

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF SOUTH CAROLINA

Your Personal ID # is <<ClaimID>>

Your Access Code is <<PINCode>>

If you made a workers compensation claim in South Carolina under an AIG policy effective on or after June 27, 1999, you may be entitled to a partial premium refund from a class action settlement. Please read this notice to find out how to submit a claim for a refund.

For more information visit www.SCWorkersCompSettlement.com

- A federal court authorized this notice. This is not a solicitation from a lawyer and you are not being sued.
- A settlement has been reached in a class action lawsuit. The lawsuit claimed that the AIG Defendants (defined in this notice) failed to properly report third-party recoveries that they received for paid workers compensation claims filed by employers in South Carolina, and that this led to such employers paying inflated premiums on subsequent workers compensation insurance policies that they had with the AIG Defendants and/or the AIG Affiliates and with other workers compensation insurers.
- The AIG Defendants deny that they did anything wrong and deny that they have violated any laws. The Court has not decided whether the AIG Defendants did anything wrong, and the settlement should not be interpreted as an admission of fault, liability, or wrongdoing by any of the AIG Defendants.
- As a result of the settlement, the AIG Defendants will pay a total settlement amount of \$2,325,000.00. Eligible employers may be able to receive partial refunds for premiums that they paid to AIG and other workers compensation insurers.
- Based on the AIG Defendants' records, <<Name1>> is a part of this settlement.
- **To receive a refund from the settlement, file a Claim Form. You can file a Claim Form online at www.SCWorkersCompSettlement.com, or you can complete the Claim Form that is enclosed with this notice and mail it to the address listed on the Claim Form. Claim Forms must be submitted by no later than December 10, 2015. Please read below for more details.**
- Your legal rights are affected by the settlement whether you act or do not act. Read this notice carefully.

SUMMARY OF YOUR OPTIONS AND LEGAL RIGHTS IN THIS SETTLEMENT	
FILE A CLAIM	Receive a refund if you are eligible. To file a claim, visit <u>www.SCWorkersCompSettlement.com</u> , or complete the <u>Claim Form</u> enclosed with this notice and mail it to the address listed on the Claim Form. Claim Forms must be postmarked or submitted online by no later than December 10, 2015 . See Questions 10-11 below.
EXCLUDE YOURSELF FROM THE SETTLEMENT	You <u>will not</u> receive a refund from the settlement. This is the only option that allows you to retain your right to bring any other lawsuit against the AIG Defendants, or any of the entities that are included in the definition of "AIG Releasee" in the Settlement Agreement, about the claims in this case. The postmark deadline to exclude yourself is October 26, 2015 . See Question 15 below.
DO NOTHING	You may not receive a refund at all, or may only receive less than your maximum refund, from the settlement. You will be giving up rights to be part of any other lawsuit or to make any other claim against the AIG Defendants, or any of the entities that are included in the definition of "AIG Releasee" in the Settlement Agreement, about the claims in this case. See Question 19 below.
OBJECT TO THE SETTLEMENT	Write to the Court if you do not like the settlement. The postmark deadline to send an objection is October 26, 2015 . See Question 17 below.
ATTEND THE HEARING	Ask to speak in Court about the fairness of the settlement. The deadline to send a notice of intent to appear at the hearing is December 16, 2015 at 10:00 a.m. See Question 22-24 below.

- These rights and options, and the deadlines to exercise them, are explained in this notice.
- The Court in this case still has to decide whether to approve the settlement. Eligible employers may get refunds if the Court approves the settlement and after any appeals are resolved. Please be patient.
- **THIS NOTICE IS NOT AN OPINION BY THE COURT AS TO THE MERITS OF ANY OF THE CLAIMS OR DEFENSES IN THIS CLASS ACTION. THE STATEMENTS MADE IN THIS NOTICE ARE NOT FINDINGS OF THE COURT.**

**For more information about the settlement, you can visit www.SCWorkersCompSettlement.com
or contact the Settlement Administrator at:**

