Risk Factors Comparison 2024-02-14 to 2023-02-17 Form: 10-K

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The following is a summary of the material risks and uncertainties that could adversely affect our business, financial condition and results of operations. You should read this summary together with the more detailed description of each risk factor contained below. Market Conditions • Deterioration of economic conditions, geopolitical tensions, changes in market conditions or weakening in global capital markets may materially affect our businesses, results of operations, financial condition and liquidity. • Changes in interest rates have materially and adversely affected and may continue to materially and adversely affect our profitability. Reserves and Exposures • The amount and timing of insurance and reinsurance liability claims are difficult to predict and such claims may exceed the related liability for unpaid losses and loss adjustment expenses or future policy benefits, or the liabilities associated with certain guaranteed benefits and indexed features accounted for as embedded derivatives at fair value. • Reinsurance may be unavailable or too expensive relative to its benefit, and may not be adequate to protect us against losses. • Our consolidated results of operations, liquidity, financial condition and ratings are subject to the effects of natural and man- made catastrophic events **as well as mass torts** . • Climate change may adversely affect our business and financial condition. • Concentration of our insurance, reinsurance and other risk exposures may have adverse effects. • Fortitude Re may fail to perform its obligations and the accounting treatment of our reinsurance agreements with Fortitude Re leads to volatility in our results of operations ~~. • We may be required to accelerate the amortization of DAC and record additional liabilities for future policy benefits~~ . • Losses due to nonperformance or defaults by counterparties may materially and adversely affect the value of our investments, our profitability and sources of liquidity. Investment Portfolio and Concentration of Investments • Our investment portfolio is concentrated in certain segments of the economy, and the performance and value of our investment portfolio are subject to a number of risks and uncertainties. • We rely on investment management and advisory arrangements with third- party investment managers for the majority of our investment portfolio. The historical performance of Blackstone, BlackRock or any other investment manager we engage should not be considered as indicative of the future results of our investment portfolio, our future results or any returns expected on AIG Common Stock. • Our valuation of investments and derivatives involves the application of methodologies and assumptions to derive estimates, which may differ from actual experience and could result in changes to investment valuations that may materially adversely affect our business, results of operations, financial condition and liquidity or lead to volatility in our net income. Liquidity, Capital and Credit • AIG Parent' s ability to access funds from our subsidiaries is limited, and our sources of liquidity may be insufficient to meet our needs, including providing capital that may be required by our subsidiaries. • We may not be able to generate cash to meet our needs due to the illiquidity of some of our investments. • 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. **Business and Operations** • ~~Changes in~~ **No assurances can be given that** the ~~method~~ **separation of our Life and Retirement business will be completed or as to the specific terms or timing thereof. In addition, we may not achieve the expected benefits of the separation and will have continuing equity market exposure to Corebridge until we fully divest our stake. • Pricing** for ~~determining LIBOR~~ **our products is subject to our ability to adequately assess risks** and **estimate** ~~the continuing phase out of LIBOR and uncertainty~~ related ~~to LIBOR replacement rates may affect~~ **losses. • Guarantees within certain of** our ~~business,~~ **Life and Retirement products may increase the volatility of our** results ~~of operations, financial condition and liquidity~~ . AIG | ~~2022~~ **2023** Form 10-K15ITEM 1A | Risk Factors ~~Business and Operations • No assurances can be given that the separation of our Life and Retirement business will be completed or as to the specific terms or timing thereof. In addition, we may not achieve the expected benefits of the separation and will have continuing equity market exposure to Corebridge until we fully divest our stake. • Pricing for our products is subject to our ability to adequately assess risks and estimate related losses. • Guarantees within certain of our Life and Retirement products may increase the volatility of our results.~~ • Our risk management policies **, standards** and procedures may prove to be ineffective and leave us exposed to unidentified or unanticipated risk, which could adversely affect our businesses, results of operations, financial condition and liquidity. • Our foreign operations expose us to risks that may affect our operations. • We are exposed to certain risks if we are unable to maintain the availability of our critical technology systems and data and safeguard the confidentiality and integrity of our data, which could compromise our ability to conduct business and adversely affect our consolidated business, results of operations, financial condition and liquidity. • Third parties we rely upon to provide certain business and administrative services on our behalf may not perform as anticipated, which could have an adverse effect on our business and results of operations. • We may experience difficulty in marketing and distributing products through our current and future distribution channels and the use of third parties may result in additional liabilities. • ~~Failure to effectively~~ **Our restructuring initiatives may not yield our** ~~execute~~ - **expected reductions in expenses and improvements in** ~~on AIG 200 could have a material effect on our operations~~ **operational** ~~or financial condition~~ **and organizational efficiency** . • Business or asset acquisitions and dispositions may expose us to certain risks. • Significant legal or regulatory proceedings may adversely affect our business, results of operations or financial condition. • Increasing scrutiny and evolving expectations from investors, customers, regulators, policymakers and other stakeholders regarding environmental, social and governance ~~(ESG)~~ matters **, including governmental responses to such matters,** may adversely affect our reputation or otherwise adversely impact our business and results of operations. • **An epidemic, pandemic or other health crisis could materially and adversely affect our business results of operations, financial condition and liquidity.** COVID-

19 **(including variants)** has adversely affected and may continue to adversely affect our global business, results of operations, financial condition and liquidity ~~, and its ultimate impact will depend on future developments that are uncertain and cannot be predicted~~ . • We may not be able to protect our intellectual property and may be subject to infringement claims ~~. Employees and Competition • Employee error and misconduct may be difficult to detect and prevent and may result in reputational damage and significant losses. • Competition for employees in our industry is intense, and managing key employee succession is critical to our success. We may not be able to retain and attract key employees and other highly skilled employees we need to support our businesses. • We face intense competition in each of our business lines, and technological changes may present new and intensified challenges to our businesses~~ . Regulation • Our businesses are heavily regulated and changes in laws and regulations may affect our operations, increase our insurance subsidiary capital requirements or reduce our profitability. • New laws and regulations or new interpretations of current laws and regulations, both domestically and internationally, may affect our businesses, results of operations, financial condition and ability to compete effectively. • An " ownership change " could limit our ability to utilize tax loss and credit carryforwards to offset future taxable income. • New and proposed changes to tax laws could increase our corporate taxes or make some of our products less attractive to consumers. Estimates and Assumptions • Estimates or assumptions used in the preparation of financial statements and modeled results used in various areas of our business may differ materially from actual experience. • Changes in accounting principles and financial reporting requirements ~~will~~ **may** impact our consolidated results of operations and financial condition. • If our businesses do not perform well and / or their estimated fair values decline, we may be required to recognize an impairment of our goodwill or establish an additional valuation allowance against the deferred income tax assets, which could have a material adverse effect on our results of operations and financial condition. **Employees and Competition • Employee error and misconduct may be difficult to detect and prevent and may result in reputational damage and significant losses. • Competition for employees in our industry is intense, and managing key employee succession is critical to our success. We may not be able to attract and retain the key employees and other highly skilled employees we need to support our businesses. • We face intense competition in each of our business lines, and technological changes may present new and intensified challenges to our businesses.** 16AIG | ~~2022~~ **2023** Form 10- K Investing in AIG involves risk. In deciding whether to invest in AIG, you should carefully consider the following risk factors. Any of these risk factors could have a significant or material adverse effect on our businesses, results of operations, financial condition or liquidity. They could also cause significant fluctuations and volatility in the trading price of our securities. Readers should not consider any descriptions of these factors to be a complete set of all potential risks that could affect AIG. These factors should be considered carefully together with the other information contained in this report and the other reports and materials filed by us with the SEC. Further, many of these risks are interrelated and could occur under similar business and economic conditions, and the occurrence of certain of them may in turn cause the emergence or exacerbate the effect of others. Such a combination could materially increase the severity of the impact of these risks on our businesses, results of operations, financial condition and liquidity above and beyond a risk' s singular impact. MARKET CONDITIONS Our businesses are highly dependent on global economic and market conditions. Weaknesses in economic conditions, including a recessionary environment, poor capital markets performance and market volatility have in the past led **to** , and may in the future lead to, among other consequences, a poor operating environment, erosion of consumer and investor confidence, reduced business volumes, deteriorating liquidity, declines in asset valuations and impacts on policyholder behavior that could influence reserve valuations. ~~Further, if our investment managers, including Blackstone and BlackRock, or any other asset managers we engage, fail to react appropriately to difficult market or economic conditions, our investment portfolio could incur material losses.~~ Key ways in which **we** have in the past been, and could in the future be, negatively affected by economic conditions include: • increases in policy withdrawals, lapses, surrenders and cancellations and other impacts from changes in policyholder behavior compared to that assumed in pricing; • increased loss payments and loss costs due to inflation; • **increased challenges to insurance** ~~write- offs of deferred~~ policy **terms and** ~~acquisition costs; • increases in liability for future policy benefits due to loss recognition~~ --- **conditions , such as standard exclusions** ~~on certain long- duration insurance and reinsurance contracts~~ ; • increases in costs associated with third- party reinsurance, or decreased ability to obtain reinsurance on acceptable terms; ~~and~~ • the increased likelihood of, or increased magnitude of, asset impairments caused by market fluctuations **,** deterioration in collateral values or credit deterioration of borrowers **; and • reduced premium and deposits** . Adverse economic conditions may result from a variety of factors including domestic and global economic and political developments, including ~~rising~~ **elevated** interest rates, plateauing or decreasing economic growth and business activity, recessions, **social inflation,** inflationary or deflationary pressures in developed economies, including the United States, civil unrest, pandemics ~~, including disruptions caused by COVID- 19~~ , geopolitical tensions, foreign investment restrictions, or military action, such as the armed conflict between Ukraine and Russia and corresponding sanctions imposed by the United States and other countries **or the conflict in Israel and the surrounding areas** , and new or evolving legal and regulatory requirements on business investment, hiring, migration, labor supply and global supply chains. These and other market, economic, regulatory and political factors, including the ~~impact~~ **prolonged effects** of **elevated inflation, turmoil in the global banking sector and related macroeconomic uncertainty, and domestic and international political tension, including** any ~~new or prolonged~~ **potential U. S.** government **shutdown** ~~financial stimulus package or the expiration or suspension thereof~~ , have **had** and could **continue to** have a material adverse effect on our businesses, results of operations, financial condition, capital and liquidity in many ways, including: • lower levels of consumer demand for and ability to afford our products and commercial business activities that have decreased and may continue to decrease revenues and profitability and thus impair goodwill, deferred tax assets or other long-term assets; • increased credit impairments, downgrades and losses across single or numerous asset classes due to lower collateral values or deteriorating cash flow and profitability by borrowers that could lead to higher defaults on the Company' s investment portfolio, especially in geographic, industry or investment sectors where the Company has higher concentrations of exposure, such as real estate related borrowings **,** and widening of credit spreads that could reduce investment asset valuations,

decrease fee income and increase statutory capital requirements; • increased market volatility and uncertainty that could decrease liquidity, increase borrowing costs and limit access to capital markets; • the reduction of investment income generated by our investment portfolio; AIG | ~~2022~~ **2023** Form 10- K17 • disruption to our business operations in countries experiencing geopolitical tensions as well as increased costs associated with meeting customer needs in such regions; • increased costs related to our direct and third- party support services, labor and financing, increased credit risk and decreased sales as a result of inflationary pressures; and • limitations on business activities and increased compliance risks with respect to economic sanctions regulations relating to jurisdictions in which our businesses operate or we have operations. **In addition, if our investment managers, including Blackstone Inc. (Blackstone) and BlackRock, Inc. (BlackRock), or any other investment managers we engage, fail to react appropriately to difficult market or economic conditions, our investment portfolio could incur material losses.** Changes in interest rates have materially and adversely affected and may continue to materially and adversely affect our profitability. Global interest rates ~~have been increasing~~ **increased steadily in 2022 and 2023** , including in the United States, and in some cases, have risen rapidly after an extended period at or near historic lows. We are exposed primarily to the following risks arising from or exacerbated by fluctuations in interest rates: • mismatch between the expected duration of our liabilities and our assets; • impairment to our ability to earn the returns or spreads assumed in the pricing and the reserving for our products; • changes in certain statutory reserve or capital requirements that are based on formulas or models that consider interest rates or prescribed interest rates, such as cash flow testing reserves; • changes in the costs of derivatives we use for hedging or increases in the volume of hedging we do **; • an increase in policy loans, surrenders and withdrawals** as interest rates ~~change; • loss related to an increase in policy loans, surrenders and withdrawals following a~~ rise ~~in interest rates~~ ; • loss from reduced fee income, ~~increased guaranteed~~ **and changes in the fair values of Market Risk** ~~benefit~~ **Benefits** ~~costs and accelerated deferred policy acquisition costs~~ (~~DAC~~ **MRBs**) **and embedded derivatives** ~~amortization arising from fluctuations in the variable product separate account values associated with fixed income investment options due to increased interest rates or credit spread widening~~ ; • the reinvestment risk associated with more prepayments on mortgage- backed securities and other fixed income securities in decreasing interest rate environments and fewer prepayments in increasing interest rate environments; • volatility in our **generally accepted accounting principles (** GAAP **)** results of operations driven by interest rate- related components of liabilities and equity market- related components of optional guaranteed benefits and the cost of associated hedges in low interest rate environments; and • increased financing and refinancing costs, in particular with respect to our corporate debt instruments. Changes in interest rates have had and could continue to have a material adverse effect on the value of our investment portfolio ~~, for~~ **. For** example, **increases in interest rates have impacted, and may continue to impact, our investment portfolio** by decreasing the estimated fair values of the fixed income securities that constitute a substantial portion of our investment portfolio **as well as the alternative investments in our investment portfolio** . This in turn has increased and could continue to increase the unrealized loss positions in our portfolio and adversely affect our ability to realize our deferred tax assets, thereby materially and adversely affecting our business, results of operations, financial condition and liquidity. Furthermore, changes in interest rates and credit spreads have led to decreasing the average account value of our separate accounts thereby negatively impacting the fee income we earn. In periods of rapidly increasing **interest rates or sustained periods of elevated** interest rates, such as the current interest rate environment, we may not be able to purchase, in a timely manner, the investments in our general account with yields sufficient to fund the higher crediting rates necessary to keep interest rate sensitive products that we offer competitive. Therefore, we may need to accept a lower investment spread and, thus, lower profitability, or face a decline in sales and greater loss of existing contracts and related assets. Policy loans, surrenders and withdrawals also tend to increase as policyholders seek investments with higher perceived returns ~~as~~ **in higher** interest ~~rates~~ **rate** ~~rise~~ **environments** . These impacts may continue to result in significant cash outflows requiring that we sell investments at a time when the prices of those investments are adversely affected by ~~the increase in~~ interest ~~rates~~ **rate volatility** , which could result in realized investment losses when selling assets in an unrealized loss position. ~~Further, the increase in interest rates has and could continue to have a material adverse effect on the value of our investment portfolio, for example, by decreasing the fair values of the fixed income and alternative investment securities that constitute a substantial portion of our investment portfolio as well as the alternative investments in our investment portfolio. This in turn could adversely affect our ability to realize our deferred tax assets.