I reviewed this material in a manner consistent with expert analysis of such materials by professionals with an expertise in the subjects of Islam, Shariah, and Shariah-compliant financial products including takaful (i.e., Shariah-compliant insurance products).

5. The conclusions of my analysis as contained in the expert opinions set forth in the Coughlin Report (and as more specifically set forth in Section I, paragraphs 1-13) remain valid, and I declare these to be my opinions for purposes of this declaration.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

Executed this 1 day of June 2010.

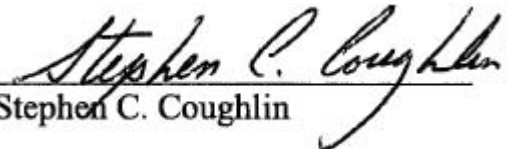

Stephen C. Coughlin

EXHIBIT A
COUGHLIN REPORT

**FEDERAL RULES OF CIVIL PROCEDURE 26
SUPPLEMENTAL AND AMENDED DISCLOSURE OF EXPERT TESTIMONY
STEPHEN C. COUGHLIN, ESQ / MAJ MI USAR**

Case: *Kevin J. Murray v. Timothy F. Geithner, et al.*

Case No. 08-15147

Expert's Background and Experience:

Stephen Coughlin is an attorney, member of the Minnesota State Bar (License No. 0257308), a decorated United States Army Reserve officer branched Military Intelligence with a Masters of Science Strategic Intelligence from the National Defense Intelligence College, Defense Intelligence Agency where his thesis explaining the direct relationship between Islamic law and jihadi terror doctrines was accepted in 2007. Mr. Coughlin's unique background allows him to integrate his knowledge of law, intelligence, information operations, strategic communications and high-level project management in both the national defense and private sectors to develop fact-based work products, assessments and training packages focusing on the intersection where the role of foreign law effects national security analysis. He was a Visiting Fellow of the *International Assessment and Strategy Center's* National Security Law Project and is currently a *CI Center "professor."* Mr. Coughlin is currently Director of Strategic Communications, a Jorge Scientific Corporation.

Often cited as the Pentagon's leading expert on the nexus between Islamic law and jihad, Mr. Coughlin is in demand as a lecturer at leading Defense training institutions, including the National Defense University, the Army War College, the Naval War College, Marine Corps HQ-Quantico at multiple levels including the Expeditionary Warfare School and War College, the US Army's FA-30 Information Operations Course, the US Army's School for Advanced Military Studies, Command and General Staff College, the Joint Forces Staff College, the John F. Kennedy Special Warfare School, the US Army Asymmetric Warfare Group, the FBI Washington Field Office and other agencies and private sector groups including those at State and CIA. He has been requested on numerous occasions to meet with or brief Members of Congress, their staffs or committee staffers. He has also worked with state legislators, as well as state and local law enforcement at their request.

In October 2001, Mr. Coughlin was mobilized to the Deputy Directorate for Targeting, Directorate for Intelligence (J2), the Joint Chiefs of Staff where, among other responsibilities, he was assigned to support the National Security Council's Interagency Perception Management Threat Panel, the open source intelligence cell, and to support counter propaganda efforts. Upon being demobilized, Mr. Coughlin was requested to return to the Joint Staff as a consultant where he was asked to continue in efforts to address the Islamic legal nexus (law of jihad) to terrorism in actionable ways, participate in the State Department sponsored Interagency Task Force on Strategic Communications, and to support Deputy Directorate for War on Terror (DD-WOT), Directorate for Strategic Plans and Operations (J5), Joint Chiefs of Staff. As a USAR officer, MAJ Coughlin was asked to associate with United States Central Command, Directorate for Intelligence (J2), Intelligence Support to Information Operations and Strategic Communications where he supported USCENTCOMs Strategic Engagement Group in both the Headquarters element at McDill AFB, Florida and in the forward headquarters in Doha, Qatar.

Mr. Coughlin graduated from the University of Minnesota, College of Liberal Arts with a BA in History/Russian Area Studies in 1991; a *Juris Doctorate* from William Mitchell College of Law in 1995; and a Master of Science Strategic Intelligence (MSSI) in 2007 from the National Defense Intelligence College. He has also served on the Board of Governors for the Minnesota State Bar.