Thrift v. AIG
c/o Gilardi & Co. LLC
P.O. Box 8060
San Rafael, CA 94912-8060

**DO NOT CONTACT THE COURT OR THE AIG DEFENDANTS WITH QUESTIONS ABOUT THE
SETTLEMENT.**

WHAT THIS NOTICE CONTAINS

	Page No.
BASIC INFORMATION	3
1. Why is there a notice?	3
2. Who are the AIG Defendants?	3
3. Who is the Named Plaintiff?	3
4. What is this lawsuit about?	3
5. How do the AIG Defendants respond?	3
6. Has the Court decided who is right?	3
7. Why is there a Settlement?	3
WHO IS IN THE SETTLEMENT	3
8. Who is included in the settlement?	3
THE SETTLEMENT'S BENEFITS	4
9. What benefits does the settlement provide?	4
10. How do I get a refund from the settlement?	4
11. How do I file a Claim Form and what is the deadline?	5
12. What happens after a Claim Form is filed?	5
13. When will I receive a refund payment?	5
14. What am I giving up to stay in the Settlement Class?	5
EXCLUDING YOURSELF FROM THE SETTLEMENT CLASS	5
15. How do I exclude myself from the Settlement Class?	5
16. If I do not exclude myself, can I sue the AIG Defendants for the same thing later?	6
OBJECTING TO THE SETTLEMENT	6
17. How do I tell the Court if I do not like the settlement?	6
18. What is the difference between objecting to the settlement and excluding myself from the Settlement Class?	7
IF YOU DO NOTHING	7
19. What happens if I do nothing at all?	7
THE LAWYERS REPRESENTING YOU	7
20. Do I have a lawyer representing me in this case?	7
21. How will Class Counsel be paid?	7
THE COURT'S FAIRNESS HEARING	7
22. When and where will the Court decide whether to approve the settlement?	7
23. Do I have to attend the hearing?	8
24. May I speak at the hearing?	8
GETTING MORE INFORMATION	8
25. Where can you get additional information?	8

BASIC INFORMATION

1. Why is there a notice?

A Court authorized this notice because you have the right to know about the proposed settlement of this class action lawsuit and about your options before the Court decides whether to grant final approval of the settlement. This notice explains the lawsuit, the settlement, and your legal rights.

The United States District Court for the District of South Carolina (Anderson Division) is overseeing this case, which is titled: *Thrift Development Corporation v. American International Group, Inc., et al.*, No. 8:12-cv-00861-BHH (D.S.C.).

2. Who are the AIG Defendants?

The “AIG Defendants” are the defendants in this lawsuit. The names of the AIG Defendants are:

American International Group, Inc.

AIG Property Casualty Inc. f/k/a Chartis Inc.

American Home Assurance Company

The “AIG Affiliates” are the AIG Defendants’ subsidiary and affiliated entities licensed to issue workers compensation insurance policies in South Carolina between June 27, 1999 and March 26, 2012. The AIG Affiliates are not defendants in this lawsuit.

3. Who is the Named Plaintiff?

The Named Plaintiff that filed this lawsuit, Thrift Development Corporation, is an employer that had a workers compensation policy with American Home Assurance Company in South Carolina.

4. What is this lawsuit about?

The lawsuit claimed that the AIG Defendants failed to properly report third-party recoveries that they received for paid workers compensation claims filed by employers in South Carolina, and that this led to employers paying inflated premiums on subsequent workers compensation policies that they had with the AIG Defendants and/or the AIG Affiliates and with other workers compensation insurers.

The complaint filed in this lawsuit, which is available at www.SCWorkersCompSettlement.com, contains all of the allegations and claims asserted against the AIG Defendants in the lawsuit.

5. How do the AIG Defendants respond?

The AIG Defendants deny all allegations of wrongdoing and liability and have asserted numerous affirmative defenses to the claims alleged.

6. Has the Court decided who is right?

No. The Court has not decided which of the parties, the Named Plaintiff or the AIG Defendants, is right.

7. Why is there a Settlement?

The Court has not decided in favor of either the Named Plaintiff or the AIG Defendants. Instead, both sides agreed to the settlement. By agreeing to the settlement, the parties avoid the costs and uncertainty of further litigation, and class members receive the benefits described in this notice. The Named Plaintiff and the attorneys appointed to represent the class (“Class Counsel”) believe that the settlement is in the best interest of those affected.

WHO IS IN THE SETTLEMENT

8. Who is included in the settlement?

The “Settlement Class” includes all policyholders that filed a workers compensation claim in South Carolina pursuant to a policy issued by any of the AIG Defendants and/or the AIG Affiliates with a policy effective date of June 27, 1999 or later, where subsequent to the claim: (i) any of the AIG Defendants and/or the AIG Affiliates received a third-party recovery that it was required to report to the National Council on Compensation Insurance, Inc. (“NCCI”) under the applicable NCCI reporting rules and South Carolina law; and (ii) the employer had one or more ex-mods that incorporated such claim but, as of March 26, 2012, did not account for the third-party recovery.

Persons and entities in the “Settlement Class” are called “Class Members.”

Based on the AIG Defendants’ records, <<Name1>> has been identified as being a Class Member in this case.