~~ Conversely, **the** sustained low interest rates ~~as~~ we ~~have~~ experienced **through early 2022** ~~in recent years have~~ negatively affected and **, should a low interest rate environment return,** could in the future negatively affect the performance of our investments and reduce the level of investment income earned on our investment portfolios, resulting in net investment spread compression. We experience lower investment income as well as lower sales of new Life and Retirement insurance products, including interest rate sensitive products, and policies when a low or declining U. S. interest rate environment persists, and / or interest rates turn negative, and these effects can persist so long as the investments purchased and products issued remain outstanding, even after rates have risen. We may also experience lower investment income if we are forced to reinvest cash flows from investments at rates below the average yield of our existing portfolios. Due to practical and capital markets limitations, we have in the past not been and may in the future not be able to fully mitigate our interest rate risk by matching exposure of our assets relative to our liabilities. Low levels of interest rates have in the past and could in the future continue to impair our ability to earn the returns assumed in the pricing and the reserving for our products at the time they were sold and issued. 18AIG | ~~2022~~ **2023** Form 10- K In addition, fluctuations in interest rates may expose us to the risk of increases in certain statutory reserve requirements that are based on formulas or models that consider interest rates, which would reduce statutory capital, and increases in capital requirements and the amount of assets we must maintain to support statutory reserves, which would reduce surplus. The primary source of our exposure to credit spreads is in the value of our fixed income securities. If credit spreads widen significantly, we could be exposed to higher levels of defaults and impairments. If credit spreads tighten significantly, it could result in reduced net investment income and, in turn, reduced profitability associated with new purchases of fixed maturity securities. Tightening credit spreads would reduce the discount rates used in the principles- based statutory reserve calculation, potentially increasing statutory reserve requirements and, in turn, reducing statutory surplus. Although these effects on bond fund valuation and reserve discount rates run in offsetting directions for either credit spread widening or narrowing, it is possible for one of them to outweigh the other under certain market conditions. Any of these risks could cause an adverse effect on our business, results of operations, financial condition and liquidity. RESERVES AND EXPOSURES ~~The amount and timing of insurance and reinsurance liability claims are difficult to predict and such claims may exceed the related liability for unpaid losses and loss adjustment expenses or future policy benefits, or the liabilities associated with certain guaranteed benefits and indexed features accounted for as embedded derivatives at fair value.~~ We regularly review the adequacy of the established liability for unpaid losses and loss adjustment expenses and future policy benefits, as well as liabilities associated with certain guaranteed benefits and indexed features accounted for as embedded derivatives at fair value. We also conduct extensive analyses of our reserves and embedded derivatives during the year. Our liability for unpaid losses and loss adjustment expenses, future policy benefits and embedded derivatives, however, has and may develop adversely and materially impact our businesses, results of operations, financial condition and liquidity. For General Insurance, estimation of ultimate net losses, loss expenses and the liability for unpaid losses and loss adjustment expenses is a complex process, particularly for both long- tail and medium- tail liability lines of business. There is also greater uncertainty in establishing reserves with respect to new business, particularly new business involving recently introduced product lines. In these cases, there is less historical experience or knowledge and less data upon which the actuaries can rely. Estimating reserves is further complicated by unexpected claims or unintended coverages that emerge due to unexpected events, such as pandemics or geopolitical conflicts. These emerging issues may increase the size or number of claims beyond our underwriting intent and may not become apparent for many years after a policy is issued. While we use a number of analytical reserve development techniques to project future loss development, the liability for unpaid losses and loss adjustment expenses has been and may continue to be significantly affected by changes in loss cost trends or loss development factors that were relied upon in setting the liability for unpaid losses and loss adjustment expenses. These changes in loss cost trends or loss development factors could be due to changes in actual versus expected claims and losses, difficulties in predicting changes, such as changes in inflation, unemployment, or other social or economic factors affecting claims, including judicial and legislative actions, and changes in the tort environment. Any deviation in loss cost trends or in loss development factors might not be identified for an extended period of time after we record the initial loss reserve estimates for any accident year or number of years. For Life and Retirement, establishment and ongoing calculations of **reserves for** future policy benefits and related reinsurance assets **as well as embedded derivatives and MRBs** is a complex process ~~,~~ with significant judgmental inputs, assumptions and modeling techniques **, in each case yielding corresponding results which may be inaccurate or incorrect. We make assumptions regarding mortality, morbidity, discount rates, persistency and policyholder behavior at various points, including at the time of issuance and in subsequent reporting periods. An increase in the valuation of the liability could result to the extent emerging and actual experience deviates from these assumptions** . The inputs and assumptions used in connection with calculations of reserves for future policy benefits are inherently uncertain. Experience may develop adversely such that additional reserves must be established or the value of **MRBs or** embedded derivatives may increase. Adverse experience could arise out of a number of factors, including, but not limited to, **a** severe short- term ~~events~~ - **event** , such as a pandemic or changes to policyholder behavior during stressed economic periods, or due to **mis-** ~~misestimation~~ --- **estimation** of long- term assumptions such as mortality, interest rates, credit spreads, equity market levels and volatility and persistency assumptions. Certain variables, such as policyholder behavior, are difficult to estimate and can have a significant impact on ~~reserves~~ **future policy benefits, MRBs** and embedded derivatives. **We** ~~Life and Retirement reviews~~ - **review** and ~~updates~~ - **update** actuarial assumptions at least annually, typically in the third quarter for reserves **, MRBs** and embedded derivatives. Additionally, **we** ~~Life and Retirement~~ regularly ~~carries~~ **carry** out ~~loss recognition testing for generally accepted accounting principles (GAAP) reporting and~~ cash flow testing for statutory reporting **. If actual experience or revised future expectations result in projected future losses, we may be required to record additional liabilities through a charge to policyholder benefit expense, net realized gains or losses, or changes in market risk benefits in the then- current period, which could negatively affect our business, results of operations, financial condition and liquidity** . For additional information on reserve development, see Part II, Item 7. MD & A – Insurance Reserves. For additional information on our loss reserves, see Part II, Item 7. MD & A – Critical Accounting Estimates – Loss Reserves and Note ~~12~~ **13** to the Consolidated Financial Statements. **AIG | 2023 Form 10- K19** For additional information regarding these products, see ~~Notes 12 and 13 to the Consolidated Financial Statements,~~ Item 1. Business – Regulation, ~~and~~ Part II, Item 7. MD & A – Critical Accounting Estimates – ~~Guaranteed~~ **Market Risk** ~~Benefit~~ **Benefits** ~~Features of Variable Annuity~~ , ~~Fixed Annuity~~ and ~~Fixed Index Annuity Products~~ **Notes 13 and 14 to the Consolidated Financial Statements** . ~~AIG | 2022 Form 10- K19~~ Reinsurance may be unavailable or too expensive relative to its benefit, and may not be adequate to protect us against losses. Our subsidiaries are major purchasers of third- party reinsurance and we use reinsurance as part of our overall risk management strategy. ~~Our reinsurance business also purchases retrocessional reinsurance, which allows a reinsurer to cede to another company all or part of the reinsurance obligations originally assumed by the reinsurer.~~ While reinsurance does not discharge our subsidiaries from their obligation to pay claims for losses insured ~~or reinsured~~ under our policies, it does make the reinsurer liable to the subsidiaries for the reinsured portion of the risk. Market conditions beyond our control **have impacted and** may **in the future** impact the availability and cost of ~~reinsurance or retrocessional~~ reinsurance and could have a material adverse effect on our business, results of operations and financial condition. For example, reinsurance is typically more difficult or costly to obtain after a year or consecutive years with a large number of major catastrophes **, the likelihood of which may be exacerbated by climate change** . We have been and may, at certain times be, (i) forced to incur additional costs for reinsurance, (ii) unable to obtain sufficient reinsurance on acceptable terms, or (iii) unable to obtain reinsurance for certain parts of our business. In instances where reinsurance is **more costly,** insufficient **on acceptable terms** or unavailable, we ~~would~~ **have had to, and will in the future** have to accept an increase in exposure to risk, reduce or stop writing certain lines of business written by our subsidiaries or seek alternatives in line with our risk limits, or a combination thereof. Additionally, we are exposed to credit risk with respect to our subsidiaries' reinsurers to the extent the reinsurance receivable is not secured, or is inadequately secured ~~,~~ by collateral or does not benefit from other credit enhancements. We also bear the risk that a reinsurer is, or may be, unwilling to pay amounts we have recorded as reinsurance recoverables for any reason, including that (i) the terms of the reinsurance contract do not reflect the intent of the parties to the contract or there is a disagreement between the parties as to their intent, or (ii) the terms of the contract cannot be legally enforced. ~~We also~~ **In addition, we** bear the risk that (i) the terms of the contract are interpreted by a court or arbitration panel differently than expected, (ii) the reinsurance transaction performs differently than we anticipated compared to the original structure, terms or conditions, or (iii) a change in laws and regulations, or in the interpretation of the laws and regulations, materially impacts a reinsurance transaction. The insolvency of one or more of our reinsurers, the inability or unwillingness of such reinsurers to make timely payments under the terms of our contracts or payments in an amount equal to our reinsurance recoverable, or the risk that the reinsurance transaction does not operate as intended, including due to a change in laws and regulations or on account of court or arbitration panel interpretations, could have a material adverse effect on our results of operations and liquidity. ~~Additionally~~ **Moreover** , the use of reinsurance placed in the capital markets may not provide the same levels of protection as traditional reinsurance transactions. Any disruption, volatility and uncertainty in these markets, such as following a major catastrophic event, may limit our ability to access such markets on terms favorable to us or at all. Also, to the extent that we intend to use structures based on an industry loss index or other non- indemnity trigger rather than on actual losses incurred by us, we could be subject to residual risk. Our Life and Retirement companies also utilize intercompany reinsurance arrangements to provide capital benefits to their affiliated cedants. They have **also pursued,** and may continue to pursue **,** reinsurance transactions **with external parties** and permitted practices to manage the capital impact of statutory reserve requirements under applicable reserving rules, including **principle- based reserving (** PBR **)** . The application of actuarial guidelines and PBR involves numerous interpretations. If state insurance departments do not agree with our interpretations or if regulations change with respect to our ability to manage the capital impact of certain statutory reserve requirements, the statutory reserve requirements of our Life and Retirement companies could increase, or the ability of our Life and Retirement companies to take reserve credit for reinsurance transactions could be reduced or eliminated. Additionally, if the ratings of our Life and Retirement companies decline, we could incur higher costs to obtain reinsurance, each of which could adversely affect sales of our products and our financial condition or results of operations. The availability of private sector reinsurance for terrorism is limited and we currently have limited reinsurance coverage for terrorist attacks. While we benefit from the Terrorism Risk Insurance Program Reauthorization Act (TRIPRA), which provides U. S. government risk assistance to the insurance industry to manage the exposure to terrorism incidents, TRIPRA has specific program limits and does not cover losses in certain lines of business such as personal property and personal casualty. We also rely on the government sponsored and government arranged terrorism reinsurance programs, including pools, in force in applicable non- U. S. jurisdictions **. The realization of these risks may materially and adversely affect our business, results of operations and financial condition** . For additional information on our reinsurance recoverable, see Part II, Item 7. MD & A – Enterprise Risk Management – Insurance Risks – Reinsurance Activities – Reinsurance Recoverable. ~~Our consolidated results of operations, liquidity, financial condition and ratings are subject to the effects of natural and man- made catastrophic events.~~ Events such as hurricanes, windstorms, hailstorms, flooding, earthquakes, landslides, wildfires, solar storms, earth sinking, tsunamis, war or other military action, acts of terrorism, explosions and fires, cyberattacks, product defects, pandemics and other highly contagious diseases, mass torts, civil unrest and other catastrophes have adversely affected our business in the past and could do so in the future. 20AIG | ~~2022~~ **2023** Form 10- K Catastrophic events, and any relevant regulations, **have in the past and** could **in the future** result in losses in any business in which we operate, and could expose us to: • widespread claim costs associated with property, **casualty, general liability, bodily injury,** workers' compensation, accident and health, travel, business interruption, cyber and mortality and morbidity claims **, among others** ; • loss resulting from a decline in the value of our invested assets; • limitations on our ability to recover deferred tax assets; • loss resulting from actual policy experience that is adverse compared to the assumptions made in product pricing; • revenue loss due to decline in customer base; • declines in value and / or losses with respect to companies and other entities whose securities we hold and counterparties we transact business with and have credit exposure to, including reinsurers; and • significant disruptions to our physical infrastructure, systems and operations. Natural and man- made catastrophic events are generally unpredictable. Our exposure to catastrophe- related loss depends on various factors, including the frequency and severity of the catastrophes, the availability of reinsurance, the rate of inflation and the value and geographic or other concentrations of insured companies and individuals. Vendor models and proprietary assumptions and processes that we use to manage catastrophe exposure may prove to be ineffective due to incorrect assumptions or estimates. For example, modeling for terrorism, cyber events and pandemics is more difficult and may be less reliable. In addition, legislative and regulatory initiatives and court decisions following major catastrophes (both natural and man- made) **, as well as mass torts,** have required and could **in the future** require us to pay the insured beyond the provisions of the original insurance policy and may prohibit the application of a deductible, resulting in inflated and unanticipated claims; or impose other restrictions ~~after the occurrence of a major catastrophe~~ , which would reduce our ability to mitigate exposure. These initiatives could impair our cash flows and, without regulatory relief, could reduce our subsidiaries' capital ratios. For additional information on potential catastrophic events, including a sensitivity analysis of our exposure to certain catastrophes, see Part II, Item 7. MD & A – Enterprise Risk Management – Insurance Risks. For information regarding the effects of climate change on our business, see Reserves and Exposures – " Climate change may adversely affect our business and financial condition " below. For information regarding the effects of the COVID- 19 pandemic on our business, see Business and Operations – " **An epidemic, pandemic or other health crisis could materially and adversely affect our business results of operations, financial condition and liquidity.** COVID- 19 **(including variants)** has **adversely** affected and may continue to adversely affect our global business, results of operations, financial condition and liquidity **.** ~~, and its~~

