

September 15, 2008

AIG and the Financial Market Condition

Woodruff-Sawyer & Co. continually monitors the financial stability of the carriers we represent. There has been a substantial change in the financial markets over the weekend, with the press surrounding Lehman Brothers Holdings, Inc, Merrill Lynch & Co. as well as American International Group. AIG said Sunday it is reviewing its operations and discussing possible options with other parties to improve its liquidity after a week when its stock dropped 45 percent. The stock continues to show volatility.

This news follows AIG's announcement last month of their second quarter results. They took a significant write off due to the continuation of the weak U.S. housing market and disruption in the credit markets, as well as global equity market volatility. The investor pressure continues to drive down their share value as they pull together a plan to sell assets and raise capital.

We continue to monitor the situation with AIG and the other insurers we represent. We do consider this a significant turn of events. Our executive team is committed to providing information to our clients and staff as it becomes available. We will be contacting clients insured with AIG companies to discuss your specific situation in light of these developments.

If you have any questions in the interim, please contact one of the following Practice Leaders:

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