THE SETTLEMENT’S BENEFITS

9. What benefits does the settlement provide?

As part of the settlement, in exchange for the releases provided (see Question 14 below), the AIG Defendants have agreed to pay a total settlement amount of \$2,325,000.00. Eligible class members who do not timely request exclusion from the Settlement Class may be able to receive partial refunds for premiums that they paid to the AIG Defendants and/or the AIG Affiliates or other workers compensation insurers. For allocation purposes, the alleged premium overpayments for the Settlement Class are broadly divided into two groups:

The first group consists of alleged premium overpayments by Settlement Class Members on workers compensation insurance policies issued by any of the AIG Defendants and/or the AIG Affiliates, arising out of the AIG Defendants’ and/or the AIG Affiliates’ alleged failure to properly report third-party recoveries received on claims made under policies with a policy effective date between July 1, 2004 and March 26, 2012.

The second group consists of: (a) alleged premium overpayments by Settlement Class Members on workers compensation insurance policies issued by an insurer other than any of the AIG Defendants and/or the AIG Affiliates, arising out of the AIG Defendants’ and/or the AIG Affiliates’ alleged failure to properly report third-party recoveries received on claims made under policies with a policy effective date between July 1, 2004 and March 26, 2012; and (b) alleged premium overpayments by Settlement Class Members on workers compensation insurance policies issued by any insurer, arising out of the AIG Defendants’ and/or the AIG Affiliates’ alleged failure to properly report third-party recoveries received on claims made under policies with a policy effective date between June 27, 1999 and June 30, 2004.

The settlement creates two payment mechanisms to settle the claims of the Settlement Class, depending on whether the workers compensation insurance policy for which the alleged overpayment occurred is within the first group or second group described above:

(1) up to \$900,000 in aggregate premium refunds issued by the AIG Defendants to Settlement Class Members that fall within the first group described above; and

(2) the funding by the AIG Defendants of a \$1,425,000.00 “Class Fund” to be allocated—after deduction of administrative expenses, Court-awarded attorneys’ fees and expenses, and any service award for the Named Plaintiff—among Settlement Class Members that fall within the second group described above and who file valid claims.

A Settlement Class Member may have alleged premium overpayments that fall into the first group, the second group, or both groups, and thus may be compensated by one or both of these payment mechanisms.

The amount of each eligible Settlement Class Member’s refund will be calculated using the available records related to the workers compensation insurance policies and claims at issue, and will generally be based on the amount(s) of the Settlement Class Member’s alleged premium overpayment(s). Any payment that you receive will also depend on how many Settlement Class Members file valid claims for refunds. The Settlement Agreement and the Plan of Allocation attached to the Settlement Agreement, both of which are available at www.SCWorkersCompSettlement.com, describe in further detail how settlement funds will be allocated among eligible Settlement Class Members.

For any questions about the tax implications of any benefits you receive under the settlement, contact your own tax advisor. Neither the Named Plaintiffs, the AIG Defendants, Class Counsel, nor the Settlement Administrator can give you tax advice.

10. How do I get a refund from the settlement?

To get a refund from the settlement, file a Claim Form. See Question 11 below regarding how to file a Claim Form and the deadline.

11. How do I file a Claim Form and what is the deadline?

You have two options for filing a Claim Form:

- File a Claim Form online, at www.SCWorkersCompSettlement.com. **The deadline to file a Claim Form online is December 10, 2015.**
- File a Claim Form by mail. Fill out the Claim Form enclosed with this notice and mail your completed Claim Form to the following address: *Thrift v. AIG*, c/o Gilardi & Co. LLC, P.O. Box 8060, San Rafael, CA 94912-8060. **The postmark deadline to mail your Claim Form is December 10, 2015.**

Your completed Claim Form must include your Personal ID number, which is located in the top right hand corner of the first page of this notice.

Note that some of the third-party recoveries at issue may have been reported by the AIG Defendants to NCCI before the parties agreed to the settlement, and some Class Members may have already received a premium refund from their workers compensation insurer for the alleged premium overpayment(s) at issue. The Claim Form thus will also require you to attest that you have not already received a premium refund from your workers compensation insurer for the alleged premium overpayment(s) at issue. Only eligible persons and entities can receive refunds.

12. What happens after a Claim Form is filed?

The Settlement Administrator supervising the refund program will use the available records and the information provided in your Claim Form to determine your eligibility for a refund and your refund amount. If the Settlement Administrator needs more information, they may contact you directly.

13. When will I receive a refund payment?

For your alleged premium overpayments that fall within the first group described in Question 9 above, the AIG Defendants will issue you a premium refund in any amount due to you if the Court grants final approval to the settlement and after any appeals are resolved.

