

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 14D-1
(AMENDMENT NO. 28)
TENDER OFFER STATEMENT PURSUANT TO SECTION 14(D)(1)
OF THE SECURITIES EXCHANGE ACT OF 1934

AMERICAN BANKERS INSURANCE GROUP, INC.
(NAME OF SUBJECT COMPANY)

SEASON ACQUISITION CORP.
CENDANT CORPORATION
(Bidders)

COMMON STOCK, PAR VALUE \$1.00 PER SHARE
(INCLUDING THE ASSOCIATED PREFERRED STOCK PURCHASE RIGHTS)
(Title of Class of Securities)

024456 10 5
(CUSIP Number of Class of Securities)

JAMES E. BUCKMAN, ESQ.
SENIOR EXECUTIVE VICE PRESIDENT AND GENERAL COUNSEL
CENDANT CORPORATION
6 SYLVAN WAY
PARSIPPANY, NEW JERSEY 07054
TELEPHONE: (973) 428-9700
(Name, Address and Telephone Number of Person Authorized
to Receive Notices and Communications on Behalf of Bidders)

WITH A COPY TO:
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919 THIRD AVENUE
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CALCULATION OF FILING FEE

TRANSACTION VALUATION* \$1,574,584,420 AMOUNT OF FILING FEE** \$314,917

* For purposes of calculating the filing fee only. This calculation assumes the purchase of 23,501,260 shares of common stock, par value \$1.00 per share (the "Common Shares"), of American Bankers Insurance Group, Inc. (the "Company") at \$67.00 net per share in cash.

** The amount of the filing fee, calculated in accordance with Rule 0-11(d) of the Securities Exchange Act of 1934, as amended, equals 1/50th of one percent of the aggregate value of cash offered by Season Acquisition Corp. for such number of Common Shares.

[X] Check box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount Previously Paid: \$272,615
Filing Party: Season Acquisition Corp. and Cendant Corporation
Form or Registration No.: Schedule 14D-1
Date Filed: January 27, 1998

This Amendment No. 28 amends the Tender Offer Statement on Schedule 14D-1 initially filed on January 27, 1998 (as amended, the "Schedule 14D-1") by Cendant Corporation, a Delaware corporation ("Parent"), and its wholly owned subsidiary, Season Acquisition Corp., a New Jersey corporation ("Purchaser"), relating to Purchaser's tender offer for 23,501,260 outstanding shares of common stock, par value \$1.00 per share, of American Bankers Insurance Group, Inc., a Florida corporation (the "Company") upon the terms and subject to the conditions set forth in the Offer to Purchase, dated January 27, 1998 (the "Offer to Purchase"), as amended and supplemented by the Supplement thereto, dated March 16, 1998 (the "Supplement"), and the revised Letter of Transmittal (which, together with any amendments or supplements thereto, constitute the "Offer"). Unless otherwise defined herein, all capitalized terms used herein shall have the respective meanings given such terms in the Offer to Purchase, the Supplement or the Schedule 14D-1.

ITEM 1. SECURITY AND SUBJECT COMPANY.

Item 1 is hereby amended and supplemented by the following:

(b) The information set forth in the Introduction and Section 1 ("Terms of the Offer; Expiration Date") in the Supplement annexed hereto as Exhibit (a)(30) is incorporated herein by reference.

(c) The information set forth in Section 3 ("Price Range of Shares; Dividends") in the Supplement is incorporated herein by reference.

ITEM 3. PAST CONTACTS, TRANSACTIONS OR NEGOTIATIONS WITH THE SUBJECT COMPANY.

Item 3 is hereby amended and supplemented by the following:

(a)-(b) The information set forth in the Introduction, Section 5 ("Background of the Offer; Contacts with the Company,"), Section 6 ("Purpose of the Offer and the Merger; Plans for the Company; Certain Considerations,"), Section 9 ("Certain Information Concerning the Company") and Section 10 ("Certain Information Concerning Purchaser and Parent") in the Supplement is incorporated herein by reference.

ITEM 4. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION.

Item 4 is hereby amended and supplemented by the following:

(a) The information set forth in Section 4 ("Source and Amount of Funds") of the Supplement is incorporated herein by reference.

ITEM 5. PURPOSE OF THE TENDER OFFER AND PLANS OR PROPOSALS OF THE BIDDER.

Item 5 is hereby amended and supplemented by the following:

The information set forth in the Introduction, Section 6 ("Background of the Offer; Contacts with the Company") and Section 7 ("Purpose of the Offer and the Merger; Plans for the Company; Certain Considerations") in the Supplement is incorporated herein by reference.

ITEM 7. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO THE SUBJECT COMPANY'S SECURITIES.

Item 7 is hereby amended and supplemented by the following:

The information set forth in the Introduction, Section 6 ("Background of the Offer; Contacts with the Company"), Section 7 ("Purpose of the Offer and the Merger; Plans for the Company; Certain Considerations") and Section 9 ("Certain Legal Matters; Regulatory Approvals; Certain Litigation") in the Supplement is incorporated herein by reference.

ITEM 9. FINANCIAL STATEMENTS OF CERTAIN BIDDERS.

Item 9 is hereby amended and supplemented by the following:

The information set forth in Section 5 ("Certain Information Concerning Purchaser and Parent") in the Supplement is incorporated herein by reference.

ITEM 10. ADDITIONAL INFORMATION.

Item 10 is hereby amended and supplemented by the following:

(b) The information set forth in Section 9 ("Certain Legal Matters; Regulatory Approvals; Certain Litigation") in the Supplement is incorporated herein by reference.

(c) The information set forth in Section 9 ("Certain Legal Matters; Regulatory Approvals; Certain Litigation") in the Supplement is incorporated herein by reference.

(e) The information set forth in Section 9 ("Certain Legal Matters; Regulatory Approvals; Certain Litigation") in the Supplement is incorporated herein by reference.

(f) The information set forth in the Offer to Purchase and the Letter of Transmittal, copies of which are attached hereto as Exhibits (a)(30) and (a)(31), respectively, is incorporated herein by reference.

ITEM 11. MATERIAL TO BE FILED AS EXHIBITS.

- (a)(30) Supplement to Offer to Purchase, dated March 16, 1998.
- (a)(31) Revised Letter of Transmittal.
- (a)(32) Revised Notice of Guaranteed Delivery.
- (a)(33) Revised Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
- (a)(34) Revised Letter to Clients for use by Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
- (a)(35) Text of Press Release issued by Parent on March 16, 1998.

SIGNATURE

After due inquiry and to the best of its knowledge and belief, the undersigned certifies that the information set forth in this statement is true, complete and correct.

Dated: March 16, 1998

CENDANT CORPORATION

By: /s/ James E. Buckman

Name: James E. Buckman
Title: Senior Executive
Vice President and
General Counsel

SEASON ACQUISITION CORP.

By: /s/ James E. Buckman

Name: James E. Buckman
Title: Executive Vice President

EXHIBIT INDEX

EXHIBIT
NUMBER

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- (a)(30) Supplemental Offer to Purchase, dated March 16, 1998.
 - (a)(31) Revised Letter of Transmittal.
 - (a)(32) Revised Notice of Guaranteed Delivery.
 - (a)(33) Revised Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
 - (a)(34) Revised Letter to Clients for use by Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
 - (a)(35) Text of Press Release issued by Parent on March 16, 1998.