Papers written include:

- *"To Our Great Detriment": Ignoring What Extremists Say About Jihad*, thesis accepted at National Defense Intelligence College, July 2007.
- *Realizing Failure: Operationalizing a Taboo*, 10 September 2004.
- *It's What the Doctrine Says it Is! Rebuttal to Islamic Ruling on War* (unreleased), September 2005.
- "Is the Iraqi Constitution Fatally Flawed," 6 March 2007.
- "The Vatican, Islam & Turkey: On the Offensive in a Counter-Submission Campaign," 21 December 2006.
- "Brief Analysis of the "Draft" Afghanistan Constitution," 6 January 2004.
- "Reconsidering 'Choosing Words Carefully: Language to Help Fight Islamic Terrorism'," 3 August 2006.
- "Analysis of Muslim Brotherhood's General Strategic Goals for North America Memorandum," 7 September 2007.
- "Treatment of Prisoners in S.K. Malik's Quranic Concept of War," 15 May 2007.
- Numerous Unclassified Point Papers
- Paper pending, untitled and in draft, used to define how Islamic law defines terrorism.

Detailed presentations include:

- *Jihad and Law Brief* – this is a sustained introductory presentation that introduces key concepts in Islamic law that both serve as the foundation for Islamic "extremists" doctrines from the Muslim Brotherhood to al-Qaeda as well as providing the known basis for "self radicalization." While the brief is broad ranging, the focus is on three concepts, 1) Islamic law of slander, which serves as the leading edge of a hostile information campaign against the West, 2) Islamic law of abrogation, the single most important concept with which to analyze the "radical" agenda, 3) and scholarly consensus.
- *Axis of Defeat* - explains how the ideological subversion campaign works itself into the decisionmaking process through manipulation of the postmodern narrative.

- *Wild Slides* (working title) – uses the Geert Wilder prosecution in the Netherlands to introduce the Organization of the Islamic Conference (OIC) along with their ten year plan to make Islamic law of slander the legal standard in every country and international organization in the world. The presentation raises the issue of the wholesale redefinition of commonly understood terms and raises issues that become uncomfortable in their closeness.
- *Hidaya and Zakat and SCF Consequences* – a brief presentation that uses the *Hidaya Foundations* zakat eligibility criteria to demonstrate the “funding jihad” nature of all zakat that becomes apparent when statements on the *Hidaya Foundations* web page of zakat eligibility is mapped against the Shari’ah law that governs it. Once the principle is established, the same process is done but mapped against the American Muslim group Council for American Islamic Relations - CAIR, to demonstrate that CAIR holds itself out to the public as a purely jihadi institution. The example is repeated with the Adams Center (All Dulles Area Muslim Society - an ISNA entity), and then Islamic Society of North America - ISNA. A principle point of the presentation is that a Shari’ah compliant entity is one that complies with Shari’ah law and Shari’ah law of zakat requires funding jihad – defined as warfare.
- *Vatican and Islamic Outreach* (draft title) – this presentation attempts to explain how groups like the Muslim Brotherhood undertake religious outreach for the purpose of subversion and how this has worked itself into the outreach between the Vatican and its Islamic outreach partners.

A paper in draft to be released will explain the Shari’ah definition of terrorism and how it is not in line with western notions of terrorism.

The data or other information considered by me in forming my opinions in this matter are contained herein, and include the First Amended Complaint, relevant excerpts from AIG’s website, a takaful PowerPoint included on the AIG website, and the December 2008, AIG news release, announcing the introduction of a series of Shari’ah-compliant product offerings in the United States.

I. The following includes a statement of opinions.

1. In most books concerning Islam, one is likely to find the syllogism that “Islam is not just a religion but a complete way of life governed by Islamic law which comes from Allah who is alone sovereign.” As stated, Islam is a juridical religion predicated on Islamic law that codifies all aspects of life including all aspects of what the West considers to be secular law in ways that fully invert Western notions of Church and State. For example, Pakistani Islamic law Professor Imran Ahsan Khan Nyazee in his *Theories of Islamic Law: Methodology of Ijtihad*, states: “Islam, it is generally acknowledged, is a “complete way of life” and at the core of this code is the law of Islam.”