~~ultimate impact will depend on future developments that are uncertain and cannot be predicted~~ " below ~~. Climate change may adversely affect our business and financial condition~~ . Climate change, indicated by higher concentrations of greenhouse gases, a warming atmosphere and ocean, wildfires, diminished snow and ice, and a rise in sea levels, appears to have contributed to an increase in the frequency and severity of natural disasters and the creation of uncertainty as to future trends and exposures. As such, climate change presents significant financial implications for AIG in areas such as underwriting, claims and investments, as well as risk capacity, financial reserving and operations. Climate change presents challenges to our ability to effectively underwrite, model and price catastrophe risk particularly if the frequency and severity of catastrophic events such as pandemics, hurricanes, tornadoes **, heatwaves** , floods, wildfires and windstorms and other natural disasters continue to increase. For example, losses resulting from actual policy experience may be adverse as compared to the assumptions made in product pricing as well as mortality assumptions and our ability to mitigate our exposure may be reduced. Climate change- related risks may also adversely impact the value of the securities that we hold or lead to credit risk of other counterparties we transact business with, including reinsurers. Our reputation or corporate brand could also be negatively impacted as a result of changing customer or societal perceptions of organizations that we either insure or invest in due to their actions (or lack thereof) with respect to climate change **, as well as political initiatives or other stakeholder expectations with respect thereto** . Any policies adopted by investors to address changing societal perceptions on climate change could result in increased compliance costs to our businesses and changes to our corporate governance and risk management practices, and may affect the type of assets we hold in our investment portfolio. In addition, lawmakers and regulators have imposed and may continue to impose new requirements or issue new guidance aimed at addressing or mitigating climate change- related risks and efforts undertaken in response thereto. Additional actions by foreign governments, regulators and international standard setters **have and** could result in substantial ~~additional~~ **expansions of the** ~~regulation~~ **regulations , guidance or expectations** to which we may be subject. It is also possible that the laws ~~and~~ **,** regulations **and guidance** adopted in U. S. state, U. S. federal or foreign jurisdictions regarding climate change- related risks will differ from one another, and that they could be inconsistent with the laws and regulations of other jurisdictions in which we operate. AIG | ~~2022~~ **2023** Form 10- K21 Additionally, litigation related to climate change has increased in recent years. Many lawsuits center on enforcement or interpretation of environmental laws and regulations, often seeking to use litigation as a tool to influence governmental and corporate climate policies. Other cases seek damages for contribution to climate change or for insufficient disclosure around material financial risks. Increased litigation of this nature could trigger losses under liability policies, such as casualty and directors' and officers' insurance policies, increase our liabilities and affect the viability of certain of our business lines. In addition, severe weather and other effects of climate change result in more frequent and more severe damages, leading to lawsuits ~~. Wildfires in the western U. S., resulting in significant litigation liability for utility companies, are an example of this~~ . Indirect climate change effects are also seen in litigation over flooding, mudslides and other severe weather that results in injury or damage, as well as in construction defect litigation, chemical release lawsuits, and workers' compensation claims. Litigation related to climate change may, through increased claims from our customers and adverse impacts to the value of the securities that we hold, adversely impact our business and results of operations. We have also faced and may continue to face business continuity risk as a result of climate change- related incidents that may disrupt business operations, including extreme weather events. We cannot predict the long- term impacts of climate change on our business and results of operations. For information regarding risks associated with other catastrophic events, see Reserves and Exposures – " Our consolidated results of operations, liquidity, financial condition and ratings are subject to the effects of natural and man- made catastrophic events " above. ~~Concentration of our insurance, reinsurance and other risk exposures may have adverse effects.~~ We are exposed to risks as a result of concentrations in our insurance and reinsurance policies, investments, derivatives and other obligations that we undertake for customers and counterparties. **Further** ~~We manage these risks related to concentration by monitoring the accumulation of our exposures to factors such as exposure type and size~~ , **any** ~~industry, geographic region, counterparty and other factors. We also seek to use third- party reinsurance, hedging and other arrangements to limit or offset exposures that exceed our retention and risk appetite limits. In certain circumstances, however, these~~ risk management arrangements **we employ to manage concentration risks, whether directly or through third parties,** may not be available on acceptable terms or may prove to be ineffective. Our risk exposures under insurance and reinsurance policies, derivatives and other obligations are, from time to time, compounded by risk exposure assumed in our investment business. Also, our exposure for certain single risk coverages and other coverages may be so large that adverse experience compared to our expectations may have a material adverse effect on our consolidated results of operations or result in additional statutory capital requirements for our subsidiaries. In addition, the separation of our Life and Retirement business, if completed, could increase the materiality of these potential concentrations in the remaining portfolio. For additional information on risks associated with the separation of the Life and Retirement business from AIG, see Business Operations – " No assurances can be given that the separation of our Life and Retirement business will be completed or as to the specific terms or timing thereof. In addition, we may not achieve the expected benefits of the separation and will have continuing equity market exposure to Corebridge until we fully divest our stake " below. Also see Part II, Item 7. MD & A – Business Segment Operations – General Insurance – Business Strategy and – ~~Outlook~~ **Business Segment Operations – General Insurance** – Industry and Economic Factors, and Part II, Item 7. MD & A – Business Segment Operations – Life and Retirement – Business Strategy and – ~~Outlook~~ **Business Segment Operations – Life and Retirement** – Industry and Economic Factors. As of December 31, ~~2022~~ **2023** , approximately $ ~~29~~ **27** . ~~0~~ **6** billion of reserves from AIG' s Life and Retirement Run- Off Lines and approximately $ 3. ~~2~~ **0** billion of reserves from AIG' s General Insurance Run- Off Lines, related to business written by multiple ~~wholly- owned~~ AIG subsidiaries, had been ceded to Fortitude Re under reinsurance transactions. These reserve balances are fully collateralized pursuant to the terms of the reinsurance transactions. Our subsidiaries continue to remain primarily liable to policyholders under the business reinsured with Fortitude Re. As a result, if Fortitude Re is unable to successfully operate, or other issues arise that affect its financial condition or ability to satisfy or perform its obligations to our subsidiaries, we could experience a material adverse effect on our results of operations, financial condition and liquidity to the extent the amount of collateral posted in respect of our reinsurance receivable is inadequate. Further, as is customary in similar reinsurance agreements, upon the occurrence of certain termination and recapture triggers, our subsidiaries may elect or may be required to recapture the business ceded under such reinsurance agreements, which would result in a substantial increase to our **net** insurance liabilities and statutory capital requirements and may require us to raise capital to recapture such ceded business. These termination and recapture triggers include Fortitude Re becoming insolvent or being placed into liquidation, rehabilitation, conservatorship, supervision, receivership, bankruptcy or similar proceedings, certain regulatory ratios falling below certain thresholds, and, in the case of those reinsurance agreements made with Life and Retirement, Fortitude Re' s failure to perform under the reinsurance agreements, or its entry into certain transactions without receiving the consent of Corebridge. As the reinsurance transactions between AIG and Fortitude Re are structured as modified coinsurance (modco) for the Life and Retirement Run- Off Lines and loss portfolio transfer arrangements with funds withheld for the General Insurance Run- Off Lines, the manner in which we account for these reinsurance arrangements has led, and will continue to lead, to volatility in our results of operations. In modco and funds withheld arrangements, the investments supporting the reinsurance agreements, and which reflect ~~22AIG | 2022 Form 10- K~~ the majority of the consideration that **is** ~~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 and its subsidiaries) thereby creating ~~an~~ **a potential** obligation for the **22AIG | 2023 Form 10- K** ceding company to pay the reinsurer (i. e., Fortitude Re) at a later date. Additionally, as our applicable insurance subsidiaries maintain 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 other comprehensive income). 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 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 a result of changes in the fair value of the embedded derivative, we experience volatility in our GAAP net income. For additional information on our exposure to credit risk of reinsurers, see Reserves and Exposures – " Reinsurance may be unavailable or too expensive relative to its benefit, and may not be adequate to protect us against losses " above. We ~~incur significant costs in connection with acquiring new and renewal insurance business. DAC represents deferred costs that are incremental and directly related to the successful acquisition of new business or renewal of existing business. The recovery of these costs is generally dependent upon the future profitability of the related business, but DAC amortization varies based on the type of contract. For long- duration traditional business, DAC is generally amortized in proportion to premium revenue and varies with lapse experience. Actual lapses in excess of expectations have and may result in an acceleration of DAC amortization, and therefore, adversely impact our results of operations. DAC for investment- oriented products is generally amortized in proportion to actual and estimated gross profits. Estimated gross profits are affected by a number of factors, including levels of current and expected interest rates, net investment income (which is net of investment expenses) and credit spreads, net realized gains and losses, fees, surrender rates, mortality experience, policyholder behavior experience and equity market returns and volatility. If actual and / or future estimated gross profits are less than originally expected, then the amortization of these costs would be accelerated in the period this is determined and would result in a lower- than- expected profitability, potentially impacting our ability to achieve our financial goals. Additionally, this would also result in a decrease in expected future profitability and an acceleration of the amortization of DAC, and therefore lower than expected pre- tax income earned during the then current period. We also periodically review products for potential loss recognition events, principally long- duration products. This review involves estimating the future profitability of in- force business and requires significant management judgment about assumptions including, but not limited to, mortality, morbidity, persistency, maintenance expenses and investment returns, including net realized gains (losses). If actual experience or revised future expectations result in projected future losses, we may be required to amortize any remaining DAC and record additional liabilities through a charge to policyholder benefit expense in the then current period, which could negatively affect our business, results of operations, financial condition and liquidity. For additional information on DAC and future policy benefits, see Part II, Item 7. MD & A – Critical Accounting Estimates and Notes 12 and 13 to the Consolidated Financial Statements. For additional information on changes to accounting standards for long- duration insurance contracts, see Estimates and Assumptions – " Changes in accounting principles and financial reporting requirements will impact our consolidated results of operations and financial condition. " We~~ are exposed to credit risk arising from exposures to various counterparties related to investments, derivatives, premiums receivable, certain General Insurance businesses and reinsurance recoverables. These counterparties include, but are not limited to, issuers of fixed income and equity securities we hold, borrowers of loans we hold, customers, plan sponsors, trading counterparties, counterparties under swaps and other derivatives instruments, reinsurers, corporate and governmental entities whose payments or performance we insure, joint venture partners, clearing agents, exchanges, clearing houses, custodians, brokers and dealers, commercial banks, investment banks, intra- group counterparties with respect to derivatives and other third parties, financial intermediaries and institutions and guarantors. These counterparties may default on their obligations to us due to bankruptcy, insolvency, receivership, financial distress, lack of liquidity, adverse economic conditions, operational failure, fraud, government intervention and other reasons. In addition, for exchange- traded derivatives, such as futures, options as well as" cleared" over- the- counter derivatives, we are generally exposed to the credit risk of the relevant central counterparty clearing house and futures commission merchants through which we clear derivatives. Defaults by these counterparties on their obligations to us could have a material adverse effect on the value of our investments, business, financial condition, results of operations and liquidity. ~~AIG | 2022 Form 10- K23~~ An insolvency of, or the appointment of a receiver to rehabilitate or liquidate, a significant competitor could negatively impact our business if such appointment were to impact consumer confidence in our products and services. Additionally, if the underlying assets supporting the structured securities we invest in are expected to default or actually default on their payment obligations, our securities may incur losses. In addition, our exposure to credit risk may be exacerbated in periods of market or credit stress, as derivative counterparties take a more conservative view of their acceptable credit exposure to us, resulting in reduced capacity to execute derivative- based hedges. INVESTMENT PORTFOLIO AND CONCENTRATION OF INVESTMENTS Our results of operations and financial condition have in the past been, and may in the future be, adversely affected by the degree of concentration in our consolidated investment portfolio. For example, we have **significant** holdings of real estate and real estate- related investments, including residential mortgage- backed, commercial mortgage- backed and other asset- backed securities and residential and commercial **(including office)** mortgage loans. We also have significant exposures to financial institutions and, in particular, to money center banks and global banks, certain industries, such as energy and utilities, the U. S. federal, state and local government issuers and authorities, and global financial institutions, governments and corporations. Events or developments that have a negative effect on any particular industry, asset class, group of related industries or geographic region may adversely affect the valuation of our investments to the extent they are concentrated in such segments. Our ability to sell assets in such segments may be limited. Our investments are also subject to market risks and uncertainties, including, in addition to interest rate risk, changes in the level of credit spreads, currency rates, and commodity and equity prices, each of which has affected and will continue to affect the value of investments in our investment portfolio as well as the performance of, and returns generated by, such investments. For information regarding risks associated with interest rate volatility, see Market Conditions ~~– " Changes in interest rates have materially and adversely affected and may continue to materially and adversely affect our profitability "~~ above. Furthermore, our alternative investment portfolio, which is subject to volatility in equity markets, includes investments for which changes in fair value are reported through pre- tax income. An economic downturn or decline in the capital markets has had and could continue to have a material adverse effect on our investment income, including as a result of decreases in the fair value of alternative investments. **AIG | 2023 Form 10- K23** We rely on investment management and advisory arrangements with third- party investment managers for the majority of our investment portfolio. The historical performance of Blackstone, BlackRock or any other investment manager we engage should not be considered as indicative of the future results of our investment portfolio, our future results or any returns expected on AIG Common Stock. In 2021, AIG entered into a long- term investment management relationship with Blackstone, pursuant to which Blackstone is initially managing $ 50 billion of Corebridge' s existing investment portfolio, with that amount increasing to an aggregate of $ 92. 5 billion ~~over~~ **by** the ~~next five years~~ **third quarter of 2027** . In addition, beginning in April 2022, certain AIG and Corebridge insurance company subsidiaries ~~have~~ entered into investment management agreements with BlackRock **and as of December 31** , **2023,** ~~pursuant to which~~ BlackRock **manages** ~~is managing over~~ $ ~~150~~ **135** billion of our ~~investments~~ - **investment** ~~in~~ **portfolio, consisting of** liquid fixed income and certain private placement assets, including ~~over~~ $ ~~90~~ **76** billion of ~~the~~ Corebridge ~~investment~~ **assets. In addition, liquid fixed income assets associated with the Fortitude Re funds withheld asset** portfolio **were separately transferred to BlackRock for management** . As part of the arrangements with Blackstone, Blackstone is serving as exclusive external investment manager for certain of Corebridge' s **current and future** insurance company subsidiaries for certain asset classes, which has led to an increase in investment management fees payable by us as compared to expenses we have historically incurred for similar services. Under the arrangements with Blackstone, there are provisions that require minimum management fees to be paid to Blackstone to the extent actual amounts charged to the Corebridge insurance company subsidiaries are below such minimums. Also, the exclusivity provisions and termination provisions that are part of these arrangements with Blackstone may prevent **certain of** our Corebridge subsidiaries from retaining other external investment managers with respect to the subject asset classes who may produce better returns on investments than Blackstone. In addition, pursuant to the relevant agreements with Blackstone, if such agreements are terminated for reasons other than certain specified reasons, Corebridge could be required to continue paying investment advisory fees to Blackstone regardless of the termination. Corebridge may not have the funds available to pay any such fees and its insurance company subsidiaries may not be able or permitted to pay dividends or make other distributions to Corebridge in an amount sufficient to pay any such fees or at all. Any requirement to pay such fees could adversely affect our business, results of operations, financial condition and liquidity. ~~If Blackstone or BlackRock are unable to effectively manage our portfolio, the concentration of assets in our portfolio that are managed by Blackstone and BlackRock could adversely affect our business, results of operations, financial condition and liquidity.~~ In addition, Blackstone and BlackRock are generally compensated based solely on our assets which they manage, rather than by investment return targets, and as a result, Blackstone and BlackRock are not directly incentivized to maximize investment ~~return~~ **returns** ~~targets~~ . Our investment portfolio' s returns have benefited historically from investment opportunities and general market conditions that may not currently exist and may not be repeated. There can be no guarantee that Blackstone, BlackRock or any other investment ~~24AIG | 2022 Form 10- K~~ manager we engage will be able to achieve any particular returns or generate investment opportunities with attractive, risk- adjusted returns for our investment portfolio in the future. ~~During periods~~ **If Blackstone or BlackRock is unable to effectively manage our portfolio, due to the concentration** of ~~market disruption~~ **assets in our portfolio that are managed by Blackstone and BlackRock, such inability could adversely affect our business, results of operations, financial condition and liquidity. Additionally, from time to time, we consider and engage in discussions with external asset managers about managing other assets in our investment portfolio that are currently managed by us. If we increase the amount of assets in our investment portfolio managed by external asset managers** , it **may lead to an increase in investment advisory fees payable by us. In addition, we may become more reliant on our external asset managers, and such increased dependence may reduce our internal capabilities and expertise or expose us to greater risk, including the risk that external asset managers may fail to meet our performance expectations or otherwise experience disruptions or losses. It** has been and may continue to be difficult to value certain of our investments or derivatives **that are not actively traded** ~~if trading becomes less frequent and / or market data becomes less observable~~ . There

