



Consumer Alert

Nebraska Department of Insurance
402-471-2201 ~ Toll-free Consumer Hotline 1-877-564-7323
www.doi.ne.gov

AIG Policyholders Should Be Careful If Approached To Replace Policies

Insurance companies are financially sound; switching may have hidden costs; insurers, brokers and agents warned to follow consumer protection rules.

Policyholders should be reassured that AIG's insurance companies are financially sound, with substantially more in assets than they need to pay all valid present and projected claims. In addition, policyholders are advised to not worry and to not make any rash decisions if they have a policy issued by an AIG insurance company. The AIG insurance companies continue to meet financial solvency requirements and their obligations to policyholders. Making sure insurance companies are solvent and able to pay every valid claim is Director Frohman's number one job, and the AIG insurance companies are strong and solvent.

If you have a life insurance or annuity policy and someone tells you to replace it because of the troubles at AIG's parent company, call the Nebraska Department of Insurance toll-free hotline at 1-877-564-7323. Replacing or liquidating a life insurance policy or an annuity can have heavy hidden costs and tax consequences. That is why our 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. It will not be allowed to happen in Nebraska. Consumers will be protected from improper sales practices.

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.