Supplement to the Offer to Purchase for Cash Dated January 27, 1998

SEASON ACQUISITION CORP.

a wholly owned subsidiary of
CENDANT CORPORATION

HAS INCREASED THE PRICE OF ITS
OFFER TO PURCHASE FOR CASH
23,501,260 SHARES OF COMMON STOCK
(including the associated Preferred Stock Purchase Rights)
OF
AMERICAN BANKERS INSURANCE GROUP, INC.
TO
\$67.00 NET PER SHARE

THE OFFER, PRORATION PERIOD AND WITHDRAWAL RIGHTS WILL EXPIRE AT
12:00 MIDNIGHT, NEW YORK CITY TIME, ON FRIDAY, MARCH 27, 1998,
UNLESS THE OFFER IS EXTENDED.

THE OFFER IS CONDITIONED UPON, AMONG OTHER THINGS, (1) THERE BEING VALIDLY TENDERED AND NOT PROPERLY WITHDRAWN PRIOR TO THE EXPIRATION OF THE OFFER A NUMBER OF COMMON SHARES WHICH, TOGETHER WITH SHARES OWNED BY CENDANT CORPORATION ("PARENT") AND SEASON ACQUISITION CORP., A WHOLLY OWNED SUBSIDIARY OF PARENT ("PURCHASER"), CONSTITUTE AT LEAST 51% OF THE COMMON SHARES OUTSTANDING ON A FULLY DILUTED BASIS, (2) PURCHASER BEING SATISFIED, IN ITS REASONABLE DISCRETION, THAT THE PROVISIONS OF SECTION 607.0901(2) OF THE FLORIDA BUSINESS CORPORATION ACT ARE INAPPLICABLE TO THE PROPOSED MERGER DESCRIBED HEREIN, (3) PURCHASER BEING SATISFIED, IN ITS REASONABLE DISCRETION, THAT THE PROVISIONS OF SECTION 607.0902 OF THE FLORIDA BUSINESS CORPORATION ACT CONTINUE TO BE INAPPLICABLE TO THE ACQUISITION OF COMMON SHARES PURSUANT TO THE OFFER, (4) THE PURCHASE OF COMMON SHARES PURSUANT TO THE OFFER HAVING BEEN APPROVED FOR PURPOSES OF RENDERING THE SUPERMAJORITY VOTE REQUIREMENT OF ARTICLE VIII OF AMERICAN BANKERS INSURANCE GROUP, INC.'S (THE "COMPANY") THIRD AMENDED AND RESTATED ARTICLES OF INCORPORATION INAPPLICABLE TO PARENT AND PURCHASER, (5) THE PREFERRED STOCK PURCHASE RIGHTS HAVING BEEN REDEEMED BY THE BOARD OF DIRECTORS OF THE COMPANY OR PURCHASER BEING SATISFIED, IN ITS REASONABLE DISCRETION, THAT THE RIGHTS ARE INVALID OR OTHERWISE INAPPLICABLE TO THE OFFER AND THE PROPOSED MERGER, (6) THE LOCKUP OPTION HELD BY AMERICAN INTERNATIONAL GROUP, INC. TO PURCHASE UP TO 19.9% OF THE OUTSTANDING COMMON SHARES HAVING BEEN TERMINATED OR INVALIDATED WITHOUT ANY COMMON SHARES HAVING BEEN ISSUED THEREUNDER, AND (7) PARENT AND PURCHASER HAVING OBTAINED ALL INSURANCE REGULATORY APPROVALS NECESSARY FOR THEIR ACQUISITION OF CONTROL OVER THE COMPANY'S INSURANCE SUBSIDIARIES ON TERMS AND CONDITIONS SATISFACTORY TO PURCHASER, IN ITS REASONABLE DISCRETION. SEE THE INTRODUCTION TO THE OFFER TO PURCHASE AND TO THIS SUPPLEMENT AND SECTION 8 OF THIS SUPPLEMENT.

THE OFFER IS NOT CONDITIONED UPON PURCHASER OBTAINING FINANCING.

IMPORTANT

PURCHASER IS CURRENTLY REVIEWING ITS OPTIONS WITH RESPECT TO THE OFFER AND MAY CONSIDER, AMONG OTHER THINGS, CHANGES TO THE MATERIAL TERMS OF THE OFFER. PARENT INTENDS TO CONTINUE TO SEEK TO NEGOTIATE WITH THE COMPANY WITH RESPECT TO THE ACQUISITION OF THE COMPANY BY PARENT OR PURCHASER. PURCHASER RESERVES THE RIGHT TO AMEND THE OFFER (INCLUDING AMENDING THE NUMBER OF SHARES TO BE PURCHASED, THE PURCHASE PRICE AND THE PROPOSED MERGER CONSIDERATION) UPON ENTERING INTO A MERGER AGREEMENT WITH THE COMPANY OR TO NEGOTIATE A MERGER AGREEMENT WITH THE COMPANY NOT INVOLVING A TENDER OFFER PURSUANT TO WHICH PURCHASER WOULD TERMINATE THE OFFER AND THE COMMON SHARES (AS DEFINED HEREIN) WOULD, UPON CONSUMMATION OF SUCH MERGER, BE CONVERTED INTO CASH, COMMON STOCK OF PARENT AND/OR OTHER SECURITIES IN SUCH AMOUNTS AS ARE NEGOTIATED BY PARENT AND THE COMPANY.

Any shareholder desiring to tender all or any portion of such shareholder's Common Shares should either (i) complete and sign one of the Letters of Transmittal (or a facsimile thereof) in accordance with the instructions in the Letters of Transmittal, have such shareholder's signature thereon guaranteed if required by Instruction 1 to the Letters of Transmittal, mail or deliver one of the Letters of Transmittal (or such facsimile thereof) and any other required documents to the Depositary (as defined herein) and either deliver the certificates for such Common Shares and, if separate, the certificates representing the associated Rights (as defined herein) to the Depositary along with one of the Letters of Transmittal (or a facsimile thereof) or deliver such Common Shares (and Rights, if applicable) pursuant to the procedure for book-entry transfer set forth in Section 3 of the Offer to Purchase as supplemented by Section 2 of this Supplement prior to the expiration of the Offer or (ii) request such shareholder's broker, dealer, commercial bank, trust company or other nominee to effect the transaction for such shareholder. A shareholder having Common Shares (and, if applicable, Rights) registered in the name of a broker, dealer, commercial bank, trust company or other nominee must contact such broker, dealer, commercial bank, trust company or other nominee if such shareholder desires to tender such Common Shares (and, if applicable, Rights). Unless and until Purchaser declares that the Rights Condition (as defined herein) is satisfied, shareholders will be required to tender one

Right for each Common Share tendered in order to effect a valid tender of such Common Share.

Any shareholder who desires to tender Common Shares (and, if applicable, Rights) and whose certificates for such shares (and, if applicable, Rights) are not immediately available, or who cannot comply with the procedures for book-entry transfer described in the Offer to Purchase as supplemented by Section 2 of this Supplement on a timely basis, may tender such Common Shares (and, if applicable, Rights) by following the procedures for guaranteed delivery set forth in Section 3 of the Offer to Purchase as supplemented by Section 2 of this Supplement.