also may be cases where certain assets in normally active markets with significant observable data become inactive with insufficient observable data due to the financial environment or market conditions in effect at that time. As a result, valuations may include inputs and assumptions that are less observable or require greater estimation and judgment as well as valuation methods that are more complex. These values may not be realized in a market transaction, may not reflect the value of the asset and may change very rapidly as market conditions change and valuation assumptions are modified. Decreases in value and / or an inability to realize that value in a market transaction or other disposition may have a material adverse effect on our business, results of operations, financial condition and liquidity. For information regarding volatility in accounting as it relates to Fortitude Re, see Reserves and Exposures – " Fortitude Re may fail to perform its obligations and the accounting treatment of our reinsurance agreements with Fortitude Re leads to volatility in our results of operations " above. **24AIG | 2023 Form 10- K** LIQUIDITY, CAPITAL AND CREDIT AIG Parent' s ability to access funds from our subsidiaries is limited, and our sources of liquidity may be insufficient to meet our needs, including providing capital that may be required by our subsidiaries. As a holding company, AIG Parent depends on dividends and other payments from its subsidiaries to fund operations, pay dividends **, repurchase shares** , meet debt service obligations and meet the capital and liquidity needs of our subsidiaries. The majority of our investments are held by our regulated subsidiaries. Any inability by our subsidiaries to make dividend or other payments in an amount sufficient to enable AIG Parent to meet its cash requirements could have an adverse effect on our operations or our business, results of operations, financial condition, capital and liquidity. The ability of our subsidiaries to pay dividends to ~~us~~ **AIG Parent** in the future will depend on their earnings, capital levels, tax considerations, covenants contained in any financing or other agreements, applicable regulatory restrictions and rating agency requirements. In addition, such payments could be limited as a result of claims against our subsidiaries by their creditors, including suppliers, vendors, lessors and employees. Additionally, our insurance subsidiaries may be limited in their ability to make dividend payments to AIG Parent in the future because of the need to meet their obligations or to support their own capital levels or because of regulatory limits and restrictions or changes in, or interpretations of, regulatory or rating agency standards. Our decision to pursue strategic changes or transactions in our business and operations may also subject our subsidiaries' dividend plans to heightened regulatory scrutiny and could make obtaining regulatory approvals for extraordinary distributions by our subsidiaries, if required, more difficult. We are also subject to certain other restrictions on our capital from time to time. If our liquidity is insufficient to meet our needs, we may need to have recourse to third- party financing, external capital markets or other sources of liquidity, which may not be available or could be expensive. The availability and cost of any additional financing at any given time depends on a variety of factors, including general market conditions, the volume of trading activities, the overall availability of credit, regulatory actions and our credit ratings and credit capacity. It is also possible that, as a result of such recourse to external financing, customers, lenders or investors could develop a negative perception of our long- or short- term financial prospects. If AIG Parent is unable to satisfy a capital need of a subsidiary, the credit rating agencies could downgrade the subsidiary' s financial strength ratings or the subsidiary could become insolvent or, in certain cases, could be seized by its regulator. In the ordinary course of our business, we are required to post collateral for our insurance company subsidiaries from time to time. If our reinsurance liabilities increase, we may be required to post additional collateral for insurance company clients that we reinsure. In addition, we may be required to post additional collateral due to regulatory changes from time to time, which could adversely impact our business, financial condition, results of operations and cash flows. For additional information on our liquidity, see Part II, Item 7. MD & A – Liquidity and Capital Resources. For additional information on rating agency requirements, see 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 " below. ~~AIG | 2022 Form 10- K25~~ We ~~and~~ **may not be able to generate cash to meet** our ~~subsidiaries~~ **needs due to the illiquidity of some of our investments. We** have a diversified investment portfolio. However, economic conditions as well as adverse capital market conditions, including a lack of buyers, the inability of potential buyers to obtain financing on reasonable terms, volatility, credit spread changes, interest rate changes, foreign currency exchange rates and / or declines in collateral values have in the past impacted, and may in the future impact, the liquidity and value of our investments. We have investments in certain securities, including certain fixed income structured and privately placed securities as well as investments in private equity funds and hedge funds, mortgage loans, finance receivables and real estate **,** that are less liquid than other types of securities. Collectively, investments in these assets had a carrying value of $ ~~66~~ **68** billion at December 31, ~~2022~~ **2023** . If it became necessary to sell such assets in a stressed market environment, the prices achieved in any sale of such securities may be lower than their carrying value, which could cause a material adverse effect on our business, financial condition, results of operations and cash flows. Adverse changes in the valuation of real estate and real estate- linked assets, **volatility or** deterioration of capital markets and widening credit spreads have in the past, and may in the future, materially adversely affect the liquidity and the value of our investment portfolios, including our residential and commercial mortgage related securities portfolios. In the event additional liquidity is required by one or more of our companies, it may be difficult for us to generate additional liquidity by selling, pledging or otherwise monetizing these or other of our investments at reasonable prices and time frames. **AIG | 2023 Form 10- K25** Downgrades of the Insurer Financial Strength (IFS) ratings of our insurance ~~or reinsurance~~ companies could (i) prevent these companies from selling, or make it more difficult for them to succeed in selling, products and services, (ii) make it more difficult for them to obtain new reinsurance or obtain it on reasonable pricing terms, and / or (iii) result in increased policy cancellations, lapses and surrenders, termination of, or increased collateral posting obligations under, assumed reinsurance contracts, or return of premiums. A downgrade in AIG Parent' s credit ratings could result in a downgrade of the IFS ratings of our insurance or reinsurance subsidiaries. Similarly, under credit rating agency policies, a downgrade of the IFS ratings of our insurance and reinsurance subsidiaries could also result in a downgrade in AIG Parent' s credit ratings. In addition, a downgrade of our long- term debt ratings could ~~potentially~~

increase our financing costs and limit the availability of financing. A downgrade would also require us to post additional collateral payments related to derivative transactions to which we are a party, and could cause counterparties to limit or reduce their exposure to us and thus reduce our ability to manage our market risk exposures effectively. These events could adversely affect our business, results of operations, financial condition and liquidity. For additional information on rating agency actions, see Part II, Item 7. MD & A – Liquidity and Capital Resources – Credit Ratings and – Financial Strength Ratings ~~. We have assets, liabilities and obligations with interest rates tied to the London Interbank Offered Rate (LIBOR) for U. S. dollars and other certain remaining currencies. Starting January 1, 2022, all LIBOR settings either ceased to be provided by any administrator, or are no longer representative for all non- U. S. dollar LIBOR settings and one- week and two- month U. S. dollar (USD) LIBOR settings, and we expect the same will occur immediately after June 30, 2023 for the remaining USD LIBOR settings, absent subsequent action by the relevant authorities. Significant recommendations as to alternative rates and as to protocols have been advanced by various regulators and market participants, including the Alternative Reference Rates Committee of the United States Federal Reserve (ARRC), the International Swaps and Derivatives Association (ISDA), and the UK FCA, and legislative action by the U. S. Congress and the State of New York, but there can be no assurance that the various recommendations or legislative action will be effective at preventing or mitigating disruption as a result of the transition. In particular, for U. S. dollar LIBOR, the ARRC has selected the Secured Overnight Financing Rate (SOFR) as its preferred replacement benchmark and has formally recommended, in limited cases, a term rate based on SOFR; both ARRC and ISDA have taken significant steps toward implementing various fallback provisions and protocols; and for British pound sterling, relevant authorities have promoted use of Sterling Overnight Index Average (SONIA) as a replacement for LIBOR. However, the market transition away from LIBOR to alternative reference rates, including SOFR or SONIA, is complex and could result in disruptions, among other things, due to differences between LIBOR (an unsecured forward- looking term rate) and alternative rates that are based on historical measures of overnight secured rates; due to failure of market participants to fully accept such alternative rates; or due to difficulties in amending legacy LIBOR contracts or implementing processes for determining new alternative rates. 26AIG | 2022 Form 10- K The consequences of LIBOR reform could adversely affect the market for LIBOR-based securities, the payment obligations under our existing LIBOR- based liabilities and our ability to issue funding agreements bearing a floating rate of interest, as well as the value of financial and insurance products tied to LIBOR, investment portfolio or the substantial amount of derivatives contracts we use to hedge our assets, insurance and other liabilities. We cannot be certain that measures taken to address the transition from LIBOR will effectively mitigate potential risks related to such transition. In addition, we anticipate there may be additional risks to our current processes and information systems that will need to be identified and evaluated by us. Uncertainty as to the nature of such potential changes, alternative reference rates or other reforms could materially and adversely affect our business, results of operations, financial condition and liquidity~~ . BUSINESS AND OPERATIONS No assurances can be given that the separation of our Life and Retirement business will be completed or as to the specific terms or timing thereof. In addition, we may not achieve the expected benefits of the separation and will have continuing equity market exposure to Corebridge until we fully divest our stake. ~~In~~ **Since** September of 2022 ~~,~~ **when** AIG closed on the initial public offering ~~of 12. 4 percent of~~ Corebridge' s common stock **, we have been selling down our ownership interest. As of December 31, 2023, AIG holds 52. 2 percent of Corebridge common stock** . While we currently intend to sell down our **remaining** ownership interest in Corebridge over time ~~following expiration of our lock- up~~ , there can be no guarantee as to the timing or pricing thereof. **The** ~~Similar to other business dispositions, the~~ separation of our Life and Retirement business involves a number of risks, including (i) unanticipated developments that may delay, prevent or otherwise adversely affect our ability to ~~effect a~~ **continue the** separation **, including an economic downturn or unfavorable capital markets conditions** ; (ii) significant costs and disruption or distraction of management from AIG' s other business operations, whether or not a separation is completed; (iii) rating agency actions; (iv) unforeseen losses, liabilities or asset impairments arising from the disposition; ~~and~~ (v **) challenges associated with disentangling certain operations; and (vi**) if we are successful in separating the business, increased concentration of our business operations. In addition, the separation of our Life and Retirement business, or a significant delay in our ability to continue to separate the business, has **caused** and could continue to cause the emergence or exacerbate the effects of many of the other risks noted herein, 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; (iii)** our ability to utilize certain tax loss and credit carryforwards to offset future taxable income ~~going forward~~ ; (~~iii~~ **iv**) competition for employees and managing retention of key employees; (~~iv~~ **v**) maintaining relationships with certain key distributors; (~~v~~ **vi**) concentration of our insurance and other risk exposures; and (~~vi~~ **vii**) increased exposure to certain risks related to deriving revenue from non- U. S. sources. We believe that the separation of our Life and Retirement business allows us and Corebridge to pursue distinct strategies appropriate to our respective markets. However, there can be no assurance that we will realize any or all of the expected strategic, financial, operational or other benefits of the separation. Our ~~businesses~~ -- **business** ~~and~~ **,** results of operations **and financial condition** may be ~~negatively~~ **materially and adversely** impacted if we are unable to realize the anticipated expense reductions and organizational improvements of the separation and any related restructuring activities, or if implementing these initiatives harms our relationships with customers or employees or our competitive position ~~. A failure to realize expected benefits of the separation could result in a material adverse effect on our business, results of operations and financial condition~~ . Additionally, we continue to have a significant equity ownership position in Corebridge, and changes in the market price of Corebridge common stock may have a material impact on us. Pricing for our products is subject to our ability to adequately assess risks and estimate related losses. Our business is dependent on our ability to price our products effectively and charge appropriate premiums, policy fees and other charges. Pricing adequacy depends on a number of factors and assumptions, including proper evaluation of insurance risks, our expense levels, expected net investment income to be realized, our response to rate actions taken by competitors, legal and regulatory developments, the ability to obtain regulatory approval for rate changes and inflation. Management establishes target returns for each product based upon the factors described above, certain underwriting assumptions and capital requirements, including statutory, GAAP and economic capital models. We monitor and manage pricing and sales to achieve target returns on new **26AIG | 2023 Form 10- K** business, but we may not be able to achieve those returns due to the factors discussed above **. Additionally, the property and casualty insurance markets are historically cyclical and experience periods of relatively strong premium rates followed by periods of increased competition that push premium rates down** . Inadequate pricing and the difference between estimated results of the above factors compared to actual results could have a material adverse effect on the profitability of our operations and our financial condition. Guarantees within certain of our Life and Retirement products may increase the volatility of our results. Certain of our annuity and life insurance products include features that guarantee a certain level of benefits, including guaranteed minimum death benefits, guaranteed living benefits, including guaranteed minimum income benefits, and products with guaranteed interest crediting rates, including crediting rate guarantees tied to the performance of various market indices. Many of these features are accounted for at fair value as **either MRBs or** embedded derivatives under GAAP, and they have significant exposure to capital markets and insurance risks. An increase in valuation of liabilities associated with the guaranteed features results in a decrease in our profitability and depending on the magnitude of any such increase, could materially and adversely affect our financial condition, including our capitalization, as well as our financial strength ratings. ~~AIG | 2022 Form 10- K27~~ We employ a capital markets hedging strategy to partially offset the economic impacts of movements in equity, interest rate and credit markets, however, our hedging strategy may not effectively offset movements in our GAAP equity or our ~~and~~ statutory surplus and capital requirements and may otherwise be insufficient in relation to our obligations. Furthermore, we are subject to the risk that changes in policyholder behavior or actual levels of mortality / longevity as compared to assumptions in pricing and reserving, combined with adverse market events, could produce losses not addressed by the risk management techniques employed. These factors, individually or collectively, may have a material adverse effect on our business, financial condition, results of operations or liquidity including our ability to receive dividends from our operating companies. Changes in interest rates result in changes to the fair value liability. All else being equal, higher interest rates generally decrease the fair value of our liabilities, which increases our earnings, while low interest rates generally increase the fair value of our liabilities, which decreases our earnings. A prolonged low interest rate environment or a prolonged period of widening credit spreads may also subject us to increased hedging costs or an increase in the amount of statutory reserves that our insurance subsidiaries are required to hold for our liabilities, lowering their statutory surplus, which would adversely affect their ability to pay dividends. In addition, it may also increase the perceived value of our benefits to our policyholders, which in turn may lead to a higher than expected benefit utilization and ~~persistency~~ **lower than expected surrender rates** of those products over time **as compared to pricing assumptions** . Differences between the change in fair value of the GAAP **MRBs and** embedded derivatives, as well as associated statutory and tax liabilities, and the value of the related hedging portfolio may occur and can be caused by movements in the level of equity, interest rate and credit markets, market volatility, policyholder behavior and mortality / longevity rates that differ from our assumptions and our inability to purchase hedging instruments at prices consistent with the desired risk and return trade- off. In addition, we may sometimes choose not to hedge or fully mitigate these risks, based on economic considerations and other factors. The occurrence of one or more of these events has in the past resulted in, and could in the future result in, an increase in the fair value of liabilities associated with the guaranteed benefits without an offsetting increase in the value of our hedges, or a decline in the value of our hedges without an offsetting decline in our liabilities, thus reducing our results of operations and shareholders' equity. For additional information on these products, see ~~Notes 12 and 13 to the Consolidated Financial Statements,~~ Item 1. Business – Regulation ~~and~~ **,** Part II, Item 7. MD & A – Critical Accounting Estimates – ~~Guaranteed~~ **Market Risk** ~~Benefit~~ **Benefits** ~~Features of