

PRESS RELEASE

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For Immediate Release

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INSURANCE CONSUMERS PROTECTED BY SOLVENCY STANDARDS Regulatory Safeguards Offer ‘Insurance Policy’ in Times of Crisis

Concord, New Hampshire (September 16, 2008) — New Hampshire Insurance Commissioner, Roger Sevigny, today issued the following statement in conjunction with other state insurance commissioners across the country and in response to the financial issues facing American International Group (AIG):

“We have a very strong message for consumers: If you have a policy with an AIG insurance company, they are solvent and have the capability to pay claims.

“At this time, AIG’s insurance subsidiaries are being asked to provide liquid assets to the financially distressed non-insurance parent company in exchange for non-liquid assets of equal value. The New York State and Pennsylvania Insurance Departments are working with AIG to review the transaction. State insurance regulators will only approve this type of action if they are assured it is part of a total resolution of the liquidity issue at the parent company level and fairly compensates its insurance company subsidiaries.

“As a holding company, AIG is a separate, federally regulated legal entity that is distinct from its subsidiary insurers. The subsidiary insurers are governed by state laws designed to protect the interest of policyholders. State insurance regulators are committed to protecting the interest of policyholders and will work closely with AIG management and other regulators to fulfill this commitment.

“The No. 1 job of state insurance regulators is to make sure insurance companies operate on a financially sound basis. If needed, we 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 conservation or receivership order, the goal being to get the insurer back into a strong solvency position or, if the company cannot be returned to solvency, to liquidate the company in a way that gives priority to policyholders.

“Policyholders have additional protection through the state guaranty funds. These funds are in place in all states. If an insurance company becomes unable to pay claims, the guaranty fund will provide coverage, subject to certain limits.

“It is a state insurance regulator’s responsibility to protect policyholders and ensure a healthy, competitive market for insurance products. Strict solvency standards and close financial oversight — based on conservative investment and accounting rules — continue to be the bedrock of state-based insurance regulation.”