For your alleged premium overpayments that fall within the second group described in Question 9 above, if you have filed a valid Claim Form by the deadline, the Settlement Administrator will mail you a refund payment in any amount due to you if the Court grants final approval to the settlement and after any appeals are resolved. Please be patient.

14. What am I giving up to stay in the Settlement Class?

If you do not exclude yourself from the Settlement Class by following the process for excluding yourself explained in Question 15 below, you will not be able to sue, continue to sue, or be part of any other lawsuit against the AIG Defendants, or any of the entities that are included in the definition of “AIG Releasee” in the Settlement Agreement, about the issues in this case. It also means that all of the judgments and decisions of the Court in this case will apply to you. The Settlement Agreement, available at www.SCWorkersCompSettlement.com, describes all of the claims that you are releasing (giving up) by staying in the Settlement Class. You are encouraged to carefully review the release provisions and relevant definitions in the Settlement Agreement.

EXCLUDING YOURSELF FROM THE SETTLEMENT CLASS

If you do not want to receive a refund, and you want to keep the right to sue the AIG Defendants and/or the AIG Releasees on your own about the issues in this case, then you must take steps to exclude yourself from the Settlement Class. This is sometimes referred to as “opting out.” If you exclude yourself, you will not be a Settlement Class Member and you will not get a refund through this settlement.

15. How do I exclude myself from the Settlement Class?

If you do not want to be in the Settlement Class, you may exclude yourself by writing to the Settlement Administrator. Your request must include the following:

- Name, mailing address, and telephone number;
- A statement that you want to be excluded from the settlement in *Thrift Development Corporation v. American International Group, Inc.*; and
- Signature

You must mail your exclusion request, postmarked no later than **October 26, 2015**, to:

Thrift v. AIG
c/o Gilardi & Co. LLC
P.O. Box 8060
San Rafael, CA 94912-8060

16. If I do not exclude myself, can I sue the AIG Defendants for the same thing later?

No. Unless you exclude yourself, you give up the right to sue the AIG Defendants and the AIG Releasees about the issues in this case.

OBJECTING TO THE SETTLEMENT

You can tell the Court that you do not like the settlement or some part of it.

17. How do I tell the Court if I do not like the settlement?

If you are in the Settlement Class and do not exclude yourself, you can object to any part of the settlement, the settlement as a whole, Class Counsel's request for attorneys' fees and expenses, and/or the request for a service award for the Named Plaintiff. To object, you must send a letter that includes the following:

- Name, mailing address, and telephone number;
- The name of this case, which is *Thrift Development Corporation v. American International Group, Inc.*;
- An explanation of the basis upon which you claim to be a member of the Settlement Class;
- The specific reason(s) for your objection, including any legal support for your objection that you wish to bring to the Court's attention and any evidence you wish to introduce in support of your objection;
- Whether you are represented by counsel (other than Class Counsel) and, if so, the identity of such counsel;
- Whether you and/or your counsel intend to appear at the Fairness Hearing; and
- Signature

To be considered, your objection must be mailed, postmarked no later than **October 26, 2015**, to the Clerk of Court, Class Counsel, and AIG Defendants' Counsel at the following addresses:

Thrift v. AIG
c/o Gilardi & Co. LLC
P.O. Box 8060
San Rafael, CA 94912-8060

Class Counsel:

James C. Bradley, Esq.
Richardson, Patrick, Westbrook &
Brickman, LLC
1037 Chuck Dawley Boulevard
Mount Pleasant, SC 29465

AIG Defendants' Counsel:

Michael B. Carlinsky, Esq.
Quinn Emanuel Urquhart & Sullivan, LLP
51 Madison Avenue, 22nd Floor
New York, NY 10010

If you do not send a timely or complete objection, you will waive all objections to the settlement and will not be allowed to object to the settlement at the Fairness Hearing or otherwise.

If you hire an attorney in connection with making an objection, that attorney must file with the Court and serve on Class Counsel and AIG Defendants' Counsel (at the mailing addresses listed above in this section) a notice of appearance. The notice of appearance must be received by the Court and the counsel identified above by no later than **October 26, 2015**. If you hire an attorney in connection with making an objection (or for any other purpose relating to the settlement), you will be responsible for all fees and expenses that such attorney incurs on your behalf.

18. What is the difference between objecting to the settlement and excluding myself from the Settlement Class?

You object to the settlement when you wish to remain a Settlement Class Member and be subject to the settlement, but disagree with some aspect of the settlement. An objection allows your views to be heard in Court.