Questions and requests for assistance may be directed to the Information Agent or the Dealer Managers at their respective addresses and telephone numbers set forth on the back cover of this Supplement. Additional copies of the Offer to Purchase, this Supplement, the revised Letter of Transmittal or other tender offer materials may be obtained from the Information Agent.

The Dealer Managers for the Offer are:

LEHMAN BROTHERS

MERRILL LYNCH & CO.

March 16, 1998

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INTRODUCTION

The following information amends and supplements the Offer to Purchase, dated January 27, 1998 (the "Offer to Purchase"), of Season Acquisition Corp. ("Purchaser"), a New Jersey corporation and a wholly owned subsidiary of Cendant Corporation, a Delaware corporation ("Parent"), pursuant to which Purchaser is offering to purchase 23,501,260 outstanding shares of common stock, par value \$1.00 per share (the "Common Shares"), of American Bankers Insurance Group, Inc., a Florida corporation (the "Company"), including the associated Series C Participating Preferred Stock Purchase Rights (the "Rights") issued pursuant to the Rights Agreement, dated as of February 19, 1998, between the Company and ChaseMellon Shareholder Services, L.L.C., as Rights Agent (as such agreement may be amended, the "Rights Agreement"), at a price of \$67.00 per Common Share, net to the seller in cash, without interest thereon (the "Offer Price"), upon the terms and subject to the conditions set forth in the Offer to Purchase, this Supplement and in the revised Letter of Transmittal (which, as amended from time to time, together constitute the "Offer"). Unless the context otherwise requires, all references to Common Shares shall include the associated Rights, and all references to the Rights shall include the benefits that may inure to holders of the Rights pursuant to the Rights Agreement, including the right to receive any payment due upon redemption of the Rights.

The purpose of the Offer and the proposed second-step merger is to enable Parent to acquire control of, and ultimately the entire equity interest in, the Company. The Offer, as the first step in the acquisition of the Company, is intended to facilitate the acquisition of a majority of the outstanding Common Shares. Parent intends to continue to seek to negotiate with the Company with respect to the acquisition of the Company by Parent or Purchaser. Parent currently intends, as soon as practicable following consummation of the Offer, to seek to have the Company consummate a merger with and into a direct wholly owned subsidiary of Parent with such subsidiary continuing as the surviving corporation (the "Proposed Merger"), pursuant to which each then remaining Common Share outstanding (other than Common Shares owned by Parent or any of its wholly owned subsidiaries, Common Shares held in the treasury of the Company, and if shareholder appraisal rights are available with respect to Common Shares, Common Shares held by shareholders who perfect appraisal rights under the Florida Business Corporation Act) would be converted into that number of shares of common stock, par value \$.01 per share, of Parent ("Parent Common Stock") having a value equal to the Offer Price (as determined as of the time of the Proposed Merger which, consistent with the valuation methodology for the Proposed AIG Merger, would be based on the average closing prices of the Parent Common Stock on the NYSE for the ten trading days ending on the third trading day prior to the date the Proposed Merger is consummated). In addition, pursuant to the Proposed Merger, each of the then outstanding shares of the \$3.125 Series B Cumulative Convertible Preferred Stock, no par value, of the Company (the "Preferred Shares" and, together with the Common Shares, the "Shares") would be converted into one share of a new series of convertible preferred stock of Parent having substantially similar terms, except that such shares would be convertible into shares of Parent Common Stock in accordance with the terms of the Preferred Shares.

This Supplement should be read in conjunction with the Offer to Purchase. Except as set forth in this Supplement and the revised Letter of Transmittal, the terms and conditions previously set forth in the Offer to Purchase and the Letter of Transmittal mailed with the Offer to Purchase, remain applicable in all respects to the Offer. Terms used but not defined herein have the meaning set forth in the Offer to Purchase.

According to the Company's Solicitation/Recommendation Statement on Schedule 14D-9 (the "Schedule 14D-9") filed on February 6, 1998 with the Securities and Exchange Commission (the "SEC"), the Board of Directors of the Company (the "Company Board") determined that it was unable to take a position with respect to the Offer and made no recommendation with respect to the Offer.

According to Amendment No. 6 to the Schedule 14D-9, on February 28, 1998, AIG, AIGF and the Company amended and restated the AIG Merger Agreement (the "Amended AIG Merger Agreement") and AIG and the Company amended and restated the AIG Lockup Option Agreement (the "Amended AIG Lockup Option Agreement"). The Amended AIG Merger Agreement provides that the value of the

per share consideration that each holder of Common Shares would be entitled to receive in the Proposed AIG Merger has been increased to \$58.00. The elections contemplated by the AIG Merger Agreement with respect to cash and stock have not been amended.

In addition, the Amended AIG Merger Agreement provides that AIG, at its option, is now permitted to effect the acquisition of the Company through a tender offer (the "Optional AIG Tender Offer") for 100% (or such lesser percentage not less than 35% (excluding for all purposes in calculating such applicable percentage any Common Shares owned by AIG pursuant to its exercise of the AIG Lockup Option) as AIG may determine) of the outstanding Common Shares for at least \$58.00 in cash followed by a second-step merger between the Company and AIGF in which the Company's shareholders would receive, at AIG's election, either cash or, if non-taxable, AIG Common Stock with a value (as determined based on the average closing prices of the AIG Common Stock on the NYSE for the ten trading days ending on the third trading day prior to the date that the Proposed AIG Merger is consummated) equal to the amount paid for each Common Share in the Optional AIG Tender Offer. If the Optional AIG Tender Offer is consummated, AIG would thereafter be entitled to designate two members of the Company Board, and the Company has agreed to increase the size of the Company Board to the extent permitted by the Company Articles and the Company By-Laws, and thereafter cause AIG's designees promptly to be elected to the Company Board. Pursuant to the Amended AIG Merger Agreement, the Company and AIG also have agreed to waive certain of the conditions to their respective obligations to consummate the Proposed AIG Merger in the event that AIG commences and consummates the Optional AIG Tender Offer.

Pursuant to the Amended AIG Merger Agreement, in the event that AIG commences the Optional AIG Tender Offer and another person has commenced or commences a tender offer to acquire at least 49.9% of the outstanding Common Shares for not less than \$58.00 in cash per share and such person has proposed to follow such tender offer with a second step merger in which holders of Common Shares would receive consideration with a value equal to not less than the value paid by such person pursuant to its tender offer, then the Company will be entitled to amend or modify the Rights Agreement in a manner consistent with the treatment of the Proposed AIG Merger and the Optional AIG Tender Offer to exempt any such other person from being deemed to be an Acquiring Person and such other tender offer from triggering a Distribution Date or causing the Rights to separate from the Common Shares. In addition, in such event the Company will also be entitled to grant such approvals and take such action to eliminate or minimize the effect of any state antitakeover statute, including the Florida Affiliated Transaction Statute and the Florida Control Share Statute, on such other tender offer.