Variable Annuity, Fixed Annuity~~ and ~~Fixed Index Annuity Products~~ **Notes 13 and 14 to the Consolidated Financial Statements** . Our risk management policies **, standards** and procedures may prove to be ineffective and leave us exposed to unidentified or unanticipated risk, which could adversely affect our businesses, results of operations, financial condition and liquidity. We have developed and continue to enhance enterprise- wide risk management policies **, standards** and procedures to identify, monitor and mitigate risk ~~and loss~~ to which we are exposed. Our risk management policies **, standards** and procedures may not be sufficiently comprehensive and may not identify or adequately protect us from every risk to which we are exposed. Many of our methods of identifying, measuring, underwriting and managing risks are based upon our study and use of historical market, applicant, customer, employee and bad actor behavior or statistics based on historical models. As a result, these methods may not accurately predict future exposures from events such as a major financial market disruption as the result of a natural or man- made disaster (for example, a **severe** climate- related event or terrorist attack), that could be significantly different than the historical measures indicate, and which could also result in a substantial change in policyholder behavior and claims levels not previously observed. We have and will continue to enhance our underwriting processes, including, from time to time, considering and integrating newly available sources of data to confirm and refine our traditional underwriting methods. Our efforts at implementing these improvements may not, however, be fully successful, which may adversely affect our competitive position. We have also introduced new product features designed to limit our risk and taken actions on in- force business, which may not be fully successful in limiting or eliminating risk. We may take additional actions on our in- force business, including adjusting crediting rates and cost of insurance, which may not be fully successful in maintaining profitability and which may result in litigation. Moreover, our hedging programs and reinsurance strategies that are designed to manage market risk and mortality risk rely on assumptions regarding our assets, liabilities, general market factors and the creditworthiness of our counterparties that could prove to be incorrect or inadequate. Our hedging programs utilize various derivative instruments, including but not limited to equity options, futures contracts, interest rate swaps and swaptions, as well as other hedging **AIG | 2023 Form 10- K27** instruments, which may not effectively or completely reduce our risk; and assumptions underlying models used to measure accumulations and support reinsurance purchases may prove inaccurate and could leave us exposed to larger than expected catastrophe losses in a given year. In addition, our current business continuity and disaster recovery plans may not be sufficient to reduce the impact of pandemics, **a major** cyber ~~risks~~ **attack** , including ransomware, and other natural or man- made catastrophic events that are beyond our anticipated thresholds or impact tolerances. Other risk management methods depend upon the evaluation of information regarding markets, clients, or other matters that is publicly available or otherwise accessible to us, which may not always be accurate, complete, up- to- date or properly evaluated. Management of operational, legal and regulatory risks requires, among other things, policies and procedures to record and verify large numbers of transactions and events in each jurisdiction in which we operate. Jurisdictions have unique requirements with respect to artificial intelligence and environmental, social and governance matters, which may impact the efficacy of our standardized risk management tools and techniques and therefore our policies and procedures may not be fully effective. Accordingly, our risk management policies and procedures may not adequately mitigate the risks to our business, results of operations, financial condition and liquidity. ~~28AIG | 2022 Form 10- K~~ If our risk management policies and procedures are ineffective, we may suffer unexpected losses and could be materially adversely affected. As our businesses change and the markets in which we operate evolve and new risks emerge, including ~~for example~~ risks ~~related to climate change~~ **posed by the rapidly developing technology associated with artificial intelligence and the implementation thereof within** ~~or~~ **our operations, by** ~~meeting regulatory and stakeholder expectations relating to ESG or~~ **our third- party vendors and by competitors and unanticipated** ~~cybersecurity issues, our risk management framework may not evolve at the same pace as those changes~~ **challenges with respect thereto** . As a result, there is a risk that new products or new business strategies may present risks that are not appropriately identified, monitored or managed. The effectiveness of our risk management strategies may be limited, resulting in losses, because of market stress, unanticipated financial market movements or unanticipated claims experience from adverse mortality, morbidity or policyholder behavior. In addition, there can be no assurance that we can effectively review and monitor all risks or that all of our employees will understand and follow (or comply with) our risk management policies and procedures. Our foreign operations expose us to risks that may affect our operations. ~~We~~ **AIG** ~~provide~~ **provides** insurance **solutions that help** ~~, reinsurance, investment and other financial products and services to both~~ businesses and individuals in approximately ~~70~~ **190** countries and jurisdictions **protect their assets and manage risks through AIG operations and network partners** . A substantial portion of our business is conducted outside the United States, and we intend to continue to grow our business in strategic markets. Operations outside the United States have in the past been, and may in the future be, affected by **elevated climate risks,** regional economic downturns, changes in foreign currency exchange rates, political events or upheaval, sanctions policies, nationalization and other restrictive government or regulatory actions, which could also affect our other operations. AIG subsidiaries operating in foreign jurisdictions must satisfy local regulatory requirements and it is possible that **these** local licenses may require AIG Parent to meet certain conditions. Licenses issued by foreign authorities to our subsidiaries are subject to modification and revocation. Consequently, our insurance subsidiaries could be prevented from conducting future business in some of the jurisdictions where they currently operate. Adverse actions from any single country could adversely affect our results of operations, depending on the magnitude of the event and our financial exposure at that time in that country. AIG is subject to myriad regulations which govern items such as sanctions, bribery and anti- money laundering, for which failure to comply could expose us to significant penalties. The USA Patriot Act of 2011 requires companies to know certain information about their clients and to monitor their transactions for suspicious activities. The Foreign Corrupt Practices Act makes it unlawful for certain classes of persons and entities to make payments to foreign government officials to assist in obtaining or retaining business. Also, the Department of the Treasury' s Office of Foreign Assets Control administers regulations that restrict or prohibit dealings ~~within U. S. jurisdictions~~ involving certain organizations, individuals ~~,~~ **and** countries ~~, and financial products~~ . The UK, the EU **, Japan** and other jurisdictions maintain similar laws and regulations. Although we have policies and controls in place that are designed to ensure compliance with these laws, if those controls are ineffective and / or an employee or third party fails to comply with applicable laws and regulations, we could suffer civil and criminal penalties, including disgorgement, and our business and our reputation could be adversely affected. We are exposed to certain risks if we are unable to maintain the availability of our critical technology systems and data and safeguard the confidentiality and integrity of our data, which could compromise our ability to conduct business and adversely affect our consolidated business, results of operations, financial condition and liquidity. We use information technology systems, infrastructure and networks and other operational systems to store, retrieve, evaluate and use customer, employee ~~,~~ and company data and information. Our business is highly dependent on our ability to access these systems and networks to perform necessary business functions. In the event of a natural disaster, ~~a computer virus,~~ unauthorized access, a terrorist attack, **a major** cyber attack or other disruption, our systems ~~and~~ **,** networks **, and data** may be inaccessible to our employees, customers or business partners for an extended period of time, and we may be unable to meet our business obligations and regulatory requirements for an extended period of time if our data or systems are disabled, manipulated, destroyed or otherwise compromised. Additionally, some of our **technology** systems ~~and networks~~ are older, legacy- type systems that are less efficient and require an ongoing commitment of significant resources to maintain or upgrade. **Some of these systems cannot be fully protected because of the inability to implement the latest security patches.** Supply chain disruptions or delays could prevent us from maintaining and implementing changes, updates and upgrades to our systems and networks in a timely manner or at all. System and network failures or outages could compromise our **28AIG | 2023 Form 10- K** ability to perform business functions in a timely manner, which could harm our ability to conduct business, hurt our relationships with our business partners and customers and expose us to legal claims as well as regulatory investigations and sanctions, any of which could have a material adverse effect on our business, results of operations, financial condition and liquidity. Some of these **technology** systems ~~and networks~~ also rely upon third- party systems and services, which themselves may rely on the systems and services of other third parties. Problems caused by, or occurring in relation to, our third- party providers' systems and services, including those resulting from breakdowns or other disruptions in information technology services provided by our third- party providers and the other third- parties on which they rely, our inability to acquire third- party services on commercially acceptable terms, failure of a third- party provider to perform as anticipated or in compliance with applicable laws or regulations, inability of a third- party provider to provide the required volumes of services or **our** third-party providers ~~experiences~~ **experiencing** cyberattacks ~~, security breaches~~ or data breaches, could materially and adversely affect our business, results of operations, financial condition and liquidity. ~~AIG | 2022 Form 10- K29~~ Like other global companies, the systems and networks we maintain and third- party systems and networks we use have in the past been, and may in the future be, subject to or targets of unauthorized or fraudulent access, including physical or electronic break- ins or unauthorized tampering, as well as attempted ~~cyber and other security~~ **cybersecurity** threats ~~and other computer- related penetrations~~ such as " denial of service " attacks, phishing, ~~untargeted but sophisticated and~~ automated attacks, and other disruptive ~~software~~ **attacks** , including ransomware. **Cyber threats are constantly evolving and the techniques used in these attacks change, develop and evolve rapidly, including the use of emerging technologies, such as broader forms of artificial intelligence and quantum computing by nation state threat actors and criminal organizations.** The **new cyber risks introduced by these changes in technology require us to devote significant attention to identification, assessment and analysis of the risks and implementation of corresponding preventative measures. Additionally, the** frequency and sophistication of such threats continue to increase and often become further heightened in connection with geopolitical tensions. Also, like other global companies, we have an increasing challenge of retaining and attracting highly qualified personnel to assist us in combatting these security threats. ~~We continuously monitor and develop our information security and technology operations in an effort to prevent, detect, address and mitigate the risk of threats to our data, systems and networks, including malware and computer virus attacks, ransomware, unauthorized access, business e- mail compromise, misuse, denial- of- service attacks, system failures and disruptions, both independently and through contracts with third parties.~~ There is no assurance that our ~~security~~ **cybersecurity** measures, including information security and technology policies and standards, administrative, technical and physical controls and other actions **by us or contracted third- parties** designed as preventative, will provide fully effective protection from ~~such events~~ **threats to our data, systems and networks, including malware and computer virus attacks, ransomware, unauthorized access, business e- mail compromise, misuse, denial- of- service attacks, system failures and other disruptions** . AIG maintains insurance to cover operational risks, such as cyber risk and technology outages, but this insurance may not cover all costs associated with the consequences of information systems or personal, confidential or proprietary information being compromised. In the case of a successful ransomware attack in which our data and information systems are compromised and applicable restore control processes to restore access are not effective, our information could be held hostage until a ransom, which may be significant, is paid. In some cases, such a compromise may not be immediately detected which may make it difficult to restore critical services, mitigate damage to assets and maintain the integrity and security of data including our policyholder, employee, agent, and other confidential information processed through our systems and networks. Additionally, since we rely heavily on information technology and systems **(which increasingly will include the use of artificial intelligence)** and on the integrity and timeliness of data to run our businesses and service our customers, any such security event and resulting compromise of systems or data may impede or interrupt our business operations and our ability to service our customers, and otherwise may materially and adversely affect our business, results of operations, financial condition and liquidity. ~~We are continuously~~ **There can be no assurance that any actions taken by us to** ~~evaluating~~ **evaluate** and ~~enhancing~~ **enhance** our information security and technology systems and processes, including third- party systems and services on which we rely ~~. These continued enhancements and changes~~ , as well as changes designed to update and enhance our protective measures to address new threats, **will** ~~may not~~ decrease the risk of a system or process failure or may create a gap in the associated security measures during the change period. Any such system or process failure or security measures gap could materially and adversely affect our business, results of operations, financial condition and liquidity. We routinely transmit, receive and store personal, confidential and proprietary information by **secured** email and other electronic means. Although we attempt to keep such information confidential and secure, we may be unable to do so in all events, especially with clients, vendors, service providers, counterparties and other third parties who may not have or use appropriate controls to protect personal, confidential or proprietary information. Failure to secure or appropriately handle personal, confidential or proprietary information could cause a loss of data or compromised data integrity, give rise to remediation or other expenses, expose us to liability under U. S. and international laws and regulations, and subject us to litigation, investigations, sanctions, and regulatory and law enforcement action, and result in reputational harm and loss of business, which could have a material adverse effect on our business, results of operations, financial condition and liquidity. Furthermore, certain of our businesses are subject to compliance with laws and regulations enacted by U. S. federal and state governments, the EU or other jurisdictions or enacted by various regulatory organizations or exchanges relating to the privacy and security of the information of clients, employees or others. The variety of applicable privacy and information security laws and regulations exposes us to heightened regulatory scrutiny, requires us to incur significant technical, legal and other expenses in an effort to ensure and maintain compliance and will continue to impact our business in the future by increasing legal, operational and compliance costs. While we have taken steps to comply with privacy and information security laws, we cannot guarantee that our efforts will meet the evolving standards imposed by data protection authorities. If we are found not to be in compliance with these **AIG | 2023 Form 10- K29** privacy and security laws and regulations, we may be subject to additional potential private consumer, business partner or securities litigation, regulatory inquiries, and governmental investigations and proceedings, **including class- actions** ~~and we may incur damage to our reputation~~ . Any such developments may **damage our reputation and** subject us to material fines and other monetary penalties and damages, divert management' s time and attention, and lead to enhanced regulatory oversight, any of which could have a material adverse effect on our business, results of operations, financial condition and liquidity. Additionally, we expect that developments in privacy and cybersecurity worldwide will increase the financial and reputational implications following a significant breach of our or our third- party suppliers' information technology systems. For additional information on data protection and cybersecurity regulations, see Item 1. Business – Regulation – Privacy, Data Protection ~~and~~ **,** Cybersecurity **and Artificial Intelligence Requirements** , and Part II, Item 7. MD & A – Enterprise Risk Management –