2. When speaking of Shari’ah law, it is understood that it extends beyond the theological, what the West might classify as Islamic “canon” law, as it extends to include the law of the land. Thus, as Shari’ah law professor Nyazee went on to say:

- This implies that a Muslim through his submission to Islam not only accepts the unity of Allah, the truth of the mission of Muhammad, but also agrees through a contract (*bay’ah*) with the Muslim community that his life be regulated in accordance with the *ahkam* of Allah, and in

accordance with these *ahkam* alone. No other sovereign or authority is acceptable to the Muslim, unless it guarantees the application of these laws in their entirety.

Hence, all Muslims are required to follow Shari'ah law as expressed in the legal rulings of recognized Islamic authorities. There does not appear to be a recognized Shari'ah law that does not obligate Muslims to fully conform his life and culture to Shari'ah. The direct subordination of the law of the land to Shari'ah is reflected in the national constitutions of many Islamic countries, including the Constitutions the United States Government had oversight in drafting - both Afghanistan and Iraq. For example, Article 2 of the Iraqi Constitution states that "Islam is the official religion of the State and it is a fundamental source of legislation: A. No law that contradicts the established provisions of Islam may be established." The Constitution of Afghanistan makes the association as well in Article 2 [Religions] where it states (1) The religion of the state of the Islamic Republic of Afghanistan is the sacred religion of Islam (2) Followers of other religions are free to exercise their faith and perform their religious rites within the limits of the provisions of law.

So basic is the role of sacred Shari'ah law to understanding Islam, it is taught at the seventh grade level to American Muslim students. For example, in Yahya Emerick's *What Islam is All About* where he states, on page 376, that "to begin with, the law of the land is the Shari'ah of Allah." This book was also used for instruction in at least one Michigan public school district.

3. Shari'ah law inculcates hostility and discrimination against Jews, Christians, and all others who do not accept the Qur'an as the "uncreated word of Allah" and Muhammad as a prophet. For example, from Majid Khadduri's *War and Peace in the Law of Islam*, he states on pages 63-64 that "it follows that the existence of the *dar al-harb* (the world of the infidel and war) is ultimately outlawed under the Islamic jural order; that that *dar al-Islam* (the world of Islam and peace) is permanently under jihad obligation until the *dar al-harb* is reduced to non-existence" The Qur'an provides weight to this notion of permanent mandate to fight jihad in Verse 8:39, where Allah commands jihad be waged "until all opposition ends and all submit to Allah." Shari'ah further mandates practices that favor Muslims over non-Muslims – even to the point of misrepresentation. For example, from the *Reliance of the Traveller*, at Book R "Holding Ones Tongue," Section r8.0 "Lying" it states that "this is an explicit statement that lying is sometimes permissible for a given interest When it is possible to achieve such an aim by lying but not by telling the truth, is it permissible to lie if attaining the goal is permissible . . . and obligatory to lie if the goal is obligatory." Section r10.3 likewise holds that (Shari'ah) "scholars say that there is no harm in giving a misleading impression if required by an interest countenanced by Sacred Law"

4. Financial and legal instruments that hold themselves out to be "Shari'ah compliant," for example Shari'ah Compliant Finance (SCF) instruments, are instruments that hold themselves out to be, as a matter of definition, compliant with sacred Shari'ah law. Because Shari'ah is understood to be the law of the land in the Muslim world, this means that SCF instruments hold themselves out to be in compliance with Islamic law. Thus, SCF is, at its core, an Islamic religious activity that must comply with the dictates of Islamic law (i.e., compliant with Shari'ah law), which is sectarian.

5. Zakat is one of the five "pillars of Islam." Commonly understood to be "charitable alms giving," zakat is actually specifically governed by Islamic law that specifically gives effect to Qur'an Verse 9:60: "Zakah is for the poor and the needy, and those employed to administer the funds; for those whose hearts have been recently reconciled to the Truth; for those in bondage and in debt; **in the cause of Allah**; and for the wayfarer; thus it is ordered by Allah, and Allah is full of knowledge and wisdom." Because zakat is

required as a Quranic mandate, all Muslims are obligated to contribute at least 2.5% of their annual income in support of that requirement. For example, as explained in a popular desk top reference of Islamic law, *Reliance of the Traveller: A Classic Manual of Islamic Sacred Law*, translated and with commentary provided by Nuh Ha Mim Keller, Book H “Zakat” states at h8.7 that “it is obligatory to distribute one’s zakat among the eight categories of recipients meaning that zakat goes to none besides them, one-eighth of the zakat to each category.” In explaining the “Eight Categories of Recipients,” it identifies the seventh category, at h8.17, “the seventh category is those fighting for Allah, meaning people engaged in Islamic military operations for which no salary has been allotted in the army roster but who are volunteers for the jihad without remuneration.” Hence, a financial instrument that is Shari’ah Compliant (SCF) complies, as a matter of self-identifying as such, with Islamic law which includes the Islamic legal requirement that an eighth of zakat fund jihad – defined as warfare.