In contrast, excluding yourself from the Settlement Class means that you are no longer a Settlement Class Member and do not want the settlement to apply to you. Once excluded, you lose any right to receive a refund from the settlement or to object to any aspect of the settlement because the case no longer affects you.

IF YOU DO NOTHING

19. What happens if I do nothing at all?

If you do nothing in response to this notice, you will be giving up your rights to be part of any other lawsuit or make any other claim against the AIG Defendants and the AIG Releasees about the issues in this case. The Settlement Agreement, available at www.SCWorkersCompSettlement.com, describes all of the claims that you are releasing (giving up) by remaining in the Settlement Class.

If all of your alleged premium overpayments fall within the first group described in Question 9 above, and you do nothing in response to this notice, you will receive the full amount due to you under the settlement, without any further action on your part, once the settlement becomes final.

If any of your alleged premium overpayments fall within the second group described in Question 9 above, and you do nothing in response to this notice, you will not receive a refund on those overpayments.

THE LAWYERS REPRESENTING YOU

20. Do I have a lawyer representing me in this case?

Yes. The Court has appointed lawyers to represent the Settlement Class. They are called “Class Counsel.” You will not be charged for these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense. The lawyers appointed as Class Counsel are: Richardson, Patrick, Westbrook & Brickman, LLC, Thornton Law Firm LLP, and Lieff Cabraser Heimann & Bernstein LLP.

The Court has also appointed the Named Plaintiff Thrift Development Corporation as a “class representative” to represent the Settlement Class in this case.

21. How will Class Counsel be paid?

Class Counsel intends to ask the Court to award them attorneys’ fees and expenses of up to \$651,000. Class Counsel will also ask the Court to award the Named Plaintiff a service award of up to \$5,000 to compensate the Named Plaintiff for its commitment and efforts on behalf of the Settlement Class in this case.

The Court will determine the amount of attorneys’ fees, expenses, and service award to award. Any attorneys’ fees, expenses, and service award awarded by the Court will be paid from the \$1,425,000 Class Fund (see Question 9) and will reduce the funds available for distribution to eligible class members.

Class Counsel’s application for attorneys’ fees, expenses, and service award is available at www.SCWorkersCompSettlement.com.

THE COURT’S FAIRNESS HEARING

22. When and where will the Court decide whether to approve the settlement?

The Court will hold the Fairness Hearing at 10:00 a.m. on December 16, 2015, at the United States Courthouse, located at 300 East Washington Street, Greenville, SC 29624. The Fairness Hearing may be moved to a different date or time without notice, so check for updates at www.SCWorkersCompSettlement.com. At this hearing, the Court will consider whether the settlement is fair, reasonable, and adequate. The Court will also consider Class Counsel’s application for attorneys’ fees and expenses and request for a service award for the Named Plaintiff. If there are objections, the Court will consider them at the hearing. After the hearing, the Court will decide whether to approve the settlement. We do not know how long the decision will take.

23. Do I have to attend the hearing?

No. You do not have to attend the Fairness Hearing. Class Counsel will answer any questions the Court may have. If you or your personal attorney would like to attend the Fairness Hearing, you are welcome to do so at your expense. If you send a written objection, you do not have to come to Court to talk about it. As long as you send your written objection on time, to the proper addresses, and it complies with the requirements set forth above, the Court will consider it.

24. May I speak at the hearing?

You or your personal counsel may speak at the Fairness Hearing, at your expense, but only if your written objection (see Question 17) clearly states that you and/or your counsel intend to appear at the Fairness Hearing.

GETTING MORE INFORMATION

25. Where can you get additional information?

This notice summarizes the proposed settlement. You can find more details in the Settlement Agreement. You can get a copy of the Settlement Agreement, submit a Claim Form online, download a printable Claim Form, and get more information about the settlement by visiting www.SCWorkersCompSettlement.com. You can also get more information and request that a Claim Form be mailed to you by contacting the Settlement Administrator at *Thrift v. AIG*, c/o Gilardi & Co. LLC, P.O. Box 8060, San Rafael, CA 94912-8060. You can also contact Class Counsel at 888-825-9265.

You may also examine the Settlement Agreement, Court orders, and the other papers filed in this case at the Office of the Clerk, United States District Court for the District of South Carolina, Clement F. Haynsworth Federal Building and U.S. Courthouse, 300 East Washington Street, Greenville, SC, from 8:30 a.m. to 4:30 p.m. Eastern time.

PLEASE DO NOT CONTACT THE COURT OR THE CLERK’S OFFICE FOR INFORMATION.