Operational Risk Management – Cybersecurity Risk. **We** ~~30AIG | 2022 Form 10- K Third parties we rely upon to provide certain business and administrative services on our behalf may not perform as anticipated, which could~~ have **used** ~~an~~ **and will continue to** ~~adverse effect on our business and results of operations. We rely on the~~ use ~~of~~ **outsourcing strategies and** third- party providers to **transform operational and back office processes and** deliver contracted services in a broad range of areas ~~,~~ **. Such areas** ~~including~~ **include , but are not limited to,** administration ~~of~~ **or** servicing of certain policies and contracts ~~and investment assets, investment accounting, information technology and operational functions~~ , finance ~~and~~ **,** actuarial ~~services~~ , ~~claims administration, human resources and~~ information technology services related to infrastructure, ~~application development~~ and ~~maintenance~~ **investment advisory and management services for certain funds, plans and retail advisory programs we offer, as well as our own investments** . In addition, we have engaged with BlackRock for use of its investment management and risk analytics technology **platform** , Aladdin. The implementation of Aladdin is comprised of multiple workstreams that are complex and require significant time and resource prioritization. While we have achieved key milestones in the implementation of the technology, there could be delays due to lack of sufficient resources to execute on a timely basis, inefficiencies stemming from changes that may be required to the program or sequencing, failure to meet operational and financial targets due to additional priorities or other factors. These risks may impair our ability to achieve anticipated improvements in our businesses **may disrupt** or may otherwise harm our operations which could materially and adversely affect our businesses, financial condition and operations. Further, we have engaged Blackstone and BlackRock to serve as our investment managers for ~~certain~~ **the majority of AIG' s investment** ~~asset~~ **assets** ~~classes~~ . For information regarding our reliance on Blackstone and BlackRock as a third- party ~~asset~~ **investment** managers, see Investment Portfolio and Concentration of Investments – " We rely on investment management and advisory arrangements with third- party investment managers for the majority of our investment portfolio. The historical performance of Blackstone, BlackRock or any other asset manager we engage should not be considered as indicative of the future results of our investment portfolio, our future results or any returns expected on AIG Common Stock " above. Some of the third- party providers we use are located outside the U. S., which exposes us to business disruptions and political risks inherent to conducting business outside of the U. S. We periodically negotiate provisions and renewals of these relationships, and there can be no assurance that such terms will remain acceptable to us, such third parties or regulators. If such third- party providers experience disruptions, fail to meet applicable licensure requirements, do not perform as anticipated or in compliance with applicable laws and regulations, terminate or fail to renew our relationships, or such third- party providers in turn rely on services from another third- party provider, who experiences such disruptions, licensure failures, nonperformance or noncompliance, termination or non- renewal of its contractual relationships, we may experience operational difficulties, an inability to meet obligations (including, but not limited to, contractual, legal, regulatory or policyholder obligations), a loss of business, increased costs or reputational harm, compromises to our data integrity, or suffer other negative consequences, all of which may have a material adverse effect on our business, consolidated results of operations, liquidity and financial condition. Third parties performing regulated activities on our behalf, such as sales and servicing of insurance products, pose a heightened risk as we may be held accountable for third- party conduct that is not in compliance with applicable law. For information regarding cyber risk arising from third- party providers, see Business and Operations – " We are exposed to certain risks if we are unable to maintain the availability of our critical technology systems and data and safeguard the confidentiality and integrity of our data, which could compromise our ability to conduct business and adversely affect our consolidated business, results of operations, financial condition and liquidity " above. We may experience difficulty in marketing and distributing products through our current and future distribution channels and the use of third parties may result in additional liabilities. **We** ~~Although we distribute our products through a wide variety of distribution channels, we~~ maintain relationships with a number of key distributors, which results in certain distributor concentration. Distributors have in the past, and may in the future, elect to renegotiate the terms of existing relationships, such that those terms may not remain attractive or acceptable to us, limit the products they sell, including the types of products offered by us, or otherwise reduce or terminate their distribution relationships with us, with or without cause. This could be due to various reasons, such as industry consolidation of distributors or other industry changes that increase the competition for access to distributors, developments in laws or regulations that affect our business or industry, including the marketing and sale of our products and services, adverse developments in our business, the distribution of products with features that do not meet minimum thresholds set by the distributor, strategic decisions that impact our business, adverse rating agency actions or concerns about market- related risks. **30AIG | 2023 Form 10- K** Alternatively, renegotiated terms may not be attractive or acceptable to distributors, or we may terminate one or more distribution agreements due to, for example, a loss of confidence in, or a change in control of, one of the third- party distributors. An interruption or reduction in certain key relationships could materially affect our ability to market our products and could materially and adversely affect our business, results of operations, financial condition and liquidity. Key distribution partners could merge, consolidate, change their business models in ways that affect how our products are sold, or terminate their distribution contracts with us, or new distribution channels could emerge and adversely impact the effectiveness of our distribution efforts. An increase in bank, wirehouse and broker- dealer consolidation activity could increase competition for access to distributors, result in greater distribution expenses and impair our ability to market certain of our products through these channels. ~~AIG | 2022 Form 10- K31~~ Also, if we are unsuccessful in attracting, retaining and training key distribution partners, or are unable to maintain our distribution relationships, our sales could decline, which could have a material adverse effect on our business, results of operations, financial condition and liquidity. In addition, substantially all of our distributors are permitted to sell our competitors' products. If our competitors offer products that are more attractive than ours or pay higher commission rates to the distribution partners than we do or for other reasons outside of our control, these distribution partners could concentrate their efforts in selling our competitors' products instead of ours. In addition, we can, in certain circumstances, be held responsible for the actions of our third- party distributors, including broker- dealers, registered representatives, insurance agents and agencies, marketing organizations, and their respective employees, agents and representatives, in connection with the marketing and sale of our products by such parties, including the security of their operations and their handling of confidential information and personal data, in a manner that is deemed not compliant with applicable laws and regulations. This is particularly acute with respect to unaffiliated distributors where we may not be able to directly monitor or control the manner in which our products are sold through third- party firms despite our **risk assessment,** training and compliance programs. Further, misconduct by employees, agents and representatives of our broker- dealer subsidiaries in the sale of our products could also result in violations of laws by us or our subsidiaries, regulatory sanctions and serious reputational or financial harm to us. The precautions we take to prevent and detect the foregoing activities may not be effective. If our products are distributed to customers for whom they are unsuitable or distributed in a manner alleged to be inappropriate, or third- party distributors experience a security or data breach due to deficient operational controls, we could suffer reputational and / or other financial harm to our business. For information regarding suitability standards, see Item 1. Business – Regulation – Regulatory Regimes – United States. ~~Failure~~ **Our restructuring initiatives may not yield our expected reductions in expenses and improvements in operational and organizational efficiency. We may not be able** to ~~effectively~~ **fully realize the anticipated expense reductions and operational and organizational efficiency improvements we expect to result from our focus on our operating model and associated initiatives. Actual costs to implement these initiatives may exceed our estimates or we may be unable to fully implement and** execute ~~on AIG 200 could have a material~~ **these initiatives as planned. Our businesses and results of operations may be negatively impacted if we are unable to realize these anticipated expense reductions and efficiency improvements or if implementing these initiatives harms our relationships with customers or employees or our competitive position. The successful implementation of these initiatives may continue to require us to** effect **business rationalizations** ~~on our operations or financial condition. In 2019~~ , ~~we announced AIG 200, our global, multi- year and enterprise- wide program involving transformational change across the Company. AIG 200 is comprised of ten operational programs mapped against four core objectives that are complex and require significant investment and resource prioritization. While we have already reached our exit run- rate savings goal associated with the program, we still may not fully achieve some or all of the expected benefits from these operational programs. In addition, there could be delays in execution across the programs, particularly with respect to implementation of~~ technology ~~platforms~~ **enhancements** , ~~lack of sufficient resources~~ **business process outsourcing, workforce reductions, modifications** to ~~execute~~ **our operating model and other actions, which depend** on a **number of** ~~timely basis, inefficiencies stemming from changes that may be required to programs or sequencing, failure to meet operational and financial targets due to additional priorities or other~~ factors, **some of** ~~and the inability to secure regulatory approvals, if and when needed. These risks may impair our ability to achieve anticipated improvements in our businesses or may otherwise harm our operations~~ which **are beyond** ~~could materially and adversely affect~~ our **control** ~~businesses, financial condition and cash flow~~ . Business or asset acquisitions and dispositions may expose us to certain risks. The completion of any business or asset acquisition or disposition is subject to certain risks, including those relating to the receipt of required regulatory approvals, the terms and conditions of regulatory approvals including any financial accommodations required by regulators, our ability to satisfy such terms, conditions and accommodations, the occurrence of any event, change or other circumstances that could give rise to the termination of a transaction and the risk that parties may not be willing or able to satisfy the conditions to a transaction. As a result, there can be no assurance that any business or asset acquisition or disposition will be completed as contemplated, or at all, or regarding the expected timing of the completion of the acquisition or disposition. For example, there can be no certainty as to the sale of our remaining stake in Corebridge nor the timing, pricing or terms thereof. Once we complete acquisitions or dispositions, there can be no assurance that we will realize the anticipated economic, strategic or other benefits of any transaction. For example, the integration of businesses we acquire may not be as successful as we anticipate or there may be undisclosed risks present in such businesses. Acquisitions **and dispositions** involve a number of risks, including operational, strategic, financial, accounting, legal, compliance and tax risks. Difficulties integrating an acquired business may result in the acquired business performing differently than we expected (including through the loss of customers) or in our failure to realize anticipated expense- related efficiencies. Our existing businesses could also be negatively impacted by acquisitions. Risks resulting from future acquisitions may have a material adverse effect on our results of operations and financial condition. In connection with a business or asset disposition, we may also hold a concentrated position in securities of the acquirer as part of the consideration, which subjects us to risks related to the price of equity securities and our ability to monetize such securities. We have also provided and may provide financial guarantees and indemnities in connection with the businesses we have sold or may sell, as described in **AIG | 2023 Form 10-K31** greater detail in Note ~~15~~ **17** to the Consolidated Financial Statements **. Additionally, difficulties or delays in separating a divested business from our existing infrastructure, systems and operations could reduce the anticipated economic, strategic or other benefits of such transaction** . While we do not currently believe that claims under these indemnities will be material, it is possible that significant indemnity claims could be made against us. If such a claim or claims were successful, it could have a material adverse effect on our results of operations, cash flows and liquidity. For additional information regarding the risks associated with AIG' s separation of its Life and Retirement business, see Business and Operations – " No assurances can be given that the separation of our Life and Retirement business will be completed or as to the specific terms or timing thereof. In addition, we may not achieve the expected benefits of the separation and will have continuing equity market exposure to Corebridge until we fully divest our stake " above. ~~32AIG | 2022 Form 10- K~~ Significant legal or regulatory proceedings may adversely affect our business, results of operations or financial condition. In the normal course of business, we face significant risk from regulatory and governmental investigations and civil actions, litigation and other forms of dispute resolution in various domestic and foreign jurisdictions. In our insurance and reinsurance operations, we frequently engage in litigation and arbitration concerning the scope of coverage under insurance and reinsurance contracts, and face litigation and arbitration in which our subsidiaries defend or indemnify their insureds under insurance and reinsurance contracts. Additionally, from time to time, various regulatory and governmental agencies review the transactions and practices of AIG and our subsidiaries in connection with **company- specific matters, or** industry- wide and other inquiries into, among other matters, the business practices of current and former operating insurance subsidiaries. Such **reviews,** investigations, inquiries or examinations have and could **lead to extended delays to, or prohibitions of, such transactions or practices, or** develop into administrative, civil or criminal proceedings or enforcement actions, in which remedies could include fines, penalties, restitution or alterations ~~in~~ **to** our business practices, and could result in additional expenses, limitations on certain business activities and reputational damage. AIG, our subsidiaries and their respective officers and directors are also subject to, or may become subject to, a variety of additional types of legal disputes 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. Certain of these matters may also involve potentially significant risk of loss due to the possibility of significant jury awards and settlements, punitive damages or other penalties. Many of these matters are also highly complex and 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 them, and developments in these matters could have a material adverse effect on our consolidated financial condition or consolidated results of operations **.** For information regarding certain legal proceedings, see Notes ~~15~~ **17** and ~~21~~ **23** to the Consolidated Financial Statements. Increasing scrutiny and evolving expectations from investors, customers, regulators, policymakers and other stakeholders regarding environmental, social and governance matters **, including governmental responses to such matters,** may adversely affect our reputation or otherwise adversely impact our business and results of operations. There is increasing scrutiny and evolving expectations from investors, customers, regulators, policymakers and other stakeholders on ~~ESG~~ **companies' governance, risk oversight, disclosures, plans, policies and** practices **regarding environmental, social** and ~~disclosures~~ **governance matters** , including those related to environmental stewardship, climate change, diversity, equity and inclusion, racial justice and workplace conduct. These standards and expectations may also, as a whole, reflect ~~contrasting~~ **diverging** or conflicting values or ~~agendas~~ **policy objectives** . **Governmental actions to mitigate climate and other risks related to environmental, social and governance matters could have an adverse effect on our business and results of operations. Internationally and at the U. S. federal and state levels,** ~~Regulators~~ **regulators** have imposed and likely will continue to impose ~~ESG-~~ **requirements and guidance** related ~~rules~~ **to environmental, social** and ~~guidance~~ **governance matters** , which may conflict with one another ~~and~~ **,** impose additional costs on us ~~or~~ **and** expose us to new or additional risks ~~. Moreover~~ , **including financial, regulatory, litigation, reputational and operational risks. See Business – Regulation – Climate Change.** ~~certain~~ **Certain** organizations that provide information to investors have developed ratings for evaluating companies on their approach to different ~~ESG~~ **environmental, social and governance** matters, and unfavorable ratings of our company or our industries may lead to negative investor sentiment and the diversion of investment to other companies or industries. ~~In 2022, we committed~~ **We may not be able** to **meet environmental, social, governance** ~~reaching net zero greenhouse gas emissions across our~~ - **or** ~~underwriting and investments portfolios~~ **sustainability targets, goals, plans, standards or expectations (including any previously announced climate target, goal or plan), whether established or set** by ~~2050~~ **us or third parties** , **due to a variety of factors, including regulatory or other developments, changes to the methodologies, assumptions and estimates that underlie** ~~or~~ **our** ~~sooner~~ **climate- and other sustainability- related targets, goals and strategy, or the actions of or information provided by third parties outside of our control, who may apply standards, methodologies, practices and policies that differ from ours** . If we are unable to meet **such** targets, **goals, plans,** standards ~~,~~ or expectations ~~, whether established by us or third parties~~ , it could result in adverse publicity, reputational harm, or loss of customer and / or investor confidence, which could adversely affect our business and results of operations. **32AIG | 2023 Form 10- K** For information on the effects of climate change on our business, see Reserves and Exposures – " Climate change may adversely affect our business and financial condition " above. ~~While the impacts from the~~ **Public health crises have previously resulted in significant societal disruption, economic uncertainty, volatility in business and consumer confidence and global economic slowdowns. The** COVID- 19 pandemic ~~are still evolving~~ , ~~it~~ **in particular, and related governmental response measures introduced by various national and local governmental authorities (such** ~~has~~ - **as restrictions on social activity, travel, movement and certain economic activity)** caused significant societal disruption ~~and~~ **, volatility in the capital markets, disruptions in the labor market, supply chain disruption, significant impacts on commercial real estate due to the increase in remote working arrangements, mortality increases** ~~has~~ - **as compared to pricing expectations and most recently, an inflationary environment, which have** had adverse economic impacts on our business ~~, such as volatility~~ in ~~the capital markets~~ **various ways. For example** , **we have experienced** ~~disruptions in the labor market, supply chain disruption, mortality increases~~ **increased claim volumes; adverse effects resulting from** ~~as compared to pricing expectations and most recently, an inflationary environment. We cannot estimate the full extent to which the pandemic may continue to cause or~~ **our** ~~exacerbate certain risks to our global business, including those discussed herein. Within our investment portfolio, there is~~ exposure to ~~certain segments of the economy, including real estate and real estate- related investments, which exposes us to negative impacts from the deferral of mortgage payments, renegotiated commercial mortgage loans or outright mortgage defaults and potential acceleration of macro trends such as work from home and online shopping, which may negatively impact~~ certain industries, such as brick- and- mortar retail ~~. Moreover~~ **and commercial office space resulting from remote work** , ~~market volatility due to COVID- 19~~ **and difficulties in arriving at accurate valuations thereof, which** has ~~created and may continue to create dislocations, decreases or variations in observable market activity or availability of information used~~ **caused** ~~in the valuation of our~~ - **or may cause** ~~assets and liabilities, which could negatively impair~~ **impairment of** the estimates and assumptions used to run our businesses or ~~result~~ **resulting** in greater variability and subjectivity in our investment decisions **;** ~~. AIG | 2022 Form 10- K33 Our insurance businesses have~~ and ~~may continue to experience~~ increased **difficulty** ~~claim volume. Beginning in March 2020 and continuing through 2022, we experienced an~~ **and** ~~increase~~ **cost** in **obtaining** ~~mortality claims as compared to our historical pricing assumptions, which may continue until the COVID- 19 pandemic subsides in its entirety, and decreased demand for certain of our insurance~~ **reinsurance**