6. Muslims who have engaged in forbidden financial transactions are obliged to make restitution by contributing to an Islamic charity. This mechanism is in line with the laws of contribution associated with the Law of Zakat that includes funding jihad.

7. Shari’ah finance involves the rejection and avoidance of investment in or dealing with financial transactions and industries that Islam forbids: interest, pork, alcohol, gambling, pornography, etc.— including any business involved with the U.S. military or any other entity considered to be “at war with Islam.” This may include doing work with U.S. National Security businesses engaged in supporting the War on Terror.

8. AIG explicitly adopts the language of Islamic law when it defines Shari’ah as “Islamic law based on Quran and the teachings of the Prophet.” AIG, in conducting SCF, conforms its financial instruments to Islamic law and its dictates.

9. AIG offers Takaful Insurance plans. By AIG’s own account, this is “[i]nsurance that avoids prohibited elements in accordance with the Sharia law.” It volunteers that it refuses to invest in anything forbidden by Islamic law, and does not “borrow, lend or enter into any financial transaction that is un-Islamic.” This necessarily involves large segments of the American economy: anything involving interest, pork, or other things prohibited under Shari’ah.

10. By engaging in SCF, AIG thereby facilitates unequal treatment under the law by providing an alternate form of law that, by design, systematically discriminates against non-Muslims who do not enjoy the same rights as Muslims.

11. When abetting the spread of Islamic legal provisions in the U.S., AIG is implementing the same legal system that seeks the realization of the principles that motivated the jihadis who, on 11 September 2001, murdered nearly 3,000 Americans. For example, from Qur’an Verses 9:5 and 9:29 it states:

- Fight and slay the unbelievers wherever ye find them, and lie in wait for them in every stratagem of war. But if they repent, and establish regular prayers and practice regular charity, then open the way for them; for Allah is Oft-forgiving, Most Merciful. (Qur’an 9:5)
- Fight those who believe not in Allah nor the Last Day, nor hold that forbidden which hath been forbidden by Allah and His Apostle, nor acknowledge the religion of truth, even if they are of the people of the Book, until they pay the jizya with willing submission, and feel themselves subdued. (Qur’an 9:29)

12. The mechanism for spreading Shari'ah is jihad. This may take many forms, from outright warfare to economic, political or cultural subversion. As Verse 9:29 noted, Muslims are commanded to fight against the "People of the Book," Jews and Christians, until they submit and feel themselves subdued. This necessarily involves a denial of rights to non-Muslims in Islamic societies - a divine mandate codified into the permanent part of Sacred Islamic law. As it relates to the United States, it also means a subversion of the Constitution that results in the loss of rights to non-Muslim Americans. This is articulated by U.S. resident (and naturalized citizen?) Shamim Siddiqi, former publications director for the Islamic Circle of North America (ICNA), when stating in *Methodology of Dawah Ilallah in American Perspective* that implementing Islamic law in America includes the disenfranchising of rights to non-Muslim Americans: "[T]he people of the Scriptures were warned either to accept Islam or pay the *Jizyah* and live the life of second class citizens under the bounds and bounties of Islamic State."

13. In the final analysis, SCF is a pervasively sectarian business. Its "secular" business purposes and its Shari'ah-based Islamic religious mission are inextricably intertwined. By engaging in SCF, AIG, and thus its public supporters, including the U.S. Government and federal taxpayers, are engaging in a religious practice and activity of Islam.

- II. **My qualifications as an expert witness are included in the information provided above and my resume, which can be provided upon request.**
- III. **The compensation I will receive for my study, case preparation, and testimony in this matter is offered pro bono. All Travel expenses will be billed at cost.**
- IV. **I have not testified as an expert at trial or by deposition.**

Signed: Stephen C. Bough Date: 26 April 2010

EXHIBIT B

AIG PowerPoint Presentation: “What is Takaful?”

