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FOR IMMEDIATE RELEASE

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Chaney Urges AIG Policyholders to Use Caution If Approached to Replace Policies

Jackson, MS - Mississippi Insurance Commissioner Mike Chaney is today urging policyholders to proceed with caution when making decisions regarding their insurance policies. The Mississippi Insurance Department is getting reports of policyholders being told that AIG's insurance companies are in financial trouble and they should switch to another company. Chaney wants to assure AIG policyholders that the AIG insurance companies are secure. He warns that any policyholder, regardless of the company, who chooses to switch their coverage from one company to another, may incur hidden costs.

"Replacing or liquidating a life insurance policy or an annuity can have heavy hidden costs and tax consequences. That is why Mississippi Insurance Law requires that you get all the information you need to make an educated decision in your best interests. There may be a cancellation penalty if you cancel your automobile or homeowners' policy. If someone tells you to replace any policy because an AIG insurance company is in trouble and may not be able to pay your claim, that is not only untrue, it is against the law. Call us. Some regulators have received reports that this is happening. We will not allow it to happen in Mississippi. We will protect consumers from improper sales practices," Chaney said.

"AIG's insurance companies are financially sound; with substantially more in assets than they need to pay all valid present and projected claims," Chaney added to reassure state policyholders.

If anyone tells you to replace a life insurance or annuity policy because of the troubles at AIG's parent company, call the Mississippi Insurance Department (MID) toll-free consumer hotline — 800-562-2957.

"Don't worry and don't make any rash decisions if you have a policy issued by an AIG insurance company," Chaney said. "All your claims will be paid and all your annuity checks will come.

Making sure insurance companies are solvent and able to pay every valid claim is my number one job, and the AIG insurance companies are strong and solvent."

He explained that the trouble with AIG is largely with AIG's non-insurance parent company, which is not regulated by the states and therefore not held to the same investment, accounting and capital adequacy standards as its state-regulated insurance subsidiaries. The insurance subsidiaries are solvent and able to pay their obligations.

The MID has a list of some of the most frequently asked questions regarding AIG posted on its website at www.mid.state.ms.us. For additional information regarding life insurance and annuities call the MID toll-free consumer hotline at 800-562-2957.

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