

National Union FAQs

Who is National Union?

National Union Fire Insurance Company of Pittsburgh, Pa. (National Union) is part of the Commercial Insurance Group and is now a part of the new AIU Holdings, Inc., as announced on March 2, 2009. National Union is a stock property-casualty insurance company incorporated under the laws of the Commonwealth of Pennsylvania on February 14, 1901. National Union's principal executive office is located at 70 Pine Street, New York, New York 10270. National Union is licensed in all 50 states of the United States and the District of Columbia, as well as certain foreign jurisdictions, and engages in a broad range of insurance and reinsurance activities. National Union has been writing accident and health coverages for over 40 years and is "A" rated by the A. M. Best Company.

Who is Medical Excess?

Medical Excess is a member company of the Commercial Insurance Group and is now a part of the new AIU Holdings, Inc., as announced on March 2, 2009. Medical Excess operates as a provider of catastrophic healthcare risk solutions to organizations that are at risk for the healthcare of their members. We distribute these products through select Third Party Administrators, Brokers, and Consultants.

Why the transition to National Union?

There are 3 reasons for the transition:

1. AIG Life Insurance Company, the company that currently issues both our Stop Loss and Organ Transplant products, is one of the companies slated to be divested from AIG. Accordingly, at some point it will no longer be available to Medical Excess.
2. Keeping the business within AIU Holdings, Inc. will minimize any market confusion.
3. Issuing our products within AIU Holdings, Inc. provides internal efficiencies.

What is Medical Excess's relationship with National Union?

Medical Excess and National Union are both parts of Commercial Insurance Group. Medical Excess is the catastrophic healthcare division for Stop Loss and Organ Transplant carve-out business written through National Union.

Why should producers place their Stop Loss business with Medical Excess/Commercial Insurance?

For all the same reasons producers have placed their Stop Loss business through Medical Excess with AIG Life Insurance Company. Here are just a few of them:

- Our Policy Form is one of the most comprehensive in the industry and wraps around the Plan Document to help minimize potential coverage gaps.
- Our first dollar Organ Transplant carve out program is the most successful product of its kind in the market.
- MedCAT[®], our catastrophic medical management division, offers catastrophic claim cost reduction tools to policyholders and claims payers in an effort to provide quality outcomes while achieving the best value.
- Producers have direct contact with dedicated Underwriting and Claim resources.
- Identity Theft Coverage is embedded in accounts under 1,000 lives (not available in NY).
- "No-laser" options are available.

Will claims service slow down?

No. Medical Excess will continue to meet our highest standard for claims handling excellence and turnaround. Our current turnaround standard for our claims is 10 days.

Will the underwriting philosophy change?

No.

How will the transition affect Medical Excess' customers?

The process will be virtually seamless. Quality coverages and exceptional services will continue with no interruption.

How does this affect Medical Excess?

There is no effect on Medical Excess other than that our products will be fully contained within Commercial Insurance.

Will underwriting/renewals be handled any differently?

No.

What about broker appointments that are currently through AIG Life?

We are in the process of making National Union appointments for all of our brokers. Brokers will continue to be appointed through AIG Life until all business is moved to National Union. All charges for appointments are the responsibility of Medical Excess. This will be a transparent process for our brokers.

How will this move affect the Stop Loss and Organ Transplant Policies?

Stop Loss: The Stop Loss policy for National Union is identical to the AIG Life policy, except for the references to the Company name. The policyholder (whether new or renewing) will need to sign a new application for the National Union policy. However, except for the need for a new application, renewals will be handled in the same manner as they have always been handled. (For example, the Underwriter will have the option to waive the signature on the Disclosure.)

Organ Transplant: We are in the process of re-filing our Organ Transplant policies on National Union paper to introduce product enhancements that will allow our policyholders additional flexibility enabling them to create the best possible carve-out program. We will switch over to National Union paper for Organ Transplant in an orderly fashion as the policy filings are approved by the various State insurance departments. We will keep you informed as the time-line evolves. In the meantime, we will continue to use AIG Life as the issuing company.

Are the policies still worded the same or are they different?

Stop Loss: The National Union policies are identical to the AIG Life policies currently in use.

Organ Transplant – The National Union policies will be identical to the new Organ Transplant -2008 forms that we have been filing for several months on AIG Life paper.

Are the National Union policies approved in all states?

Stop Loss: National Union Stop Loss contracts are approved in all states except Hawaii, Michigan, New Hampshire and New York. Filings are being pursued in these states. In the meantime, we will continue to use AIG Life paper in Hawaii, Michigan, New Hampshire and Landmark Insurance Company paper in New York.

Organ Transplant – National Union forms are in the process of being filed. As the approvals are received, National Union quotations and policies will be issued.