The Fiduciary Sabbatical Provision contained in the original AIG Merger Agreement which prohibited the Company and its subsidiaries, directors, employees, agents and representatives from providing information to third parties, engaging in negotiations or discussions with third parties or recommending an Acquisition Proposal to the shareholders of the Company for a period of 120 days following the execution of the original AIG Merger Agreement has been amended to eliminate the 120-day lock-out provision. Consequently, the Company is now permitted to provide information to any party who has made an unsolicited bona fide Acquisition Proposal for the Company if the Company Board determines in good faith after consultation with outside legal counsel that such action is necessary in order for its directors to comply with their respective fiduciary duties under applicable law and if such party enters into an appropriate confidentiality agreement.

On March 4, 1998, Parent, Purchaser and the Company entered into a confidentiality agreement (the "Confidentiality Agreement") providing for Parent and Purchaser's review of certain confidential information of the Company. Pursuant to the Confidentiality Agreement, on March 6, 1998, the Company began to provide Parent with certain confidential information regarding the Company.

Pursuant to the Fiduciary Sabbatical Provision as amended by the Amended AIG Merger Agreement, the Company is now permitted to engage in negotiations or discussions with any person who makes an unsolicited bona fide written Acquisition Proposal, and can recommend to the Company's shareholders an unsolicited bona fide written Acquisition Proposal, in each case to the extent that the Company Board determines in good faith after consultation with outside legal counsel that such action is

necessary in order for its directors to comply with their respective fiduciary duties under applicable law and the Company Board determines in good faith after consultation with its financial advisor that such Acquisition Proposal, if accepted, is reasonably likely to be consummated and would, if consummated, result in a more favorable transaction than the Proposed AIG Merger.

On March 16, 1998, Parent submitted to the Company Board a revised proposal to acquire the Company by Parent and Purchaser at the new Offer Price of \$67.00 per Common Share, with the other terms of Parent's January 27 proposal remaining unchanged. Accordingly, Parent believes that, due to the superior nature of its revised proposal, the Company can, and indeed is obligated to, meet with Parent and discuss Parent's proposal. Parent has requested that, pursuant to the terms of the Amended AIG Merger Agreement, the Company Board obtain the advice of its outside counsel and financial advisor regarding Parent's superior proposal and immediately engage in negotiations and discussion with Parent concerning such proposal.

In the Amended AIG Merger Agreement, the provision which prohibited the Company Board from terminating the Amended AIG Merger Agreement in certain circumstances for a period of 180 days from December 21, 1997, the date of the original AIG Merger Agreement, has been amended to reduce such period to 150 days from December 21, 1997.

Pursuant to the Amended AIG Merger Agreement the size of the AIG Termination Fee has been increased from \$66 million to \$81.5 million plus an amount equal to AIG's expenses incurred in connection with the Proposed AIG Merger since January 27, 1998 up to a maximum of \$5 million (the "Increased AIG Termination Fee"). The circumstances in which the Amended AIG Merger Agreement may be terminated and in which the Increased AIG Termination Fee is payable by the Company have been amended. Such circumstances include AIG having commenced the Optional AIG Tender Offer and such tender offer not having been consummated by the 60th day from the date of commencement thereof.

Pursuant to the Amended AIG Lockup Option Agreement, the maximum total profit that AIG can obtain under the AIG Lockup Option has been increased from \$66 million to \$100 million. Such amount will still be reduced by the amount of any termination fee paid by the Company under the Amended AIG Merger Agreement. The AIG Lockup Option has also been revised pursuant to the Amended AIG Lockup Option Agreement to provide that, at AIG's option, if the Amended AIG Merger Agreement is terminated at a time when regulatory approval for AIG to consummate the purchase of Common Shares subject to the AIG Lockup Option has not yet been obtained, AIG's prior exercise of such option may be settled in cash in an amount equal to the Spread (as defined in the Amended AIG Stock Option Agreement) multiplied by the number of Common Shares subject to the exercise of such option less any termination fee paid pursuant to the Amended AIG Merger Agreement.

In the Amended AIG Merger Agreement, AIG has agreed to maintain the corporate headquarters of the Company in Miami at the current location for the foreseeable future and, in any event, for not less than 5 years following consummation of the Proposed AIG Merger. In addition, AIG has agreed to ensure, to the extent within its reasonable control, that the public school and day care facility next to the Company's headquarters in Miami will remain in operation at their current location for as long as the Company's headquarters shall be maintained at its current location.

The foregoing description of the Amended AIG Merger Agreement and the Amended AIG Lockup Option Agreement is qualified in its entirety by reference to the full text of the Amended AIG Merger Agreement and the Amended AIG Lockup Option Agreement, copies of which have been included by the Company as exhibits to Amendment No. 6 to the Schedule 14D-9 and may be obtained in the manner described in Section 8 of the Offer to Purchase (except that copies may not be available at regional offices of the SEC).

On March 2, 1998, the Company announced that the special meetings of the holders of Common Shares and Preferred Shares to consider the Amended AIG Merger Agreement previously scheduled for March 4, 1998 and March 6, 1998, respectively, have been postponed until March 25, 1998 and March 27, 1998, respectively.

Parent intends to continue to seek to negotiate with the Company with respect to the acquisition of the Company by Parent or Purchaser. If Parent and the Company enter into a definitive merger agreement, such agreement could provide for an acquisition of the Company not involving a tender offer pursuant to which Parent would terminate the Offer and the Common Shares would, upon consummation of the Proposed Merger, be converted into cash, Parent Common Stock and/or other securities in such amount as are negotiated by Parent and the Company.

This Supplement does not constitute a solicitation of proxies for any meeting of the Company's shareholders. Any such solicitation by Parent or Purchaser would be made only pursuant to separate proxy materials complying with the requirements of Section 14(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). In addition, this Supplement does not constitute an offer to sell or solicitation of an offer to buy any securities of Parent. Such an offer may be made only pursuant to a prospectus pursuant to the Securities Act of 1933, as amended (the "Securities Act").

THE OFFER TO PURCHASE, THIS SUPPLEMENT AND THE REVISED LETTER OF TRANSMITTAL CONTAIN IMPORTANT INFORMATION WHICH SHOULD BE READ CAREFULLY BEFORE ANY DECISION IS MADE WITH RESPECT TO THE OFFER.

1. TERMS OF THE OFFER; EXPIRATION DATE. The discussion set forth in Section 1 of the Offer to Purchase is hereby amended and supplemented as follows:

The price to be paid for Common Shares purchased pursuant to the Offer has been increased from \$58.00 to \$67.00 per Common Share, net to the seller in cash, without interest thereon, upon the terms and subject to the conditions of the Offer. All shareholders whose Common Shares are tendered and purchased pursuant to the Offer (including those Common Shares tendered prior to the date hereof) will receive the increased purchase price.

The term "Expiration Date" has been amended to mean 12:00 Midnight, New York City time, on Friday, March 27, 1998, unless and until Purchaser, in its sole discretion, shall have extended the period of time during which the Offer is open, in which event the term "Expiration Date" shall refer to the latest time and date at which the Offer, as so extended by Purchaser, shall expire.

