



**MIKE CHANEY**  
Commissioner of Insurance  
State Fire Marshal

**LEE HARRELL**  
Deputy Commissioner

**STATE OF MISSISSIPPI**  
Mississippi Insurance Department

1001 Woolfolk Building (39201)  
Post Office Box 79  
Jackson, Mississippi 39205-0079  
(601) 359-3569  
[www.mid.state.ms.us](http://www.mid.state.ms.us)

**FOR IMMEDIATE RELEASE**

Mike Chaney, Commissioner of Insurance/State Fire Marshal  
Mississippi Insurance Department  
Jackson, Mississippi  
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For additional information, please contact  
Donna J. Cromeans, Public Relations Director 601-359-3569

## Mississippi Insurance Department Closely Monitoring AIG Situation

Jackson –The financial condition of American International Group (“AIG”) continues to be a priority issue for state and federal regulators.

It is important to remember that AIG is a separate, federally regulated legal entity that is distinct and apart from its subsidiary insurance companies. The subsidiary insurance companies are governed by state laws designed to protect the interests of policyholders.

“I am committed to protecting the interests of policyholders and will work closely with the domestic regulators of the subsidiary insurance companies to fulfill this commitment,” Commissioner Mike Chaney said.

The number one job of state insurance regulators is to make sure insurance companies operate on a financially sound basis. If needed, regulators will immediately step in if it appears that an insurer will be unable to fulfill the promises made to its policyholders. This includes taking over the management of an insurer through a receivership order, the goal being to get the insurer back into a strong solvent position.

“No AIG insurance company has been determined to be insolvent. However, in the event that the assets of the subsidiary insurance companies are not enough to cover claims, there is a safety net in place to protect the consumers: the Mississippi Guaranty Funds,” Chaney said.

AIG insurance companies licensed in Mississippi participate in the Mississippi Insurance Guaranty Association (“MIGA”) and the Mississippi Life and Health Insurance Guaranty Association (“LHIGA”).

MIGA is obligated to pay covered property and casualty claims for companies that are determined to be insolvent. The limits of MIGA’s obligations are:

- Workers' Compensation- full amount
- return of unearned premium – an amount in excess of \$50 per policy
- all other covered claims – an amount in excess of \$50 but not exceeding \$300,000 per claimant

LHIGA is obligated to pay covered life, health, and accident claims for companies determined to be insolvent. The limits of LHIGA's obligations are:

- One life, regardless of the number of policies: \$300,000 in life insurance benefits; \$100,000 for net cash surrender/withdrawal values
- Health insurance benefits: \$100,000 for coverages not defined as disability or basic hospital, medical, surgical insurance or major medical insurance; \$300,000 for disability insurance; \$500,000 for basic hospital, medical, surgical insurance or major medical insurance
- Annuity benefits: \$100,000

For more information on the Mississippi Guaranty Associations visit the MID website at [www.mid.state.ms.us](http://www.mid.state.ms.us).

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