Introduction

- Terminologies
- Takaful 101
- Takaful Process
- Key Features of a Takaful Model
- Need for Takaful Insurance
- Geographical Spread of Takaful Business
- Current Market Conditions
- 2015 Projections
- The Trend
- Challenges faced by Takaful
- Lines & Territories

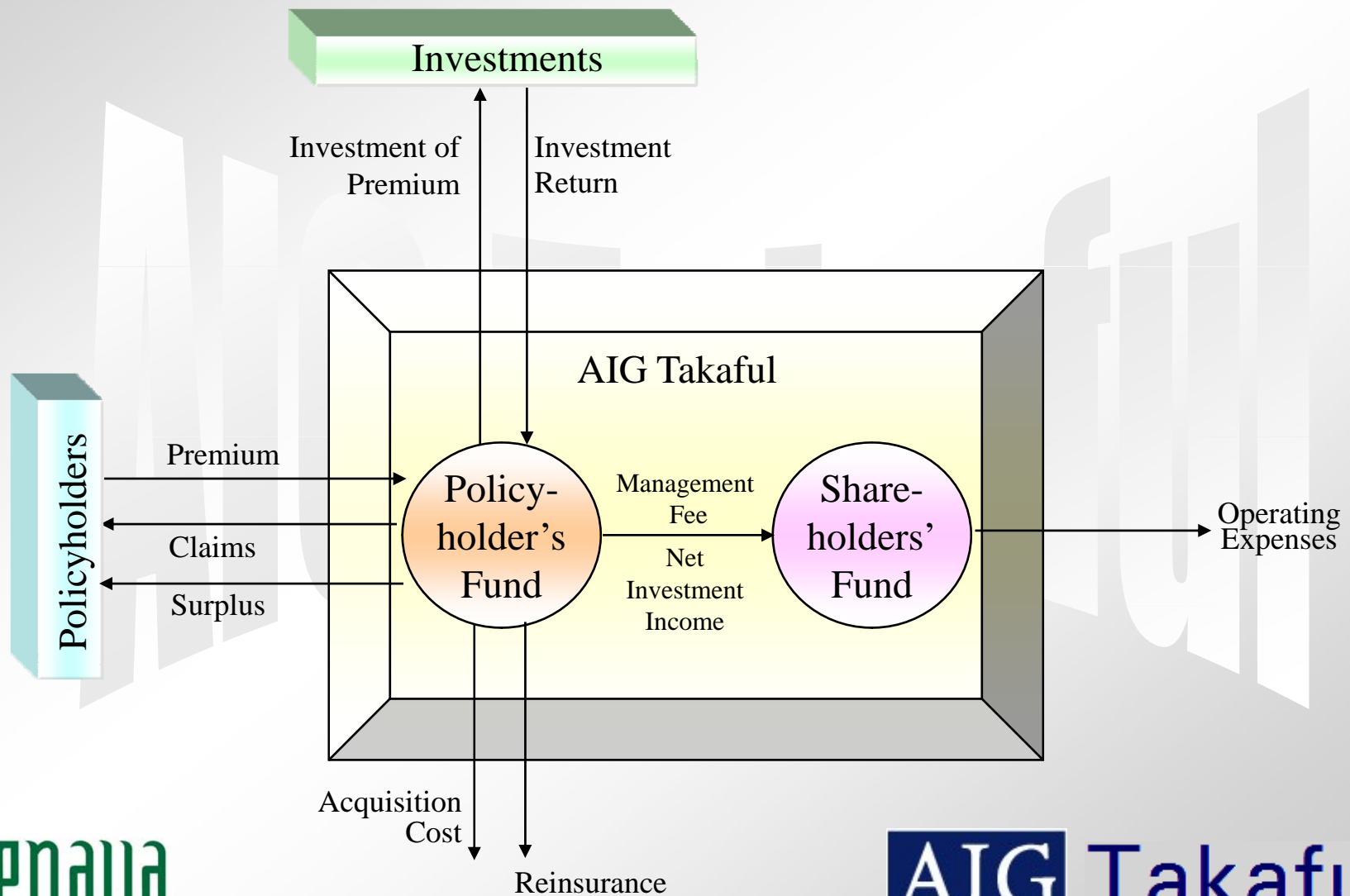
Terminologies

- ❧ Sharia : Islamic law based on Quran and the teachings of the Prophet (PBUH)
- ❧ Participants : Policyholders
- ❧ Operator : The company that invests the capital (aka shareholder)
- ❧ Haram : Prohibited elements in Islam according to Sharia
- ❧ Takaful : Insurance that avoids haram elements in accordance with the sharia law.
- ❧ General Takaful : Islamic equivalent of General Insurance
- ❧ Family Takaful : Islamic equivalent of Life Insurance
- ❧ Donation : Premiums paid by participants
- ❧ Benefits : Claims paid back to participants
- ❧ Wakala Fee : Fee paid by participants to operator
- ❧ Surplus : underwriting profit (belongs to participants)

Takaful-101

- ⌘ In 1985 Islamic Fiqh (science of Sharia) Academy declared conventional insurance as unIslamic due to
 - ❑ Interest
 - ❑ Uncertainty (Gambling)
 - ❑ Investments in alcohol, entertainment, pork etc. companies
- ⌘ Takaful - an Islamic alternative (avoiding the above)
- ⌘ Similar to a conventional mutual insurance program
- ⌘ Based on Sharia (Islamic) principles
- ⌘ Models
 - ❑ Mudarabah (sharing of u/w profit with the operator)
 - ❑ Wakalah (agency)
 - ❑ Waqf (endowment fund)
- ⌘ Sharia Compliant Investment strategies
- ⌘ Retakaful – Sharia compliant reinsurance of Takaful companies

Takaful Process (Wakala Model)



Key Features of a Takaful Model

- ❧ Cooperative Risk-sharing for Protection
(cooperative risk sharing alone is not sufficient)
