

FOR RELEASE

Contact: Dan McGinnity/Carol Mueller
Travel Guard International
800-826-7791 x14850/13050
dan.mcginny@aig.com
carol.mueller@aig.com

**TRAVEL GUARD "TERRORISM COVERAGE" MAY COVER TRIP
CANCELLATION FOR TRAVELERS TO ISRAEL AND LEBANON**

STEVENS POINT, WI (July 24 2006) -- Travel Guard International announced today that most of its **retail travel insurance plans*** include coverage for terrorism under the plans' trip cancellation and trip interruption benefits for policyholders who have booked trips to cities in Israel or Lebanon directly impacted by the Israeli-Hezbollah conflict. For policyholders who purchased one of the company's retail travel insurance plans* prior to July 13, 2006, Travel Guard will reimburse for covered nonrefundable expenses under the terms and conditions of the policy.

Most of Travel Guard's retail travel insurance plans* pay a benefit to the insured if a trip is cancelled or interrupted by a number of unforeseen circumstances, including a terrorist incident that occurs in a city listed on the insured's itinerary within 30 days of his or her scheduled arrival.

Following the rocket attack on the northern Israeli city of Haifa on July 13th, which escalated the Israeli-Hezbollah conflict, Travel Guard made the determination that future "terrorist" acts, as defined in its policies, could reasonably no longer be considered as "unforeseen" in Israeli and Lebanese cities. Therefore, trip cancellation coverage under the terrorism provision will not apply for persons traveling to those countries if their policies were purchased after July 13, 2006.

- more -

Travel Guard International is America's leading travel insurance program provider, covering more than 6 million travelers each year. Travel insurance plans through Travel Guard include coverage for trip cancellation penalties, travel interruptions and delays, emergency medical expenses, medical evacuation expenses and lost or delayed baggage. All Travel Guard coverage also includes 24-hour travel emergency service for emergency medical assistance, last minute or emergency travel changes, lost luggage tracking, pre-trip travel advice and more.**

#

* Travel Guard retail travel insurance plans that provide trip cancellation benefits for trips cancelled due to a terrorist incident include Cruise, Tour & Travel, Protect Assist, Travel Guard Essential Expanded, Tee, Tour & Travel; Sportsman's Travel Insurance Plan, Cruise Guard, Student Guard and MedEvac.

Travel Guard is a wholly owned subsidiary of AIG Travel Services, Inc., a member company of American International Group, Inc. (AIG). AIG, world leaders 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.

The travel insurance offered through Travel Guard is underwritten by American Home Assurance Company or National Union Fire Insurance Company of Pittsburgh, Pa., with their principal place of business in New York, NY. Both are members of the AIG Companies®. The policies contain reductions, limitations, exclusions, and termination provisions. Not all coverages are available in every state.

**Non-insurance services are provided by Travel Guard International.