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AIG policyholders should be careful if approached to replace policies

Insurance companies are financially sound; switching may have hidden costs

(Salem) — AIG's insurance companies are financially sound, with substantially more in assets than they need to pay all valid present and projected claims, the Department of Consumer and Business Services, Insurance Division said today to reassure Oregon policyholders. If someone tells you to replace your policy because of AIG's recent financial troubles, the division urges you to consult with a trusted adviser or call the division's toll-free consumer line at 1-888-877-4894.

As a holding company, AIG is a separate, federally regulated legal entity that is distinct and apart from its subsidiary insurers. The subsidiary insurers are governed by state laws designed to protect the interest of policyholders. The Insurance Division monitors AIG insurance companies and any other company that is licensed to transact insurance in Oregon to make sure it is financially sound and can pay claims.

AIG insurance companies are financially sound, so its policies are not in jeopardy. Whether you should cash in your insurance policy or switch insurance to another insurer is, as always, a personal decision. Some policies may contain surrender charges and/or cancellation penalties.

The Insurance Division plans to issue a notice to insurance companies and agents, reminding them of their responsibilities under Oregon insurance law to not make misleading statements about the financial condition of AIG insurance companies and to provide consumers with certain information before switching life insurance and annuity products.

AIG provides a range of insurance products in Oregon, including property, casualty, auto, workers' compensation, life, and annuities. For a list of AIG subsidiaries, frequently asked questions, and more information, go to www.insurance.oregon.gov. Policyholders with questions can call the Insurance Division's Consumer Advocacy Unit at 1-888-877-4894.

The Insurance Division, part of the Department of Consumer & Business Services, helps ensure the financial soundness of insurers, the fair treatment of consumers, and the affordability and availability of insurance products. The Department of Consumer and Business Services is Oregon's largest business regulatory and consumer protection agency. For more information, visit www.dcbs.oregon.gov.

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