- ❧ Clear segregation of Operator and Participants Funds
- ❧ Qualified Sharia Board
- ❧ Sharia compliant Investment strategies and overall management

Need for Takaful Insurance

- ❧ Muslim countries only account for 5% of the global insurance market although they represent 25% of the world's population
- ❧ Most Muslim countries are on earthquake zones
- ❧ Improved education among Muslims – awareness of Insurance needs
- ❧ Enhancement of Islamic finance and banking
- ❧ Global economic growth
- ❧ Insurance penetration among Muslim countries as a % of GDP is relatively low: between 0.5% and 1.5%

Takaful – also an Ethical product

- ❧ Islamic financial services can also focus on non-Muslim consumers by emphasizing their high quality services, the opportunity to gain monetary reward as well as introducing them to a new way of life.
- ❧ Takaful can also be the alternative solution in Tariff driven Markets, e.g. Malaysia.
- ❧ Transparency of investment strategy with respect to ethical investment alternative.

Geographical Spread of Takaful Business

Country	Takaful	% of Total
Malaysia	\$143m	27%
Other Asia Pacific	\$50m	9%
Europe, Asia	\$6m	1%
Arab Countries	\$340m	63%
Total	\$538m	100%

These are estimated figures – 2000

http://www.islamic-banking.com/aom/takaful/ma_bhatti.php

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AIG Takaful

Current Market Conditions

- ⌘ High Capitalization frenzy to enter Takaful & Re-Takaful Markets:
 - ❑ Solidarity (2003): Paid up capital of USD 100M
 - ❑ Takaful Re Ltd. (2005): ARIG – Paid up capital of USD 125M
 - ❑ Salama Islamic Arab Insurance Co: Paid up capital of USD 272M
 - ❑ Owns BEST Re – worlds largest Re-Takaful company with over 60% global market share