2. PROCEDURES FOR TENDERING COMMON SHARES. The discussion set forth in Section 3 of the Offer to Purchase is hereby amended and supplemented as follows:

The revised Letter of Transmittal and the revised Notice of Guaranteed Delivery distributed with this Supplement may be used to tender Common Shares. Tendering shareholders may also continue to use the Letter of Transmittal and Notice of Guaranteed Delivery previously distributed with the Offer to Purchase to tender Common Shares.

Shareholders should follow the procedures for tendering Common Shares set forth in Section 3 of the Offer to Purchase. However, delivery of Common Shares and/or Rights by book-entry transfer must be made to the Depository's account at The Depository Trust Company and may not be made to the Philadelphia Depository Trust Company.

SHAREHOLDERS WHO HAVE PREVIOUSLY VALIDLY TENDERED COMMON SHARES PURSUANT TO THE OFFER AND NOT PROPERLY WITHDRAWN SUCH COMMON SHARES HAVE VALIDLY TENDERED SUCH COMMON SHARES FOR PURPOSES OF THE OFFER, AS AMENDED, AND NEED NOT TAKE ANY FURTHER ACTION IN ORDER TO RECEIVE THE INCREASED PRICE OF \$67.00 PER COMMON SHARE PURSUANT TO THE OFFER.

3. PRICE RANGE OF SHARES; DIVIDENDS. The discussion set forth in Section 6 of the Offer to Purchase is hereby amended and supplemented as follows:

According to public sources, the high and low closing sale prices per Common Share on the NYSE for the First Quarter of 1998 (through March 13, 1998) were \$62.13 and \$45.75 respectively. On March 13, 1998, the last full trading day prior to Parent's announcement that it was amending the terms of the Offer upon the terms set forth in this Supplement, the reported closing sale price per Common Share on the NYSE Composite Tape was \$62.00. Shareholders are urged to obtain a current market quotation for the Common Shares.

4. CERTAIN INFORMATION CONCERNING THE COMPANY. The discussion set forth in Section 8 of the Offer to Purchase is hereby amended and supplemented as follows:

Financial Information. Set forth below is certain financial highlights relating to the Company and its subsidiaries which has been excerpted from the financial information contained in a Company press release dated February 5, 1998, which is incorporated herein by reference. More comprehensive financial information is included in, and the financial information that follows is qualified in its entirety by reference to, documents filed by the Company with the SEC. These documents may be inspected at and copies may be obtained from the offices of the SEC or the NYSE in the manner set forth in Section 8 of the Offer to Purchase. None of Parent, Purchaser, the Dealer Managers, the Depositary or the Information Agent assumes any responsibility for the accuracy or completeness of the information concerning the Company contained below or in such documents or for any failure by the Company to disclose events which may have occurred or may affect the significance or accuracy of any such information but which are unknown to Parent, Purchaser, the Dealer Managers, the Depositary or the Information Agent.

Year-End 1997 Financial Results. On February 5, 1998, the Company announced its financial results for the year ended December 31, 1997. The Company reported net income for the year ended December 31, 1997 of \$114.9 million or \$2.45 per diluted share compared with net income of \$94.5 million or \$2.16 per diluted share for 1996. Gross collected premiums for 1997 were \$2.7 billion compared to \$2.5 billion for 1996.

5. CERTAIN INFORMATION CONCERNING PURCHASER AND PARENT. The discussions set forth in Section 9 of the Offer to Purchase is hereby amended and supplemented as follows:

Financial Information. Set forth below is certain financial highlights relating to Parent and its subsidiaries which has been excerpted from Parent's press release dated February 4, 1998, which is incorporated herein by reference. More comprehensive financial information is included in the financial information contained in Parent's financial statements and notes thereto included in Parent's Current Report on Form 8-K dated January 29, 1998, which is incorporated herein by reference. The financial information that follows is qualified in its entirety by reference to documents filed by Parent with the SEC. These documents may be inspected at and copies may be obtained from the offices of the SEC or the NYSE in the same manner as set forth for the Company in Section 8 of the Offer to Purchase.

Year-End 1997 Financial Results. On February 4, 1998, Parent announced its financial results for the year ended December 31, 1997. Parent reported diluted earnings per share of \$1.00 for 1997, a 49% increase compared to \$.67 earnings per share reported for 1996, excluding one-time charges recognized in both 1997 and 1996. Parent had revenues of \$5.3 billion for 1997 compared with \$3.9 billion for 1996, an increase of 36%, and net income of \$872.2 million for 1997, excluding one-time charges, compared with \$542.3 million of 1996, excluding one-time charges, an increase of 61%. On a pro forma basis, which assumes that the financial results include all of Parent's 1996 acquisitions, accounted for under the purchase method, as if they had occurred as of January 1, 1996, earnings per share for the year ended December 31, 1997, excluding one-time charges, was \$1.00 representing a 43% increase over pro forma \$.70 earnings per share for the year ended December 31, 1996.

When giving effect to one-time charges, Parent reported \$.06 diluted earnings per share for the year ended December 31, 1997 and net income of \$55.4 million for 1997 compared to \$423.6 million for 1996. In 1997, one-time charges totaled \$1.1 billion (\$816.8 million after-tax, or \$.94 per share) for merger related costs and unusual charges coincident with the merger of HFS Incorporated ("HFS") with and into CUC International, Inc. ("CUC") forming Parent, as well as the merger of HFS and PHH Corporation which was consummated in April 1997. In 1996, one-time charges totaled \$179.9 million (\$118.7 million after-tax, or \$.15 per share) principally related to three CUC mergers.

6. SOURCE AND AMOUNT OF FUNDS. The discussion set forth in Section 10 of the Offer to Purchase is hereby amended and supplemented as follows:

Purchaser estimates that the total amount of funds now required to purchase Common Shares pursuant to the Offer (as described in this Supplement) and to pay all related costs and expenses will be

approximately \$1.6 billion. Purchaser plans to obtain the funds to purchase the Common Shares from existing cash and equivalents, the Existing Credit Facilities and the \$1.5 billion New Credit Facility to be entered into in connection with the Offer. At March 12, 1998, Parent had approximately \$2.0 billion of available borrowings under the Existing Credit Facilities.

7. BACKGROUND OF THE OFFER; CONTACTS WITH THE COMPANY. The discussion set forth in Section 11 of the Offer to Purchase is hereby amended and supplemented as follows:

On February 3, 1998, Parent sent a letter to the members of the Company Board outlining Parent's commitment to both Florida and the Company and urging the Company to communicate to shareholders the Company's commitment to advancing their interests.

On February 5, 1998, AIG commenced litigation against Parent and Purchaser which has resulted in various subsequent filings by AIG, AIGF, Parent and Purchaser. See Section 9.

According to the Schedule 14D-9 filed on February 6, 1998 with the SEC, the Company Board determined that it was unable to take a position with respect to the Offer and made no recommendation with respect to the Offer.

On February 7, 1998, Parent sent a letter to the members of the Company Board conveying certain background information relating to Parent and its management.

On February 12, 1998, Parent commenced a solicitation of proxies from holders of Common Shares and Preferred Shares to vote against the original AIG Merger Agreement.

On March 2, 1998, AIG and the Company announced that they had entered into the Amended AIG Merger Agreement and the Amended AIG Lockup Option Agreement.