coverage ~~product lines~~. In addition, COVID- 19 adversely affected our premiums and deposits in some of our insurance lines, including our Life and Retirement products. Further, our policies with premium adjustment features tied to exposure levels, as is the case in certain specialty and casualty lines, ~~may~~ **have in certain cases been** be triggered, resulting in premium reductions. ~~We may~~ **It is** also **possible that** ~~incur higher expenses in our insurance businesses and higher legal costs as a result of coverage disputes, including~~ class actions and other proceedings ~~that have been or~~ may in the future be filed against us, our insureds, or others, seeking coverage for COVID 19- related losses or alleging bad- faith denials of coverage for such losses. **If** ~~Due to the~~ **these** ~~scope~~ **effects are prolonged** , ~~severity and extended duration of the pandemic, reinsurance has been and may be more difficult or costly to obtain in general or for~~ - **or if new COVID** ~~certain types of coverage going forward. In addition, reinsurance terms and conditions may change whereby the coverage provided may not be the same or similar to the reinsurance terms and conditions currently available in the reinsurance market. Certain pre~~ - **19 variants emerge** ~~existing operational risks have been and may continue to be exacerbated~~ , **a periodic spike in COVID** ~~notably with respect to potential phishing or other cybersecurity~~ - **19 occurs or an** ~~related~~ **unrelated epidemic emerges which requires reimplementation** ~~events and our increased reliance on technology, including technology~~ of ~~our employees and service providers. Other~~ -- **the** ~~pre~~ **response measures outlined above, the markets and economies in which we operate may experience heightened stress and further volatility, which may exacerbate the impacts of COVID** - **19 set out above** ~~existing operational risks, such as privacy incidents, fraud, operational resilience~~ and ~~risks related to the~~ **may materially adversely affect our business, results of** operations and **financial condition** ~~resiliency of our vendors, third- party providers and other counterparties, may also be exacerbated~~. In addition, remote or hybrid work may negatively impact our culture and employees' morale, which could result in greater turnover, lower productivity and greater operational risks ~~. Due to the evolving and disruptive nature of the COVID- 19 pandemic, we could experience other potential impacts, including, but not limited to, potential impairment charges to the carrying amounts of goodwill, deferred tax assets, increased reserves to levels that are difficult to accurately estimate and increased morbidity and mortality expectations from longer term consequences of COVID- 19 infections. Further, new and potentially unforeseen risks beyond those described above and in other risk factors herein may arise as a result of the pandemic and the actions taken by governmental and regulatory authorities to mitigate its impact~~. We may not be able to protect our intellectual property and may be subject to infringement claims. Effective intellectual property rights protection, including in the form of contractual rights, copyright, trademark, patent and trade secret laws, may be unavailable, limited, or subject to change in some countries where we do or plan to do business. Third parties may infringe or misappropriate our intellectual property. We have, and may in the future, litigate to protect our intellectual property. Any such litigation may be costly and may not be successful. Additionally, third parties may have patents or other protections that could be infringed by our products, methods, processes or services or which could limit our ability to offer certain product features. Consequently, we **have in the past been and** may ~~also~~ **in the future** be subject to costly litigation in the event that another party alleges that we infringe upon their intellectual property rights. Any such intellectual property litigation could prove to be both costly and unsuccessful result in significant expense, damages, and in some circumstances we could be enjoined from providing certain products or services to our customers. Alternatively, we could be required to enter into costly licensing arrangements with third parties to resolve infringement or contractual disputes. The loss of intellectual property protection or the inability to secure or enforce the protection of our intellectual property assets could harm our reputation and have a material adverse effect on our business and our ability to compete. ~~EMPLOYEES AND COMPETITION Employee error and misconduct may be difficult to detect and prevent and may result in reputational damage and significant losses. There have been a number of cases involving fraud or other misconduct by employees in recent years and we are exposed to the risk that employee fraud or misconduct could occur. Our informational technology, human resources and compliance departments work collaboratively to monitor for fraud and conduct extensive training for employees. However, employee fraud or misconduct may still occur. Instances of fraud, illegal acts, errors, failure to document transactions properly or to obtain proper internal authorization, misuse of customer or proprietary / confidential information, or failure to comply with regulatory requirements or our internal policies may result in losses and / or reputational damage. Competition for employees in our industry is intense, and managing key employee succession is critical to our success. We may not be able to retain and attract key employees and other highly skilled employees we need to support our businesses. Our success depends, in large part, on our ability to retain and attract key and other highly skilled employees. Due to the intense competition in our industry for key employees, we may be unable to retain or hire such employees. In addition, we may experience higher than expected employee turnover and difficulty attracting new employees as a result of uncertainty from strategic actions and organizational and operational changes. Losing any of our key employees also could have a material adverse effect on our operations given their skills, knowledge of our business, years of industry experience and the potential difficulty of promptly finding qualified replacements. Our business and consolidated results of operations could be materially adversely affected if we are unsuccessful in retaining and attracting key employees. 34AIG | 2022 Form 10- K In addition, we would be adversely affected if we fail to adequately plan for the succession of our Chief Executive Officer, other members of senior management and other key employees. While we have succession plans and long- term compensation plans designed to retain our employees, our succession plans may not operate effectively and our compensation plans cannot guarantee that the services of these employees will continue to be available to us. We face intense competition in each of our business lines, and technological changes may present new and intensified challenges to our businesses. Our businesses operate in highly competitive environments, both domestically and overseas. Our principal competitors are other large multinational insurance organizations, as well as banks, investment banks and other nonbank financial institutions. General Insurance and Life and Retirement compete through a combination of risk acceptance criteria, product pricing, and terms and conditions. Reductions of our credit ratings or IFS ratings or negative publicity may make it more difficult to compete to retain existing customers and to maintain our historical levels of business with existing customers, counterparties and distribution relationships. A decline in our position as to any one or more of these factors could adversely affect our profitability. Technological~~

~~advancements and innovation in the insurance industry, including those related to evolving customer preferences, the digitization of insurance products and services, acceleration of automated underwriting, and electronic processes present competitive risks. Technological advancements and innovation are occurring in distribution, underwriting, recordkeeping, advisory, claims and operations at a rapid pace, and that pace may increase, particularly as companies increasingly use data analytics and technology as part of their business strategy. Additional costs may also be incurred in order to implement changes to automate procedures critical to our distribution channels in order to increase flexibility of access to our services and products. While we seek opportunities to leverage technological advancements and innovation for our customers' benefit, our business and results of operations could be materially and adversely affected if external technological advancements or innovation, or the regulation of technological advancements or innovation, limit our ability to retain existing business, write new business at adequate rates or on appropriate terms, render our insurance products less suitable or impact our ability to adapt or deploy current products as quickly and effectively as our competitors.~~ REGULATION Our businesses are heavily regulated and changes in laws and regulations may affect our operations, increase our insurance subsidiary capital requirements or reduce our profitability. Our operations generally, and our insurance and reinsurance subsidiaries in particular, are subject to extensive and potentially conflicting laws and regulations in the jurisdictions in which we operate. Our business and financial condition are also subject to supervision and regulation by authorities in the various jurisdictions in which we do business. Federal, state and foreign regulators also periodically review and investigate our insurance and reinsurance businesses, including AIG- specific and industry- wide practices. The primary purpose of insurance regulation is the protection of our insurance and reinsurance contract holders. The extent of regulation on our insurance and reinsurance business varies across the jurisdictions in which we operate, but generally is governed by laws that delegate regulatory, supervisory and administrative authority to insurance departments and similar regulatory agencies. The laws and regulations that apply to our business and operations generally grant regulatory agencies and / or self- regulatory organizations broad rulemaking and enforcement powers, including the power to regulate the issuance, sale and distribution of our products, the manner in which we underwrite our policies, the delivery of our services, the nature or extent of disclosures that we give **AIG | 2023 Form 10- K33** our customers, the compensation of our distribution partners, the manner in which we handle claims on our policies and the administration of our policies and contracts, as well as the power to limit or restrict our business for failure to comply with applicable laws and regulations. Our Life and Retirement companies and their distributors are also subject to laws and regulations governing the standard of care applicable to sales of our products, the provision of advice to our customers and the manner in which certain conflicts of interest arising from or related to such sales or giving of advice are to be addressed. In addition, federal and state securities laws and regulations apply to certain of our insurance products that are considered ' securities' under such laws, including our variable annuity contracts, variable life insurance policies and the separate accounts that issue them, as well as our broker- dealer, investment advisor and mutual fund operations. We strive to comply with laws and regulations applicable to our businesses, operations and legal entities, including maintenance of all required licenses and approvals. The application of and compliance with such laws and regulations may be subject to interpretation, evolving industry practices and regulatory expectations that could result in increased compliance costs. The relevant authorities may not agree with our interpretation of these laws and regulations, including, for example, our implementation of new or revised requirements related to ~~capital, accounting treatment or reserving such~~ **the classification of debt securities that do not qualify** as **bonds** ~~those governing PBR~~ , or with our policies and procedures adopted to address evolving industry practices or meet regulatory expectations. Such authorities' interpretations and views may also change from time to time. It is also possible that the laws, regulations and interpretations across various jurisdictions in which we do business may conflict with one another and affect how we do business in the United States and globally. If we are found not to have complied with applicable legal or regulatory requirements, these authorities could preclude or temporarily suspend us from carrying on some or all of our activities, impose substantial administrative penalties such as fines or require corrective actions, which individually or in the aggregate could interrupt our operations and materially and adversely affect our reputation, business, results of operations and financial condition. Additionally, when such authorities' interpretation of new or revised requirements related to capital, accounting ~~AIG | 2022 Form 10- K35~~ treatment and / or valuation manual or reserving (such as PBR) materially differs from ours, we have incurred or may incur higher operating costs, or sales of products subject to such requirements or treatment may be affected. Regulators in jurisdictions in which we do business have adopted RBC, solvency and liquidity standards applicable to insurers and reinsurers operating in their jurisdiction. Failure to comply with such capital (including, in the U. S., RBC), solvency, liquidity and similar requirements, or as otherwise may be agreed by us or one of our insurance company subsidiaries with an insurance regulator, would generally permit the insurance regulator to take certain regulatory actions that could materially impact the affected company' s operations. Those actions range from requiring an insurer to submit a plan describing how it would regain a specified RBC or solvency ratio to a mandatory regulatory takeover of the company. The NAIC ~~recently~~ adopted **in 2020** , and the IAIS is developing and testing **for implementation beginning in 2025** , methodologies for assessing group- wide regulatory capital, which might evolve into more formal group- wide **prescribed** capital requirements on certain insurance companies and / or their holding companies that may augment state- law RBC standards, and similar international standards, that apply at the legal entity level, and such capital calculations may be made, in whole or in part, on bases other than the statutory statements of our insurance and reinsurance subsidiaries. Furthermore, efforts to address systemic risks within the financial services industry, including insurance services, may lead regulators to apply new or heightened standards and safeguards for activities or practices that we and other insurers or other nonbank financial services companies, including insurers, engage in. In addition to the regulation of specific activities, the Financial Stability Oversight Council **has** ~~continues to have~~ authority under Dodd- Frank to determine that certain nonbank financial companies be designated as nonbank SIFIs subject to supervision by the Board of Governors of the Federal Reserve System and enhanced prudential standards **, and recently adopted revised guidance and procedures intended to govern any such designations** . We cannot predict the effect that any such initiatives or heightened standards may have on our business, results of operations, liquidity and financial condition. **There has also been increased regulatory scrutiny of the use of " big data " techniques, machine learning, predictive models and artificial intelligence, including in the insurance industry. Certain insurance regulators are developing, or have developed, regulations or guidance applicable to insurance companies that use artificial intelligence, " big data " techniques, machine learning and predictive models in their operations. We cannot predict what, if any, regulatory actions may be taken in the future with regard to " big data, " artificial intelligence, machine learning or predictive models, but any limitations or restrictions could have a material impact on our business, processes, results of operations and financial condition.** We also cannot predict the impact that laws and regulations adopted in foreign jurisdictions may have on the financial markets generally or our businesses, results of operations or cash flows. It is possible such laws and regulations, ~~and our satisfaction of the relevant criteria and standard-setting initiatives by the FSB and the IAIS,~~ including, **without** ~~but not limited to, the IAIS' Common Framework for the Supervision of IAIGs, a holistic framework for the assessment and mitigation~~ -- **limitation** ~~of systemic risk and the development and refinement of a risk- based global ICS~~ , Solvency II and European Data Protection Board Cross Border Data Transfer in the EU, **and standard- setting initiatives by the FSB and the IAIS, including, but not limited to, the IAIS' Common Framework for the Supervision of IAIGs, its holistic framework for the assessment and mitigation of systemic risk and the development and refinement of a risk- based global ICS,** may significantly alter our business practices. For example, regulators have imposed and may continue to impose new requirements or issue new guidance aimed at addressing or mitigating climate change- related risks. They may also limit our ability to engage in capital or liability management, require us to raise additional capital, and impose burdensome requirements and additional costs. It is also possible that the laws and regulations adopted in foreign jurisdictions will differ from one another, and that they could be inconsistent with the laws and regulations of other jurisdictions in which we operate, including the United States. For additional information on our regulatory environment, see Item 1. Business – Regulation. **34AIG | 2023 Form 10- K** For information regarding the effects of regulations related to climate change on our business, see Reserves and Exposures – " Climate change may adversely affect our business and financial condition " above. For information regarding the regulatory response to the COVID- 19 pandemic, see Business and Operations – " **An epidemic, pandemic or other health crisis could materially and adversely affect our business results of operations, financial condition and liquidity.** COVID- 19 **(including variants)** has **adversely** affected and may continue to adversely affect our global business, results of operations, financial condition and liquidity **.