

AIG Statement SeriesSM

Related Investigation Costs Coverage

Public directors and officers insurance provides organizations coverage for the cost of defense and liability arising from claims made by the organization's security holders. However, it does not ordinarily provide coverage for the costs of responding to regulatory investigations of the organization that routinely accompany such security holder claims.

AIG Statement Related Investigation Costs Coverage provides a solution for this exposure. When purchased, AIG Statement Related Investigation Costs Coverage insures the often-sizeable fees, costs, and expenses (investigation response costs) an organization incurs responding to an investigation of the company related to a wrongful act alleged in a covered security holder claim (related investigation).

Legal Premises of a Related Investigation

('Legal Premises' Coverage Options)

Security holder claims can allege wrongdoing connected to violations of many types of laws, and therefore investigations of that wrongdoing can also be premised on laws other than securities law. AIG Statement Related Investigation Costs Coverage includes options, that if purchased, cover the costs of related investigations premised on:

- any federal, state, or local securities law;
- any law prohibiting the bribery or other corruption of foreign officials; or
- any law other than securities law or foreign corruption law.

Example: A security holder makes a claim alleging the value of the company's securities has been damaged by the company's purported foreign corrupt practices. This security holder claim is ordinarily covered by a traditional public D&O insurance policy. Shortly after the security holder makes the claim, the U.S. Department of Justice sends notice to the company that it is investigating the foreign corrupt practices alleged in the security holder's claim. This is a related investigation, which is not insured by a traditional public D&O policy but is insured if the AIG Statement Related Investigations Costs Coverage 'legal premise' anti-bribery/anti-corruption law option is purchased.

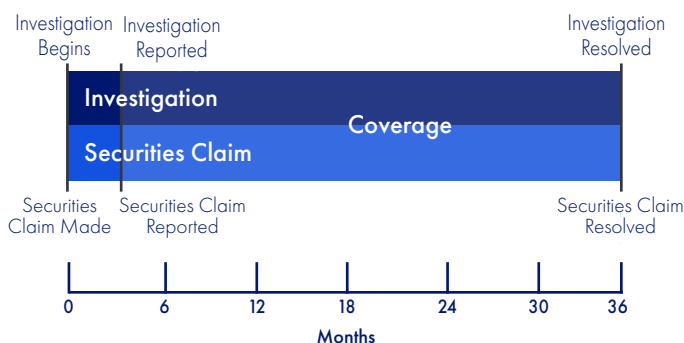
Investigation Preceding a Related Security Holder Claim

('Lookback' Coverage Option)

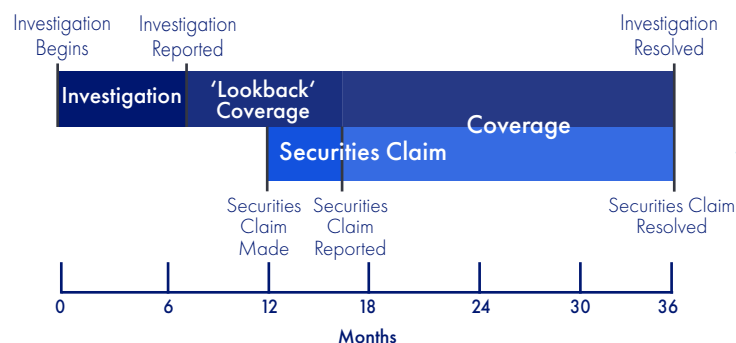
Often, an investigation of a company begins before a related security holder claim is made. AIG Statement Related Investigations Costs Coverage includes a 'lookback' option that provides coverage for investigation response costs incurred before the related security holder claim is made. If the option is purchased, the fees, costs, and expenses incurred between the time the organization reports the investigation to AIG and when the security holder claim is made are insured, if the related security holder claim is a covered claim.

Example: A company receives notice that a state's Attorney General is investigating alleged anti-competitive practices. The company reports this notice to AIG. Subsequently, a security holder makes a claim alleging that the company has been harmed by the purported practices being investigated. If the company has purchased AIG Statement Related Investigation Costs Coverage 'legal premise any law' and 'lookback' coverage options, and the security holder claim is covered, AIG Statement Related Investigation Costs Coverage insures the investigation fees, costs, and expenses incurred between the time the company reported the investigation to AIG and the time the security holder claim was made.

Legal Premises of a Related Investigation



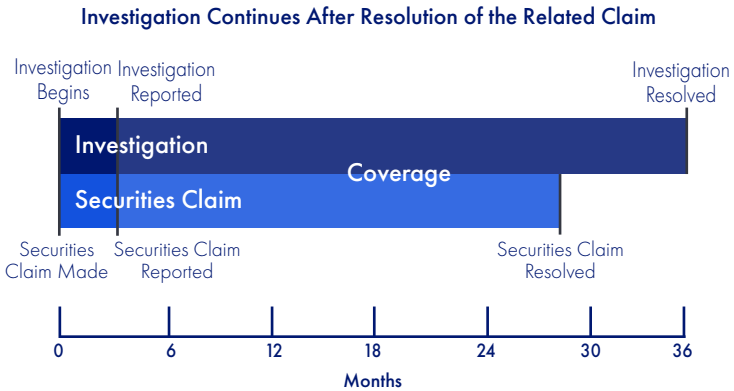
Investigation Preceding a Related Security Holder Claim



Investigations that Continue After the Resolution of the Related Claim

Sometimes, a security holder claim related to acts being investigated resolves before the related investigation ends. AIG Statement Related Investigations Costs Coverage does not end when the security holder claim resolves. Instead, it continues to provide coverage for the fees, costs, and expenses the company incurs responding to the investigation until the investigation resolves.

Example: A company has both a security holder claim and an investigation related to the acts alleged in the claim. A court dismisses the claim with prejudice, and the security holder does not object to the dismissal. The claim is thereby resolved. However, the investigation continues for several years after the dismissal. AIG Statement Related Investigations Costs Coverage continues to insure the fees, costs, and expenses the company incurs responding to the investigation until its resolution.



Contact

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The scenarios described herein are offered only as examples. Coverage depends on the actual facts of each case and the terms, conditions and exclusions of each individual policy. Anyone interested in the above product(s) should request a copy of the standard form of policy for a description of the scope and limitations of coverage.

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