On March 2, 1998, the Company announced that the special meetings of the holders of Common Shares and Preferred Shares to consider the Amended AIG Merger Agreement previously scheduled for March 4, 1998 and March 6, 1998, respectively, have been postponed until March 25, 1998 and March 27, 1998, respectively.

On March 4, 1998, Parent, Purchaser and the Company entered into the Confidentiality Agreement. Pursuant to the Confidentiality Agreement, on March 6, 1998, the Company began to provide Parent with certain confidential information regarding the Company.

On March 13, 1998, in connection with Parent's due diligence investigation of the Company, representatives of Parent and Parent's legal counsel and financial advisors met with representatives of the Company and the Company's legal counsel and financial advisor.

On March 16, 1998, Parent delivered the following letter to the Company Board:

March 16, 1998

Board of Directors
American Bankers Insurance Group, Inc.
11222 Quail Roost Drive
Miami, Florida 33157

Attention: Mr. R. Kirk Landon, Chairman

Dear Members of the Board:

After considering a variety of factors, including information of American Bankers Insurance Group, Inc. and other matters, we hereby increase the price of our January 27 proposal to acquire American Bankers to \$67.00 per common share. The other terms of our January 27 proposal remain unchanged.

Our revised proposal, representing a premium of \$9.00 (or 15.5%) over the value of American International Group's latest proposal, is demonstrably superior to AIG's proposed transaction and we are confident that we will be able to complete our proposed transaction on a timely basis. As a result, we

believe that you can, and indeed are obligated to, meet with us and discuss our revised proposal. Accordingly, we request that, pursuant to Section 6.2 of your agreement with AIG, you seek the advice of your outside legal counsel and your financial advisor regarding our revised proposal and that, upon receipt of such advice and consistent with your fiduciary duties, American Bankers immediately engage in negotiations and discussions with us concerning our superior proposal.

We also believe that you cannot, consistent with your fiduciary duties to your shareholders, either continue to recommend to your shareholders the transaction with AIG in light of our revised proposal or continue your prior course of conduct of unfairly favoring AIG by entering into increased break-up fees or other arrangements designed to impede our offer or its acceptance by your shareholders.

It, of course, remains our preference to enter into a negotiated agreement with you. As in the past, we are prepared to meet with you at any time to negotiate the terms of a merger agreement. We look forward to hearing from you soon and working with you on our proposal.

Sincerely,

/s/ Henry R. Silverman

President and
Chief Executive Officer

/s/ Walter A. Forbes

Chairman

cc: All Directors

Also on March 16, 1998, Parent announced that the Offer had been amended as described in this Supplement.

8. PURPOSE OF THE OFFER AND THE MERGER; PLANS FOR THE COMPANY; CERTAIN CONSIDERATIONS. The discussion set forth in Section 12 of the Offer to Purchase is hereby amended and supplemented as follows:

The Rights. The following is based upon Amendment No. 3 to the Schedule 14D-9 filed with the SEC:

On February 19, 1998, the Company Board approved and adopted the Rights Agreement pursuant to which one Right was distributed as a dividend for each Common Share held by holders of record on March 10, 1998. The Rights Agreement replaces the Company's former Rights Agreement, as amended (the "Former Rights Agreement"), which expired pursuant to its terms on March 10, 1998. The Rights Agreement is substantially identical to the Former Rights Agreement, as it had been amended, except that the exercise price to purchase from the Company one-one hundredth of a share of Series C Participating Preferred Stock has been set at \$75.00 and the expiration date is March 10, 2003, unless the Rights are earlier redeemed by the Company.

According to Amendment No. 3 to the Schedule 14D-9, under the Rights Agreement, a Distribution Date will be the Close of Business (as defined in the Rights Agreement) on the day (or such later date as may be determined by action of the Company Board, upon approval by a majority of the Continuing Directors (as defined in the Rights Agreement)) which is the earlier of (i) ten days following a public announcement that an Acquiring Person has acquired, or obtained the right to acquire, beneficial ownership of 15% or more of the outstanding Common Shares and (ii) ten business days following the commencement of a tender offer or exchange offer which would result in a person or group beneficially owning 15% or more of the outstanding Common Shares (except that no Distribution Date shall occur until such date as may be determined by action of the Company Board, upon approval by a majority of the Continuing Directors, as a result of the Offer). Until the occurrence of a Distribution Date, the Rights will be evidenced by the Common Share Certificates and will be transferred with and only with Common Share Certificates.

Pursuant to the Rights Agreement, AIG, AIGF or their affiliates will not be deemed to be an Acquiring Person solely by reason of the execution, delivery or consummation of the transactions

contemplated by the Amended AIG Merger Agreement, the Amended AIG Lockup Option Agreement and the AIG Voting Agreement. Any acquisition of Common Shares by AIG, AIGF or any of their affiliates other than pursuant to the Amended AIG Merger Agreement, the Amended AIG Lockup Option Agreement and the AIG Voting Agreement would cause such entity to become an Acquiring Person.

Pursuant to the terms of the Amended AIG Merger Agreement, Parent believes if AIG commences the Optional AIG Tender Offer, the Company would be entitled to amend the Rights Agreement to provide that Parent is not an Acquiring Person and that a Distribution Date shall not be deemed to occur as a result of the Offer.

The foregoing summary of the Rights Agreement does not purport to be complete and is qualified in its entirety by reference to Amendment No. 3 to the Schedule 14D-9 and the full text of the Rights Agreement attached as an exhibit thereto filed with the SEC, and subsequent amendments to the Rights Agreement as filed with the SEC. Copies of these documents may be obtained in the manner set forth in Section 8 of the Offer to Purchase.

9. CONDITIONS OF THE OFFER. The discussion set forth in Section 14 of the Offer to Purchase is amended and supplemented as follows:

The Offer remains subject to the terms and conditions contained on the cover page of the Offer to Purchase and in the Introduction and Section 14 of the Offer to Purchase. As reflected on the cover page of this Supplement, the references, within the description of the conditions to the consummation of the Offer, to matters being satisfied in Purchaser's "sole discretion" have been amended to be Purchaser's "reasonable discretion." The references to the "sole judgment" or "sole discretion" of Parent or Purchaser contained in the first paragraph and paragraphs (a)-(h) of Section 14 of the Offer to Purchase have been amended to be "reasonable judgment" or "reasonable discretion" of Parent and Purchaser, as the case may be. In addition, clause (3) of the first sentence in the first paragraph of Section 14 of the Offer to Purchase has been amended to read "(3) at any time on or after January 27, 1998 and at or prior to the expiration of the Offer, any of the following events shall occur".

10. CERTAIN LEGAL MATTERS; REGULATORY APPROVALS; CERTAIN LITIGATION. The discussion set forth in Section 15 of the Offer to Purchase is amended and supplemented as follows:

Antitrust. The required waiting period under the Hart-Scott-Rodino Antitrust Improvement Act of 1976, as amended (the "HSR Act"), with respect to the Offer expired on February 11, 1998. Accordingly, Parent is free to consummate the Offer and the Proposed Merger at any time without any further requirements under the HSR Act.

