

ENFORCEMENT INFORMATION FOR May 8, 2014

Information concerning the civil penalties process is discussed in OFAC regulations governing the various sanctions programs and in 31 CFR part 501. On November 9, 2009, OFAC published as Appendix A to part 501 Economic Sanctions Enforcement Guidelines. See 31 C.F.R. part 501, app. A. The Economic Sanctions Enforcement Guidelines, as well as recent final civil penalties and enforcement information, can be found on OFAC's Web site at <http://www.treasury.gov/ofac/enforcement>.

ENTITIES – 31 CFR 501.805(d)(1)(i)

American International Group, Inc. Settles Potential Civil Liability for Apparent Violations of the Cuban Assets Control Regulations, 31 C.F.R. part 515: American International Group, Inc. (“AIG”), an international insurance and financial services organization headquartered in New York, New York has agreed to remit \$279,038 to settle potential civil liability for 3,560 apparent violations of the Cuban Assets Control Regulations, 31 C.F.R. part 515, that occurred between January 1, 2006, and March 29, 2009.

The Office of Foreign Assets Control (“OFAC”) has determined that AIG voluntarily self-disclosed the apparent violations and that the apparent violations constitute a non-egregious case. The total base penalty amount for the apparent violations was \$413,390.

Between January 2006 and March 2009, two AIG subsidiaries in Canada issued or renewed three types of property and casualty insurance policies that insured Cuban risks of a Canadian corporate entity for an estimated aggregate premium of \$486,137.71. The policies involved Comprehensive General Liability, Director's and Officer's (“D&O”) Excess Liability, and Pollution Legal Liability coverages. One of the AIG subsidiaries in Canada also maintained a D&O Liability insurance policy that insured certain directors and officers of three Cuban joint venture partners of a Canadian corporation between January 1, 2006, and October 4, 2006. The estimated total premium for D&O coverage during this time period was \$55,578.08.

Separately, from March 17, 2006, through September 30, 2008, Travel Guard Canada—an AIG subsidiary in Canada—sold, renewed, or maintained in force 3,446 individual or annual multi-trip travel insurance policies in which the insured identified Cuba as the travel destination. The total premium collected for these policies was \$337,973.25. During the coverage period of these 3,446 policies, and extending to December 31, 2008, Travel Guard Canada paid 103 claims for a total value of \$96,910.47.

The settlement amount reflects OFAC's consideration of the following facts and circumstances, pursuant to the General Factors under OFAC's Economic Sanctions Enforcement Guidelines, 31 C.F.R. part 501, app. A. OFAC considered the following to be aggravating factors: AIG, including certain members of the institution's management, had actual knowledge of the conduct that led to the apparent violations; AIG's conduct resulted in harm to U.S. sanctions program objectives; and the compliance programs of AIG's two Canadian subsidiaries were inadequate at the time of the apparent violations. OFAC considered the following to be mitigating factors: AIG has not received a penalty notice or Finding of Violation in the five years preceding the earliest date of the transactions giving rise to the apparent violations; AIG has taken appropriate remedial action in response to the apparent violations; and AIG cooperated with OFAC's

investigation by submitting a voluntary self-disclosure and executing a statute of limitations tolling agreement and multiple extensions of the agreement.

For more information regarding OFAC regulations, please visit: <http://www.treasury.gov/ofac>.