



American European Insurance Group, Inc.

Comments on A.M. Best's Affirmation of Current Rating

For Immediate Release

CHERRY HILL, NJ, June 22, 2010 – American European Insurance Group, Inc. (“AEIG”) provided commentary on its current rating by A.M. Best, released today. Vincent V. Nieroda, President and Chief Executive Officer of AEIG, stated:

“We are pleased that A.M. Best has affirmed our current financial strength rating of B+ (Good), and has recognized the Company’s strong capitalization, as well as its largely conservative underwriting leverage and investment portfolios. We are also pleased that A.M. Best has acknowledged the steps taken by the Group, under its new management, to improve operating results.

“In addition, we understand A.M. Best’s formal methodologies which have resulted in a downward change in its outlook, which take into account the reduction in our participation in the Merchants Mutual “pooling agreement”, the change in our business direction, our discontinuance of certain lines and our strengthening of reserves to insure our ability to meet any potential obligations.

“Under our new management, AEIG is a company in transition, today principally refocused on the opportunities in small- to mid-sized commercial lines, and methodically exiting the personal auto industry. We have taken significant steps to establish a niche in commercial opportunities and we remain optimistic about our new direction. Despite the challenges of the current market environment, we remain enthusiastic about our new path and the many changes we have already made. As we continue to attract new business in these areas, we look forward to demonstrating an ability to meet A.M. Best’s criteria not only for an improvement in outlook but for an eventual upgrade to our financial strength rating overall.”

AEIG is a regional property & casualty insurer writing business in the Northeast. The Company provides a range of products for small business owners and consumers through a network of independent agents. Based in Cherry Hill, NJ, and New York, NY, the Company has recently expanded into New England, from its traditional base in the New Jersey, New York and Pennsylvania region.

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