

# PRESS RELEASE

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**For Immediate Release**

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## **New Hampshire Insurance Commissioner Announces Multi-State Settlement with AIG**

**Concord, NH – October 22, 2012** –New Hampshire Insurance Commissioner Roger Sevigny announced today that the New Hampshire Insurance Department is one of seven lead states that have entered into a multi-million dollar insurance regulatory settlement with American International Group (AIG).

The lead states—New Hampshire, Texas, California, Florida, Illinois, North Dakota and Pennsylvania—conducted a multi-state examination of several AIG companies to investigate these companies’ retention of life insurance benefits that should have been paid to beneficiaries. It is expected that many millions of dollars more per year will be put into the hands of consumers as a result of this settlement.

The exam found several areas of concern surrounding AIG’s practices for identifying and paying out insurance proceeds to beneficiaries. For years, AIG selectively used the Social Security Administration’s Death Master File database to cut off annuity payments but did not use this database to identify deceased life insurance policyholders in order to pay policy proceeds to their beneficiaries. Under this settlement, that practice will end.

According to the terms of the settlement, AIG must regularly check the Social Security Death Master File, or a similar source of information, to determine whether any of its life insurance, annuity or retained asset account owners has died. The company must then comply with New Hampshire law to take reasonable steps to pay those insurance benefits to the named beneficiaries.

In addition to helping ensure life insurance death benefits get paid to consumers, AIG will also make an \$11 million payment, to be allocated among any state joining in the insurance regulatory settlement agreement based on premium volume. New Hampshire’s share of the settlement has not yet been determined.

Commissioner Sevigny commended AIG for its cooperation and willingness to enter into the agreement to improve its claim settlement practices, joining Prudential, MetLife and Nationwide that have signed a similar settlement agreement with New Hampshire and other states earlier this year.

Commissioner Sevigny stated, “As with the other settlements with insurers on this issue, this settlement with AIG will benefit New Hampshire consumers by improving AIG’s claim settlement practices and helping get life insurance death benefits to designated beneficiaries.” Commissioner Sevigny also praised the collaborative efforts of the states in bringing about this positive result, and as evidence of the strength of state based insurance regulation in the country.

Consumers with questions about the settlement are encouraged to call the Department at 1-800-852-3416.

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#### **ABOUT THE NH INSURANCE DEPARTMENT**

**The first insurance regulator in the US, the NH Insurance Department was created in 1851 and charged with enforcing and administering New Hampshire’s insurance laws. The department, an agency of the executive branch of New Hampshire state government, conducts safety and soundness and market conduct examinations of licensees, licenses insurance companies and insurance producers, reviews premium rates and policy forms, provides assistance, information and referral services to New Hampshire insurance consumers, and administers the filing and collection of New Hampshire’s insurance premium tax. For more information, visit the Insurance Department’s website at: [www.nh.gov/insurance](http://www.nh.gov/insurance)**