- ⌘ AIG would be the first Multinational Takaful operator

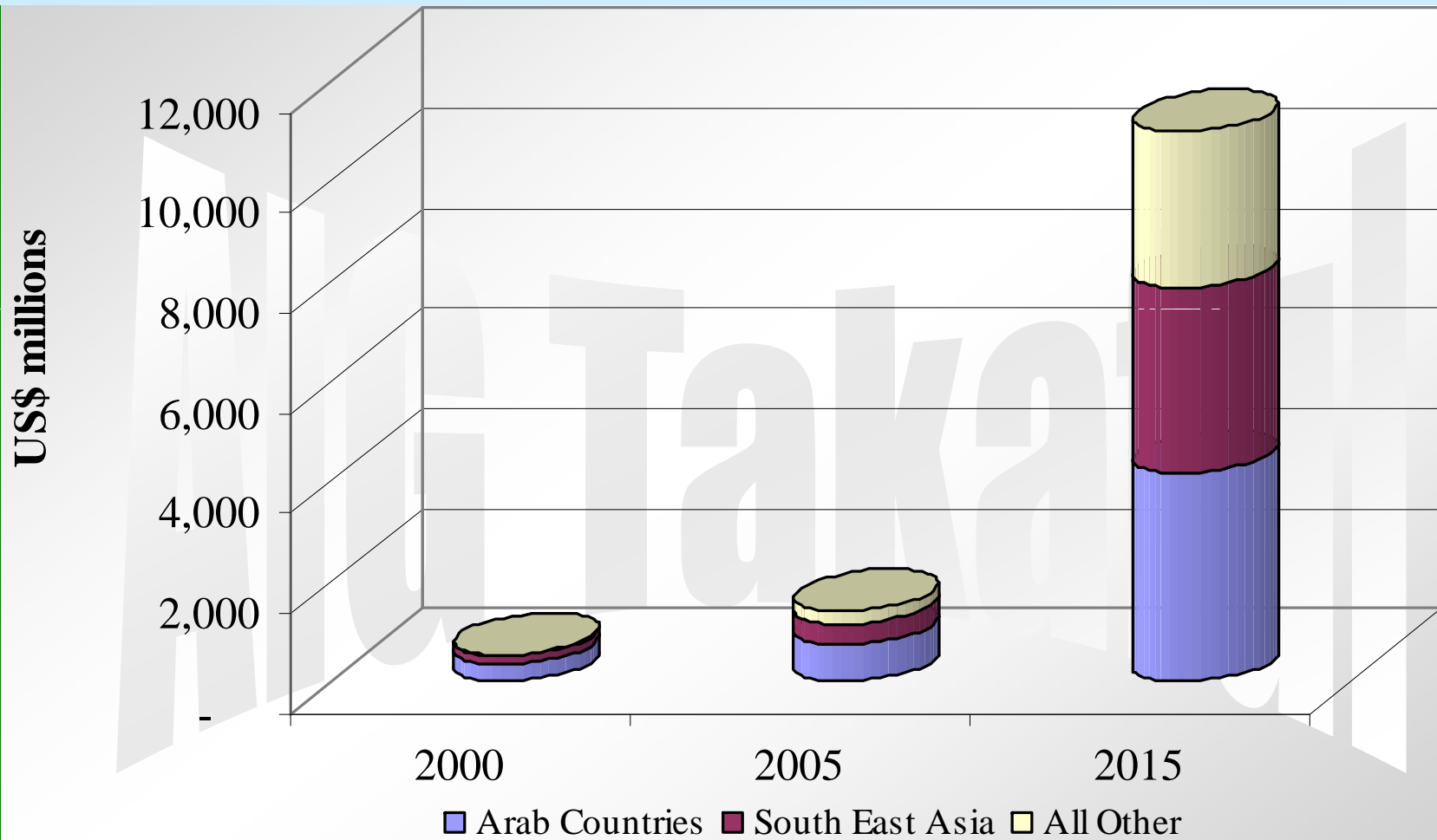
2015 Projection

Sector	US\$ (billion)	%
Global Conventional Insurance	1,600	99.3
Global Takaful Market	11	0.7
Total Insurance Industry	1,611	100.0

Region	US\$ (million)	%
Arabian Countries	4,200	38.2
South East Asia	3,700	33.6
All Other	3,100	28.2
Total	11,000	100.0

Type	US\$ (million)	%
General	4,125	37.5
Family	6,875	62.5
Total	11,000	100.0

The Trend



Challenges faced by Takaful

- ❧ Customer unawareness
- ❧ Islamic Financial Institutions need to distinguish their products
- ❧ Lack of variety among Islamic financial instruments
- ❧ Competition with Conventional Institutions
- ❧ Limited ReTakaful Capacity

Lines & Territories

- Personal & Retail Lines
- Property & Casualty
- Financial products - IFIs
- Marine coverage
- Energy
- Countries with high spending power (e.g. UAE, India etc.)
- Major industrial growth
- High concentration of risk

Takaful is it just an alternative?

enaya

AIG Takaful

EXHIBIT C

**AIG December 1, 2008, Press Release Announcing Takaful Products for the
Domestic Market in the United States**

News



Contact: Peter Tulupman
Public Relations Manager
(212) 770-3141

RISK SPECIALISTS COMPANIES ANNOUNCES FIRST TAKAFUL HOMEOWNERS PRODUCT FOR U.S.