Pursuant to the Competition Act of Canada, Parent submitted to the Director of Investigation and Research (the "Director") a notification in respect of the Offer on February 4, 1998. The Director has confirmed that the statutory waiting period expired on February 11, 1998. In addition, the Director has notified Parent of his view that there are not sufficient grounds to initiate proceedings with respect to the Offer and the Proposed Merger. Accordingly, Parent is permitted to consummate the Offer and the Proposed Merger at any time without any further requirements under the Competition Act of Canada.

Certain Litigation. On January 27, 1998, Parent and Purchaser filed a complaint in the United States District Court for the Southern District of Florida (the "Court") against the Company, substantially all of the directors of the Company, AIG and AIGF (the "Florida Litigation"). The complaint, as amended on February 2, 1998 (the "Amended Complaint"), alleges that the directors and the Company, in a civil conspiracy with AIG and AIGF, have breached the fiduciary obligations owed to the shareholders of the Company by, among other things, entering into the AIG Merger Agreement and deterring the Offer through a number of unlawful takeover defenses, including the AIG Lockup Option Agreement, the Fiduciary Sabbatical Provision in the AIG Merger Agreement, the AIG Termination Fee and the Rights Agreement. The Amended Complaint also alleges that AIG filed materially false and misleading public disclosures on Schedule 13D regarding the AIG Voting Agreement in violation of Section 13(d) of the Exchange Act by failing to disclose that AIG's Chairman of the Board, Maurice R. Greenberg, is a person

controlling AIG. In addition, the Amended Complaint alleges that AIG and the Company have violated Sections 14(a) and 14(e) of the Exchange Act by making a number of materially false and misleading statements in an AIG press release dated January 27, 1998 and the proxy statement/prospectus contained in the Registration Statement on Form S-4 filed by AIG on January 30, 1998 (the "January 30 AIG Proxy Statement/Prospectus"), including statements, among others, that (a) AIG has exercised the AIG Lockup Option when, in fact, it cannot be exercised until such time as AIG obtains the requisite regulatory approvals, which are not imminent; (b) the Company and AIG expect the Proposed AIG Merger to close in March 1998 when, in fact, they know that the likelihood of receiving all required regulatory approvals prior to the second quarter of 1998 is remote at best; (c) AIG expects to achieve expense savings following consummation of the Proposed AIG Merger without specifying how they will be achieved; and (d) Salomon Smith Barney, the Company's financial advisor, rendered its opinion as to the fairness of the consideration to be paid to holders of Common Shares in the Proposed AIG Merger without disclosing the extent to which Salomon Smith Barney relied on the revised projections prepared by the Company's management that contained lower estimates of revenue and income, and whether the fairness opinion could have been given had the unrevised, higher projections been used.

In the Amended Complaint, Parent and Purchaser ask the Court to enter judgment against the defendant: (a) declaring the AIG Lockup Option Agreement, Fiduciary Sabbatical Provision and AIG Termination Fee to be unlawful and in breach of the fiduciary duties of the Company and the Company Board; (b) enjoining, temporarily, preliminarily, and permanently, (i) any exercise or payment under the AIG Lockup Option Agreement, (ii) enforcement of the Fiduciary Sabbatical Provision, (iii) payment of the AIG Termination Fee, and (iv) any steps to implement the Rights Agreement or to extend its terms; (c) declaring the AIG Merger Agreement to be unlawful and in breach of the fiduciary duties of the Company and the Company Board, and enjoining, temporarily, preliminarily and permanently, any steps to effectuate it unless and until the takeover defenses discussed above are invalidated, enjoined or otherwise rendered inapplicable to Parent; (d) enjoining, temporarily, preliminarily and permanently, AIG from acquiring any shares of the Company, voting any shares of the Company or soliciting any proxies with respect to the shares of the Company stock unless and until AIG files a full and complete Schedule 13D with respect to the Company; (e) requiring the Company and its directors to provide Purchaser with a fair and equal opportunity to acquire the Company, including furnishing to Purchaser the same information and access to information that was provided to AIG; and (f) compelling corrective disclosures to cure the alleged materially false and misleading statements made in the AIG press release dated January 27, 1998 and the January 30 AIG Proxy Statement/Prospectus in connection with the solicitation of proxies for the shareholder vote on the AIG Merger Agreement.

On February 3, 1998, AIG filed a motion to dismiss the claims against it in the Florida Litigation (the "AIG Motion to Dismiss"). The AIG Motion to Dismiss argues that AIG made all required disclosures in its Schedule 13D, and specifically that AIG need not disclose that Mr. Greenberg is a controlling person of AIG. The AIG Motion to Dismiss also denies the allegations against AIG added in the Amended Complaint, claiming that the statements in the January 27, 1998 press release and the January 30 AIG Proxy Statement/Prospectus were not misleading and that all required material disclosures were made. The AIG Motion to Dismiss also claims that because the Federal securities allegations against AIG should be dismissed, the Court should decline to exercise its supplemental federal jurisdiction over the remaining state law claims against AIG.

On February 9, 1998, the Company and the director defendants also filed a motion to dismiss the amended complaint of Parent and Purchaser (the "Company Motion to Dismiss"). The Company Motion to Dismiss asserts that the breach of fiduciary duty claims against the Company and the director defendants purportedly are derivative claims on behalf of the Company and Parent and Purchaser purportedly lack standing to bring these claims because Parent and Purchaser (i) failed to make a required demand on the Company Board to bring an action before suing derivatively; (ii) purportedly are self-interested as bidders for the Company; and (iii) did not purchase Shares until after execution of the original AIG Merger Agreement. The Company and the director defendants also joined in the arguments made in the AIG Motion to Dismiss that the Federal securities claims should be dismissed and the Court should decline to exercise its supplemental federal jurisdiction over any state law claims.

Also on February 9, 1998, AIG and AIGF served a supplemental motion, claiming that, for the reasons stated in the the Company Motion to Dismiss, the breach of fiduciary duty claims against the Company and its directors should be dismissed and, therefore, the civil conspiracy to breach fiduciary duties claim against AIG should also be dismissed.

Parent and Purchaser believe that the claims in its Amended Complaint are meritorious, and are vigorously opposing the AIG Motion to Dismiss and supplemental motion and the Company Motion to Dismiss.

On February 5, 1998, AIG and AIGF filed a complaint in the United States District Court for the Southern District of Florida, Miami Division against Parent and Purchaser. The AIG and AIGF complaint, as amended February 17, 1998 (the "Amended AIG Complaint"), alleges that Parent and Purchaser purportedly made false and misleading statements or omissions in their: (i) conference call with analysts prior to commencement of the Offer; (ii) Schedule 14D-1; and (iii) Proxy Statement soliciting votes against the Proposed AIG Merger (the "Opposition Proxy Statement"). The allegedly false and misleading statements relate to the following general categories: (i) the equal regulatory footing of the two competing acquisition proposals; (ii) Parent's expected cost savings that could be realized if Parent were to acquire the Company; (iii) the Offer not being conditioned upon financing; (iv) Parent's alleged failure to disclose the purported volatility of its stock and the effects of a possible business downturn on Parent's business; and (v) Parent's purported failure to file a registration statement with the SEC and disseminate a prospectus to the Company's shareholders in connection with the securities of Parent to be offered in the Proposed Merger. The Amended AIG Complaint further alleges that Parent purportedly failed to disclose that it allegedly will violate state insurance laws by holding proxies to vote in excess of ten percent of the outstanding Company Common Shares in opposition of the original AIG Merger Agreement. The Amended AIG Complaint claims that these purported disclosure deficiencies constitute violations of Sections 14(a) and 14(e) of the Exchange Act.

