



AIG Insurance Management Services, Inc.® (AIMS®)

For more than 50 years, AIG Insurance Management Services, Inc.® (AIMS®) has been one of the leading providers of captive management services throughout the world. Our worldwide product portfolio ranges from single parent insurance and reinsurance captives, association and group captives to traditional rent-a-captives and segregated cell structures.

For AIG member companies, the structuring, formation and management of captive insurance programs are not a new frontier. We pioneered the formation of captives almost 60 years ago and due to our extensive, worldwide network of AIG companies, we have a unique understanding of each domicile's regulatory requirements and local business practices. Today, more and more companies of all sizes rely on captives as a risk management alternative – and local knowledge is critical when establishing or relocating a captive entity.

AIG Insurance (Guernsey) PCC Limited

AIMS is proud to announce the formation of AIG Insurance (Guernsey) PCC Limited (AIG PCC). AIG PCC is a wholly owned Protected Cell Company of the American International Group, Inc. established under Guernsey legislation - the Protected Cell Companies Ordinance 1997 and The Insurance Business (Bailiwick of Guernsey) Law 2002.

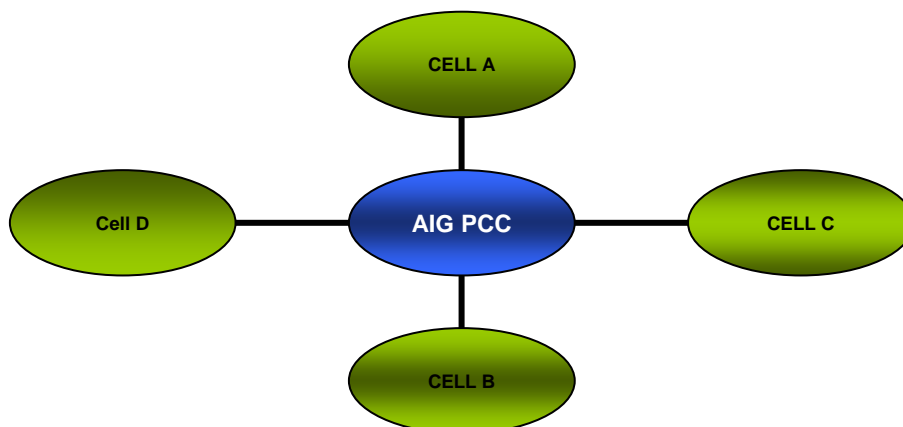
AIG PCC is situated in St. Peter Port, Guernsey.

What is a Protected Cell Company?

A protected cell company, or PCC, allows the formation of separate pools of assets and liabilities within a single company - the PCC itself. The assets of one pool are segregated within a protected cell. Under Guernsey law, those assets are not accessible by creditors of another cell within the same PCC.

A PCC mechanism enables clients to utilise a cell within AIG PCC to structure and establish their own insurance programme in much the same way as a traditional stand alone captive. However, a client does not incur the administrative or expense burdens associated with the formation of a single parent captive. The PCC structure facilitates total segregation of assets and liabilities, historically not fully achievable through traditional 'rent-a-captive' arrangements.

Graphic Representation of PCC Structure



Two classes of shares in AIG PCC - “Core” shares and “Cell” shares

“Core” shares are wholly owned by member companies of AIG (“Core shares”) and retain all voting rights and distribution rights (dividends) over the core capital only.

“Cell” shares are issued to the client in relation to its cell. Cellular shares have limited status with no voting rights. Distribution rights (dividends) are applicable with respect to the individual cell's activities only.

The owner of the cell enters into a Cell Shareholder Agreement, which conveys to the board and managers of AIG PCC certain specific controls with respect to the cell and for example the delineation of the formula for calculating cell owner dividends.

AIG PCC Coverages and Program Implementation

Licensed under The Insurance Business (Bailiwick of Guernsey) Law 2002, AIG PCC is capable of underwriting general and long term business for both existing AIG customers and prospective new clients. General business would include most forms of property and casualty insurance and long term business would include certain types of employee benefits insurance.

Client program proposals are reviewed by an underwriting committee and if approved, initial discussions are held with the local Guernsey regulator, the Guernsey Financial Services Commission (GFSC), in order to evaluate the insurance and capital structure requirements for the client's proposed cell. The next stage in this process would generally necessitate a detailed business plan highlighting the specific operational aspects of the client's proposed cell.

AIG PCC Management

AIG PCC is managed by AIG Insurance Management Services (Guernsey) Limited (AIMS). AIMS is AIG's global captive management operation and offers a full range of captive and rent-a-captive/cell captive management services to existing, new and prospective clients.

In Europe, AIMS principal offices are located in Dublin and Guernsey with representative offices in Isle of Man, Luxembourg and Gibraltar.

The AIG PCC Advantage

Cell captive programs available from AIG PCC may provide specific advantages over a wholly owned captive, including reduced formation and operating costs and reduced administrative requirements.

Fronting or Reinsurance

Since most AIG PCC cell programs will act in a reinsurance cell capacity, clients can also benefit from the financial strength available from other AIG companies as primary carrier in both fronting and retrocessional coverages for the cell itself.

In certain circumstances, AIG PCC may also issue direct policies.

The AIG Advantage

AIMS provides access to the complete range of captive management and administrative services provided by member companies of AIG, enabling our client's captives to benefit from the same risk management resources and expertise that have made AIG consistently one of the most well respected insurance organizations in the world

- Underwriting & Claims Services
- Top-rated Primary, Fronting & Excess Insurance
- Asset Management & LOC Alternatives
- Captive Capitalization & Premium Financing
- Engineering Services

To learn more about AIG Insurance (Guernsey) PCC Limited (AIG PCC), please contact your local AIG representative, visit our website at www.aigcaptives.com or call.

GUERNSEY & DUBLIN

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