



What Consumers Should Know About AIG

As a holding company, AIG owns numerous insurers and other financial services companies. The AIG-owned insurance companies are licensed at the state level and are regulated by state insurance departments, like the North Carolina Department of Insurance. The AIG holding company is not regulated by state insurance departments.

State insurance departments regulate insurance companies for solvency so that companies have sufficient funds to fulfill their obligations to policyholders. State laws also impose significant limits on a parent company's ability to transfer funds from an insurance company to bail out the holding company, another subsidiary or an affiliate.

AIG's problems did not come from its insurance companies; the problems came from other, non-insurance operations. If AIG decides to sell any of its insurance companies, state regulators will review the proposed transaction and only approve those sales to people or companies that demonstrate they can operate the insurer(s) successfully. When sales like this occur, policyholders do not lose their coverage.

Frequently Asked Questions About AIG

- 1. Are the life insurance and annuity policies purchased from AIG insurers safe or am I going to lose my money?** The AIG insurers that sell these products in North Carolina are financially stable and capable of honoring their obligations to all of their policyholders. The N.C. Department of Insurance continues to closely monitor the situation so that policyholders are protected.
- 2. Should I cash in my insurance and annuity policies and purchase insurance from another insurer?** The AIG insurance companies that sell these products in North Carolina are financially stable and your policies are not in jeopardy. Whether you should cash in your insurance policy or switch insurance to another insurance company is a personal decision.
It is important to know that many policies contain surrender charges or cancellation penalties. Call the Department's Consumer Services Division at 800-546-5664 to find out what information you need from your agent or broker to make an informed decision. Talk to your financial adviser before making any decisions.
If you have an insurance policy with an AIG company and someone tells you to replace it because of the troubles at the AIG's parent company or supposed trouble at the insurance company, please call our Consumer Services Division at 800-546-5664.
- 3. Should I pay the insurance premium bill that I just received from AIG?** Yes, in order for your coverage to continue you will need to pay the insurance premium. Failure to pay your premiums could result in your policy being canceled.
- 4. I heard the government has taken over AIG. What are state regulators doing to ensure that AIG insurance companies will continue to be able to pay claims?** The agreement between AIG and the Federal Reserve protects the assets of the insurance companies so they will be available to pay claims. Any significant transaction affecting an AIG insurance company will need prior approval from state insurance regulators.
- 5. What can I do if I am having difficulty getting through to AIG on the phone?** Call our Consumer Services Division at 800-546-5664.
- 6. Is AIG going bankrupt?** AIG is an international financial holding company with numerous businesses. Your insurance and annuity policies are written by AIG's insurance companies. Those companies are separate and required to follow strict state regulations that help keep them financially stable so that they can meet their obligations to their customers.