

## **MILITARY PERSONNEL TO BENEFIT FROM SETTLEMENT Multi-State Regulatory Agreement with American Amicable Settlement**

Effective July 28, 2006, a settlement between several state Insurance Departments and three life insurance companies may benefit some military service members.

The Georgia Department of Insurance, along with approximately 42 other states, and in conjunction with the Department of Justice and the Securities and Exchange Commission, negotiated a Multi-State Regulatory Settlement Agreement with American Amicable Group, which includes the American Amicable Life Insurance Company of Texas, Pioneer American Insurance Company, and Pioneer Security Life Insurance Company.

The settlement alleges American-Amicable violated insurance and consumer protection statutes in their sales and marketing of certain life insurance products to service members. Term life insurance policies were sold primarily to military personnel and were often represented as investments. Although agreeing to the settlement, the company denies any wrongdoing.

As a result of the settlement, approximately 57K current and former service members will share in cash refunds totaling \$10 million and modifications to increase the value of existing policies. An additional 35,000 policyholders will receive increased cash surrender benefits. The total settlement, including the increased policy benefits, is valued at \$70 million.

The Georgia Department of Insurance will determine which service members will receive cash refunds, and in what amounts. It will be approximately three months before checks are distributed. Affected military personnel may contact their state's office of the insurance commissioner for additional information. Contact information can be located on the National Association of Insurance Commissioners Web site at [www.naic.org](http://www.naic.org). Service members inquiring about their options are encouraged to contact their installation's personal financial counselor.