

Information about the State Guaranty Fund



September 19, 2008

To: Our Valued Distribution Partners

Over the course of this difficult week, we've tried to provide answers to the questions you have been asking on behalf of your clients – and questions policyowners have asked when calling our service centers. We've produced a number of Consumer and Producer FAQ documents, the latest versions of which are posted to our producer Web site. These documents differ only in that the Producer FAQ contains a discussion of the state guaranty fund.

Background: State regulators monitor insurance companies through periodic analysis of financial statements and in-person examinations. Under insurance guaranty fund laws, states may assess insurers doing business in that state to cover certain obligations of insolvent insurance companies. State guaranty funds may help protect contract owners depending on the policy and/or its dollar amount in the event of an insurer failure; coverage may not be available for certain policies or limitations or exclusions that may apply.

Going forward, we intend to continue updating the FAQs on an as-needed basis. If you or your clients would like more information about your state's guaranty fund, we encourage you to visit the National Organization of Life & Health Insurance Guaranty Associations at www.nolhga.com. This site contains a wealth of information in Q&A format as well as links to all the individual state associations. A link to this site also can be found on the AIG updates page on our producer Web site.

Thank you for your support and for helping ease the worries of your clients during this unsettling time.