NEW YORK, December 1, 2008 -- Risk Specialists Companies, Inc. (RSC), a subsidiary of AIG Commercial Insurance, today announced it is introducing a Takaful Homeowners Policy, the first installment in Lexington Takaful Solutionssm, a series of Shari'ah-compliant (Takaful) product offerings in the U.S. The newly announced Takaful products are compliant with key Islamic finance tenets and based on the concept of mutual insurance.

"The introduction of Takaful products in the U.S. represents an important and emerging growth opportunity for AIG Commercial Insurance. We are pleased to offer socially responsible solutions to this segment of the domestic market," said Matthew F. Power, President, Risk Specialists Companies, Inc.

The Takaful Homeowners Policy is underwritten through RSC member company A.I. Risk Specialists Insurance, Inc., in conjunction with Lexington Insurance Company and in association with AIG Takaful Enaya. Headquartered in Bahrain, AIG Takaful Enaya was established in 2006 to provide a range of Takaful products, including accident and health, auto, energy, property and casualty products. AIG Takaful Enaya is licensed by the Central Bank of Bahrain and its Shari'ah Supervisory Board is composed of well known Shari'ah scholars Sheikh Nizam Yaquby, Dr. Mohammed Ali Elgari and Dr. Muhammad Imran Usmani.

"This is truly a global effort on the part of AIG" said Abdallah Kubursi, Global Head of AIG Takaful Enaya. "Being first to market in the U.S. is a testament to Lexington, RSC and AIG Takaful Enaya's commitment to offer consumers greater choice based not only on need but also social preference."

According to Ernst & Young's 2008 World Takaful Report, Takaful was estimated to be a \$5.7 billion market globally with over 130 providers in 2006. The Takaful market is estimated to be in excess of \$10 billion by 2010.

The Takaful Homeowners Policy builds on LexElite[®], the highly successful Homeowners policy from Lexington Insurance Company that combines broad coverages, high limits and individually tailored coverages to thousands of customers throughout the United States. Takaful Homeowners Policy is available in all 50 states.

Risk Specialists Companies, Inc. is a leader in the U.S. surplus lines brokerage industry, providing access to specialty casualty, property and personal lines insurance from Lexington Insurance Company and other AIG companies.

-more-

**Risk Specialists Companies Announces First Takaful Homeowners Product for U.S.
December 1, 2008**

Page two

For more information on Takaful Homeowners Policy, contact Jim Crain at 617-345-4105 or jim.crain@aig.com.

AIG Commercial Insurance serves a wide range of entities from multinational and middle-market companies to non-profit organizations and small entrepreneurs. Its extensive product offerings include general and excess liability, property, management and professional liability, workers' compensation, accident and health, environmental liability, and integrated global programs for multinational companies. AIG Commercial Insurance also maintains dedicated industry groups to serve the insurance needs of the aviation, energy, marine, healthcare, construction, financial institution, real estate and education sectors.

AIG Commercial Insurance is the marketing name for the domestic commercial property casualty insurance operations of American International Group, Inc. For additional information, please visit our website at www.aig.com. All products are written by insurance company subsidiaries of AIG Commercial Insurance Group, Inc. Coverage may not be available in all jurisdictions and is subject to actual policy language. Non-insurance products and services may be provided by independent third parties.

American International Group, Inc. (AIG), a world leader in insurance and financial services, is the leading international insurance organization with operations in more than 130 countries and jurisdictions. AIG companies serve commercial, institutional and individual customers through the most extensive worldwide property-casualty and life insurance networks of any insurer. In addition, AIG companies are leading providers of retirement services, financial services and asset management around the world. AIG's common stock is listed on the New York Stock Exchange, as well as the stock exchanges in Ireland and Tokyo.

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