** ~~, and its ultimate impact will depend on future developments that are uncertain and cannot be predicted~~ " above. New laws and regulations or new interpretations of current laws and regulations, both domestically and internationally, may affect our businesses, results of operations, financial condition and ability to compete effectively. Legislators, regulators and self- regulatory organizations have in the past, and may in the future, periodically consider various proposals that may affect or restrict, among other things, our business practices **and activities** , product designs and distribution relationships, how we market, sell or service certain products we offer, **the investment assets we hold and our investment management practices,** our capital, reserving and accounting requirements, or the profitability of certain of our businesses. Further, new laws and regulations may affect or significantly limit our ability to conduct certain businesses at all, including proposals relating to restrictions on the type of activities in which financial institutions are permitted to engage **into** . These proposals or changes in legislation or regulation could also impose additional taxes on a limited subset of financial institutions and insurance companies (either based on size, activities, geography or other criteria), limit our ability to engage in capital or liability management, require us to raise additional capital, and impose burdensome requirements and additional costs. It is uncertain whether and how these and other such proposals or changes in legislation or regulation would apply to us, those who sell or service our products, or our competitors or how they could impact our ability to compete effectively, as well as our business, consolidated results of operations, liquidity and financial condition. An " ownership change " could limit our ability to utilize tax loss and credit carryforwards to offset future taxable income. As of December 31, ~~2022~~ **2023** , on a U. S. GAAP basis, AIG Parent had U. S. federal net operating loss carryforwards of approximately $ ~~24~~ **22** . ~~8~~ **0** billion ~~and $ 22 million in foreign tax credits~~ . Our ability to use these tax attributes to offset future taxable income may be significantly limited if we experience an " ownership change " as defined in Section 382 of the Internal Revenue Code. In general, an ownership change will occur when the percentage of AIG Parent' s ownership (measured by value) by one or more " 5- percent shareholders " (as defined in the Internal Revenue Code) has increased by more than 50 percentage points over the lowest percentage owned by such shareholders at any time during the prior three years (calculated on a rolling basis). An entity that experiences an ownership change generally will be subject to an annual limitation on its utilization of pre- ownership change tax loss ~~36AIG | 2022 Form 10- K~~ and credit carryforwards equal to the equity value of the corporation immediately before the ownership change, multiplied by the long- term, tax- exempt rate posted monthly by the IRS (AFR) (subject to certain adjustments). The annual limitation would be increased each year to the extent that there is an unused limitation in a prior year. The limitation on our ability to utilize tax loss and credit carryforwards arising from an ownership change under Section 382 of the Internal Revenue Code would be dependent on the value of our equity and the AFR at the time of any ownership change. If we were to experience an " ownership change, " it is possible that a significant portion of our tax loss and credit carryforwards could expire before we would be able to use them to offset future taxable income. ~~AIG' s previous Tax Asset Protection Plan (the TAP Plan), which was designed to reduce the likelihood of an " ownership change, " was not extended and thus expired in accordance with its terms on December 11, 2022. The protective amendment (the Protective Amendment) to the Amended and Restated Certificate of Incorporation, which is designed to prevent certain transfers of AIG Common Stock that could result in an " ownership change, " will expire in accordance with its terms on May 13, 2023. If AIG were to experience an " ownership change, " it will no longer have the benefit of the TAP Plan or the Protective Amendment after their respective expiration dates, which would limit its ability to utilize its then remaining tax attributes to offset future tax liability.~~ New and proposed changes to tax laws could increase our corporate taxes or make some of our products less attractive to consumers. The ~~recently enacted~~ Inflation Reduction Act **of 2022** ~~(the IRA)~~ , **includes** ~~which establishes~~ a ~~new~~ 15 percent corporate alternative minimum tax (CAMT) on adjusted ~~book~~ **financial statement** income **for** ~~(of~~ corporations **with** ~~that have an~~ average **profits over** ~~adjusted book income in excess of~~ $ 1 billion over a three ~~tax~~ **-** year period ~~)~~ **. Although the U. S. Treasury and the Internal Revenue Service issued interim CAMT guidance during 2023, many details and specifics of application of the CAMT remain subject to future guidance. We are subject to CAMT** for ~~tax years beginning after December 31, 2022~~ **2023** ~~may impact AIG' s after- tax earnings or cash flow~~ . ~~AIG may~~ **Our estimated CAMT liability will continue to** be **refined based** ~~required to pay tax equal to 15 % of AIG' s pre- tax financial statement income, as adjusted by the IRA, despite AIG' s U. S. federal net operating loss carryforwards and foreign tax credits. The IRA also includes a nondeductible 1 % excise tax~~ on ~~the repurchase of corporate stock for transactions occurring in taxable years after December 31, 2022. The 1 % excise tax on share repurchases would increase AIG' s cost of share repurchases. The current U. S. administration and Congressional leadership have proposed additional changes to the U. S. corporate and international tax systems, as well as increasing the taxation of U. S. individuals, including capital gains taxation. An increase in the statutory U. S. federal corporate income tax rate will negatively impact AIG' s~~ future ~~after- tax earnings. The administration and Congressional leadership have also proposed changes to complex provisions in the U. S. international tax system, including the base erosion and anti- abuse tax (BEAT) and global intangible low- taxed income (GILTI). These changes could impact AIG' s after- tax earnings or cash flow. Furthermore, there is the possibility of further regulatory~~ guidance ~~on certain aspects of the BEAT and GILTI, which could impact the amounts recorded with respect to these international provisions, possibly materially. In addition to changing the taxation of corporations in general, there are proposals for increases in tax rates for individuals, capital gains, and changes to the estate tax. These changes could impact demand in the U. S. for life insurance and annuity contracts~~ . New tax laws outside the U. S., in particular those enacted in response to proposals by the Organisation for Economic Cooperation and Development, could make substantive changes to the global international tax regime. Such changes could increase our global tax costs. AIG continues to monitor and assess the impact of such proposals. Finally, it is possible that tax laws will be further changed either in a technical corrections bill or entirely new legislation. It remains difficult to predict whether or when there will be any tax law changes or further guidance by the authorities in the U. S. or elsewhere in the world. New or proposed changes to tax laws may have a material adverse effect on our business, consolidated results of operations, liquidity and financial condition, as the impact of proposals on our business can vary substantially depending upon the specific changes or further guidance made and how the changes or guidance are implemented by the authorities. For additional information, see **Note 23 to the** ~~Part II, Item 7. MD & A –~~ Consolidated **Financial Statements** ~~Results of Operations – U~~ . ~~S. Tax Law Changes.~~ **AIG | 2023 Form 10- K35** ESTIMATES AND ASSUMPTIONS Estimates or assumptions used in the preparation of financial statements and modeled results used in various areas of our business may differ materially from actual experience. Our financial statements are prepared in conformity with U. S. Generally Accepted Accounting Principles (U. S. GAAP), which requires the application of accounting policies that often involve a significant degree of judgment. The accounting policies that we consider most dependent on the application of estimates and assumptions, and therefore may be viewed as critical accounting estimates, are described in **Note 1 to the Consolidated Financial Statements and in** Item 7. MD & A – Critical Accounting Estimates. These accounting estimates require the use of assumptions, some of which are highly uncertain at the time of estimation. These estimates are based on judgment, current facts and circumstances, and, when applicable, **models developed** internally ~~developed models~~ **or with inputs from third parties** . Therefore, actual results may differ from these estimates **and models** , possibly in the near term, and could have a material effect on our financial statements. In addition, we employ models to price products, calculate reserves and future policy benefits and value assets and execute hedging strategies, as well as to assess risk and determine statutory capital requirements, among other uses. These models are complex and rely on estimates and projections that are inherently uncertain, may use incomplete, outdated or incorrect data or assumptions and may not operate as intended. To the extent that any of our operating practices and procedures do not accurately produce, or reproduce, data that we use to conduct any or all aspects of our business, such differences may negatively impact our business, ~~AIG | 2022 Form 10- K37~~ reputation, results of operations, and financial condition ~~. For example, modeling for man- made catastrophes, such as terrorism and cyber events, is especially difficult and less reliable given such models are in the early stages of development and therefore, not widely adopted or available~~ . For our Life and Retirement companies, significant changes in policyholder behavior assumptions such as lapses, surrenders and withdrawal rates as well as the amount of withdrawals, fund performance, equity market returns and volatility, interest rate levels, the health habits of the insured population, technologies and treatments for disease or disability, the economic environment, or other factors could negatively impact our assumptions and estimates. To the extent that any of our modeling practices do not accurately produce, or reproduce, data that we use to conduct any or all aspects of our business, such errors may negatively impact our business, reputation, results of operations and financial condition. Changes in accounting principles and financial reporting requirements ~~will~~ **may** impact our consolidated results of operations and financial condition. Our financial statements are prepared in accordance with U. S. GAAP, which are periodically revised. Accordingly, from time to time, we are required to adopt new or revised accounting standards issued by recognized authoritative bodies, including the Financial Accounting Standards Board (FASB). The ~~FASB has~~ **adoption of new or** revised ~~the~~ accounting standards ~~for certain long- duration insurance contracts. The FASB issued Accounting Standards Update No. 2018- 12 – Targeted Improvements to the Accounting for Long- Duration Contracts, which became effective as of January 1, 2023 and significantly changes the accounting measurements and disclosures for long- duration insurance contracts, which primarily relates to our life and annuity products as well as certain accident and health products, among others. The implementation of these changes~~ has ~~imposed and will continue to impose special demands on us~~ in the **past** ~~areas of governance~~ , ~~employee training, internal controls~~ and **may in the future** ~~disclosure and affect how we manage our business, all of which will~~ impact ~~our consolidated results of operations~~ , ~~liquidity and financial condition. In addition, implementation of the changes could impact our products, in- force management and asset liability management strategies and have other implications on operations and technology. The adoption of this newly issued standard will, and other future~~

~~accounting standards may, impact~~ our reported consolidated results of operations, liquidity and reported financial condition and may cause investors to perceive greater volatility in our financial results, negatively impacting our level of investor interest and investment. For information regarding the impact of accounting pronouncements that have been issued but are not yet required to be implemented, see Note 2 to the Consolidated Financial Statements. If our businesses do not perform well and / or their estimated fair values decline, we may be required to recognize an impairment of our goodwill or establish an additional valuation allowance against the deferred income tax assets, which could have a material adverse effect on our results of operations and financial condition. Goodwill represents the excess of the amounts we paid to acquire subsidiaries and other businesses over the fair value of their net assets at the date of acquisition. We test goodwill at least annually for impairment and conduct interim qualitative assessments on a periodic basis. Impairment testing is performed based upon estimates of the fair value of the " reporting unit " to which the goodwill relates. In ~~2022~~ **2023** , for substantially all of the reporting units we elected to bypass the qualitative assessment of whether goodwill impairment may exist and, therefore, performed quantitative assessments that supported a conclusion that the fair value of all of the reporting units tested exceeded their book value. Our goodwill balance was $ 3. ~~9~~ **5** billion at December 31, ~~2022~~ **2023** . If it is determined that goodwill has been impaired, we must write down goodwill by the amount of the impairment, with a corresponding charge to net income (loss). These write- downs could have a material adverse effect on our consolidated results of operations, liquidity and financial condition. For additional information on goodwill impairment, see Part II, Item 7. MD & A – Critical Accounting Estimates – Goodwill Impairment and Note ~~11~~ **12** to the Consolidated Financial Statements. Deferred income tax represents the tax effect of the differences between the book and tax basis of assets and liabilities. As of December 31, ~~2022~~ **2023** , we had net deferred tax assets, after valuation allowance, of $ 14. ~~8~~ **1** billion, related to federal, foreign, and state and local jurisdictions. If, based on available evidence, it is more likely than not that the deferred tax asset will not be realized, then a valuation allowance must be established with a corresponding charge to net income, which such action we have taken from time to time. Such charges could have a material adverse effect on our consolidated results of operations, liquidity and financial condition. For additional information on deferred tax assets, see Part II, Item 7. MD & A – Critical Accounting Estimates – Income Taxes and Note ~~21~~ **23** to the Consolidated Financial Statements. ~~38AIG~~ **36AIG** | ~~2022~~ **2023** Form 10- K **EMPLOYEES AND COMPETITION Employee error and misconduct may be difficult to detect and prevent and may result in reputational damage and significant losses. There have been a number of cases involving fraud or other misconduct by employees in recent years and we are exposed to the risk that employee fraud or misconduct could occur. Our informational technology, human resources and compliance departments work collaboratively to monitor for fraud and conduct extensive training for employees. However, employee fraud or misconduct may still occur. Instances of fraud, illegal acts, errors, failure to document transactions properly or to obtain proper internal authorization, misuse of customer or proprietary / confidential information, or failure to comply with regulatory requirements or our internal policies may result in losses and / or reputational damage. Competition for employees in our industry is intense, and managing key employee succession is critical to our success. We may not be able to attract and retain the key employees and other highly skilled employees we need to support our businesses. Our success depends, in large part, on our ability to retain and attract key and other highly skilled employees. Due to the intense competition in our industry for key employees, we may be unable to retain or hire such employees. In addition, we may experience higher than expected employee turnover and difficulty attracting new employees as a result of uncertainty from strategic actions and organizational and operational changes. Losing any of our key employees also could have a material adverse effect on our operations given their skills, knowledge of our business, years of industry experience and the potential difficulty of promptly finding qualified replacements. Our business and consolidated results of operations could be materially adversely affected if we are unsuccessful in retaining and attracting key employees. In addition, we would be adversely affected if we fail to adequately plan for the succession of our Chief Executive Officer, other members of senior management and other key employees. While we have succession plans and long- term compensation plans designed to retain our employees, our succession plans may not operate effectively and our compensation plans cannot guarantee that the services of these employees will continue to be available to us. We face intense competition in each of our business lines, and technological changes may present new and intensified challenges to our businesses. Our businesses operate in highly competitive environments, both domestically and overseas. Our principal competitors are other large multinational insurance organizations, as well as banks, investment banks and other nonbank financial institutions. General Insurance and Life and Retirement compete through a combination of risk acceptance criteria, product pricing, and terms and conditions. Reductions of our credit ratings or IFS ratings or negative publicity may make it more difficult to compete to retain existing customers and to maintain our historical levels of business with existing customers, counterparties and distribution relationships. A decline in our position as to any one or more of these factors could adversely affect our profitability. Technological advancements and innovation in the insurance industry, including those related to evolving customer preferences, the digitization of insurance products and services, data ingestion and exchange with trading partners, acceleration of automated underwriting, and use of artificial intelligence and electronic processes present competitive risks. Technological advancements and innovation are occurring in distribution, underwriting, recordkeeping, advisory, marketing, claims and operations at a rapid pace, and that pace may increase, particularly as companies increasingly use data analytics and technology as part of their business strategy. If we are unable to effectively implement these technological advancements in our business, including the use of artificial intelligence, in a way that matches or exceeds our competitors, we may suffer competitive harm as a result, which could adversely impact our reputation, results of operations and financial condition. For further discussion on regulatory developments with respect to emerging technologies, see – Regulation below. Further, additional costs may also be incurred in order to implement changes to automate procedures critical to our distribution channels in order to increase flexibility of access to our services and**

products. While we seek opportunities to leverage technological advancements and innovation for our customers' benefit, our business and results of operations could be materially and adversely affected if external technological advancements or innovation, or the regulation of technological advancements or innovation, limit our ability to retain existing business, write new business at adequate rates or on appropriate terms, render our insurance products less suitable or impact our ability to adapt or deploy current products as quickly and effectively as our competitors.