

American Empire Surplus Lines Insurance Company Launches E&O Liability Insurance for Medicare Statutory Compliance

Cincinnati, Ohio- November 5, 2009 - American Empire Surplus Lines Insurance Company ("AESLIC"), a member of the Great American Insurance Group, announced the launch of an Errors and Omissions ("E&O") Liability Insurance product for Medicare Statutory Compliance.

This coverage is specifically tailored to address the new and emerging exposures created by the passage of Section 111 of the Medicare/Medicaid and SCHIP Extension Act of 2007 ("Extension Act"). Beginning on January 1, 2010, Section 111 of the Extension Act requires liability and workers' compensation insurers, including self insurers, to determine Medicare status for all claimants and to report all claims involving a Medicare beneficiary to federal Centers for Medicare and Medicaid Services ("CMS") when those claims are paid.

The Extension Act gives the CMS a direct right of action to sue primary payers (insurers, self-insurers and others responsible for paying liability and workers' compensation claims) for reimbursement of medical costs, even if the claims payments were made by a third party administrator, and regardless of whether the claims settlement was approved by a state court.

Bob Nelson, President and Chief Operating Officer of [AESLIC](#), commented: "Our new policy, which provides E&O coverage for Medicare Statutory Compliance, is designed to help all entities who choose to self-insure their workers' compensation or third party liability exposures. The new Extension Act legislation has wide-ranging consequences to these employers, who may soon be confronted with demands from Medicare for reimbursement for claims they thought were settled."

Mr. Nelson added, "Under the new legislation, the Federal Government may be entitled to double damages in the event it institutes legal action for reimbursement from self-insurers or insurance companies. Additionally, self insurers also face federal fines of up to \$1,000 per day for each claim they fail to properly report in a timely manner. "

Highlights of AESLIC's Medicare Statutory Compliance E&O coverage:

- Targeted to a wide range of self insured entities.
- Coverage is provided on a claims-made basis
- Various deductible levels can be offered
- Limits up to \$5 million are available

Professional risk managers, agents and brokers may obtain more information by contacting AESLIC at AskAESLIC@gaic.com. To download a policy application for Errors & Omissions Liability Insurance for Medicare Statutory Compliance, visit www.AESLIC.com.

About [American Empire Surplus Lines Insurance Company](#)

American Empire Surplus Lines Insurance Company is a member of the Great American Insurance Group. AESLIC has consistently been one of the most innovative and successful excess and surplus lines writers in the country, providing an excess and surplus facility for brokerage firms which do business on a wholesale basis. AESLIC is an eligible surplus lines insurer in 50 states and the District of Columbia.

About [Great American Insurance Group](#)

Great American Insurance Group's roots go back to 1872 with the founding of its flagship company, Great American Insurance Company. Based in Cincinnati, Ohio, the operations of Great American Insurance Group are engaged primarily in property and casualty insurance, focusing on specialty commercial products for businesses, and in the sale of traditional fixed, indexed and variable annuities and a variety of supplemental insurance products. Great American Insurance Company has received an "A" (Excellent) or higher rating from the A.M. Best Company for over 100 years (most recent rating evaluation effective on March 27, 2009). The members of the Great American Insurance Group are subsidiaries of [American Financial Group, Inc.](#) (AFG), also based in Cincinnati, Ohio. AFG's common stock is listed and traded on the New York Stock Exchange and the Nasdaq Global Select Market under the symbol ("AFG").

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