

January 11, 2007

## Policyholder Alert

Policyholders who have received settlement offers from American International Group ("AIG") and Zurich American Insurance Co. ("Zurich") in connection with the ongoing bid-rigging and contingent commission investigations may face deadlines to accept these proposals later this month. Policyholders are not required to accept the settlement offers, but they need to act quickly if they wish to do so. The proposed settlements would not release insurance coverage, but they do purport to release certain rights or claims in other proceedings that address similar alleged conduct by these insurers.

AIG has sent many of its policyholders proposed releases specifying amounts they may receive under AIG's settlement of the New York Attorney General's claims regarding bid-rigging and contingent broker commissions. A policyholder must return a signed release postmarked no later than **January 26, 2007** to participate in the settlement.

Additionally, Zurich has sent to some of its policyholders proposed agreements settling the proceedings brought by the New York, Connecticut and Illinois Attorneys General (the "Three-State Settlement"), which similarly involve allegations of bid-rigging and contingent broker commissions. The signed release must be postmarked by **January 17, 2007**.

Zurich has also announced a proposed Class Action Settlement in the insurance brokerage antitrust litigation pending in New Jersey (including *In re Insurance Brokerage Antitrust Litigation*, MDL No. 1663), as well as a Multi-State Settlement of several other state attorney general proceedings. Insureds that accept the Zurich Three-State Settlement waive some but not necessarily all rights under the proposed Class Action/Multi-State Statement, while the size of the Zurich Class Action Settlement fund will be somewhat dependent on how many policyholders opt for the Three-State Settlement. Further details on the Class Action Settlement are available at [www.insurancebrokerageantitrustlitigation.com](http://www.insurancebrokerageantitrustlitigation.com). A fairness hearing on the proposed settlement is scheduled for **January 26, 2007**.

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This information is not intended as legal advice, which may often turn on specific facts. Readers should seek specific legal advice before acting with regard to the subjects mentioned herein.

If you have any questions concerning the material discussed in this client alert, please contact the following members of our insurance practice group:

John Buchanan	202.662.5366	<a href="mailto:jbuchanan@cov.com">jbuchanan@cov.com</a>
Marialuisa Gallozzi	202.662.5344	<a href="mailto:mgallozzi@cov.com">mgallozzi@cov.com</a>
Scott Levitt	202.662.5661	<a href="mailto:slevitt@cov.com">slevitt@cov.com</a>

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