

**PROGRAM DIVISION
BULLETIN**

2005-57

October 17, 2005

**CHANGE IN UNDERWRITING
EFFECTIVE IMMEDIATELY**

October 17, 2005

2005 has developed into the most devastating year in history for hurricane losses impacting the U.S. insurance industry. AIG Programs has experienced our share of losses. Our intent has always been not to have a book of property business which is exposed to these types of losses and we have put underwriting standards in place to manage our aggregate exposures to windstorm events.

We have had several instances where the distance to coastline has been disputed which resulted in improper application of our windstorm guidelines. To alleviate any disputes the following applies to underwriting of all commercial property going forward.

Mandatory use of RiskMeter for all determination of geocoded data – distance to coastline, wind pool eligibility, distance to active earthquake faults, MMI zone, NFIP flood zones.

Information obtained using RiskMeter determines the eligibility and application of windstorm underwriting and deductibles.

Hard copy of all RiskMeter information utilized during the underwriting process must be maintained in each underwriting file.

Most of you already use RiskMeter so this will have minimal impact on your current business. If you have not been using RiskMeter check with your Program Manager immediately on how to access.

We will be checking compliance during our audits. Any exceptions to either RiskMeter data or application of the windstorm underwriting guidelines must be referred to, approved and documented to AIG Program Division.

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