The Amended AIG Complaint requests that the Court enter judgment: (i) declaring that Parent and Purchaser have violated Sections 14(a) and 14(e) of the Exchange Act; (ii) requiring Parent and Purchaser to make corrective disclosures; (iii) enjoining Parent and Purchaser from further violating Sections 14(a) and 14(e) of the Exchange Act; (iv) declaring that Parent and Purchaser have violated Section 14(a) of the Exchange Act by purportedly failing to file a registration statement with the SEC and disseminate a prospectus to the Company's shareholders in connection with the securities of Parent to be offered in the Proposed Merger; and (v) enjoining Parent and Purchaser from making any statements regarding the Proposed AIG Merger or the Offer until a registration statement has been filed with the SEC and a prospectus has been delivered to the Company's shareholders. AIG and AIGF also ask the Court to enter judgment: (i) enjoining Parent and Purchaser from holding or voting any proxies from the Company's shareholders to the extent such proxies exceed ten percent of the the Company Common Shares, without first obtaining approval from the insurance departments of Arizona, Georgia, New York, South Carolina and Texas; (ii) requiring Parent and Purchaser to return any proxies they have received or receive from the Company's shareholders prior to making any corrective disclosures required by the Court; (iii) requiring Parent and Purchaser to make corrective disclosure about their ability to hold or vote proxies without obtaining regulatory approval; and (iv) enjoining Parent and Purchaser from soliciting any proxies until a registration statement has been filed under the Securities Act and a prospectus has been delivered to the Company's shareholders.

On February 17, 1998, AIG and AIGF also filed a motion for preliminary injunction asking the Court for an order granting the following preliminary injunctive relief pending a trial on the merits of AIG's claims: (i) enjoining Parent and Purchaser from holding or voting any proxies from the Company's shareholders to the extent such proxies exceed ten percent of the Company's Common Shares and therefore purportedly transfer control of the Company to Parent and Purchaser without first obtaining approval from the insurance departments of Arizona, Georgia, New York, South Carolina and Texas; (ii) requiring Parent and Purchaser to return any proxies they have received or receive from the Company's shareholders prior to making any corrective disclosures required by the Court; (iii) requiring Parent and Purchaser to make corrective disclosures about their ability to hold or vote proxies without obtaining regulatory approval; and (iv) enjoining Parent and Purchaser from making any statements regarding the

Proposed AIG Merger or the Offer, or from soliciting any proxies, until a registration statement has been filed with the SEC and a prospectus has been delivered to the Company's shareholders. Parent has filed papers in opposition to AIG's preliminary injunction motion and believes AIG's preliminary injunction motion is without merit.

On February 18, 1998, Parent and Purchaser filed a motion to dismiss (the "Parent Motion to Dismiss") the Amended AIG Complaint. The Parent Motion to Dismiss is based on several arguments, including that: AIG's claims should have been filed as compulsory counterclaims in the Florida Litigation; Parent's holding of proxies does not violate applicable state insurance laws and regulations; while Parent has filed a registration statement with respect to the securities of Parent to be offered in the Proposed Merger, it is not obligated to do so, nor is it obligated to disseminate a prospectus prior to the consummation of the Offer; and Parent's disclosure is otherwise complete and accurate and not materially misleading as a matter of law.

State Insurance Approvals. In February 1998, in connection with Parent's and Purchaser's applications for approval of the acquisition of controlling interests (the "Parent Form A Proceedings") in various insurance subsidiaries of the Company domiciled in Florida, Arizona, New York and South Carolina (the "Domestic Insurers"), Parent and Purchaser filed petitions with the Department of Insurance in the respective states seeking (a) to consolidate the Parent Form A Proceedings with the application of AIG and AIGF for approval of their proposed acquisition of a controlling interest in the Domestic Insurers (the "AIG Form A Proceedings") and (b) to intervene in the AIG Form A Proceedings. Parent and Purchaser also requested that the hearing on the AIG Form A Proceeding in Arizona be deferred until after the special meetings of the holders of Common Shares and Preferred Shares.

On February 19, 1998, the Florida Department of Insurance announced that it had scheduled separate hearings to consider the AIG Form A Proceedings in Florida and the Parent Form A Proceedings in Florida for March 17, 1998 and March 19, 1998, respectively. The Florida Department of Insurance also determined to permit Parent and Purchaser to intervene in AIG's proceeding.

On February 19, 1998, in response to assertions by AIG that the voting by Parent of the proxies it is soliciting in opposition to the Proposed AIG Merger, to the extent they represent in excess of 10% of the Company's voting stock, requires prior insurance regulatory approval, an Assistant Attorney General of the State of Arizona sent a letter (the "Arizona Advisory Letter") to Parent advising that Parent would be in violation of Arizona law if the approval of the Arizona Department of Insurance was not obtained prior to Parent voting such proxies, and requesting that Parent respond to the Arizona Advisory Letter. On February 20, 1998, Parent delivered its response to the Arizona Advisory Letter detailing why the Arizona statute does not, and should not, apply to Parent's proxy solicitation against the Proposed AIG Merger. In response to Parent's February 20 letter, on February 23, 1998, the Assistant Attorney General of the State of Arizona sent Parent a letter (the "Supplemental Arizona Advisory Letter") clarifying the Arizona Advisory Letter and indicating that the Arizona Department of Insurance has not reached any judgment in this matter, has not adopted AIG's interpretation of Parent's proxy materials, has not taken any action in this matter and believes that Parent's arguments merit serious consideration.

On February 25, 1998, the Administrative Law Judge with the Office of Administrative Hearings for the State of Arizona having jurisdiction over the AIG Form A Proceedings in Arizona (the "Arizona Administrative Law Judge") issued an order entitling Parent and Purchaser to participate in the hearing relating to the AIG Form A Proceedings in Arizona as persons whose interests are affected by the AIG Form A Proceedings in Arizona. The Arizona Administrative Law Judge held that Parent and Purchaser are not "parties" as defined by the Arizona statutes and did not have standing to request a continuance of the hearing. The Arizona Administrative Law Judge also determined that it was without jurisdiction to consolidate the AIG Form A Proceedings and the Parent Form A Proceedings in Arizona because a hearing date for the Parent Form A Proceedings in Arizona has not yet been set before the Arizona Administrative Law Judge.

On March 6, 1998, the Arizona Administrative Law Judge issued a continuation of the hearing on the AIG Form A Proceedings in Arizona until March 26, 1998 and March 27, 1998 because the notice given to the Class B shareholders (the "Class B Shareholders") of Condeaux Life Insurance Company,

a

subsidiary of the Company, was deficient. In addition, the Arizona Administrative Law Judge ruled that AIG must provide the Class B Shareholders with proper notification of the continuation date, and be sent certain materials regarding the hearing, including AIG's Form A filing.

Additionally, on February 23, 1998, Parent sent a letter to state insurance commissioners of Arizona, Florida, New York, South Carolina, Georgia and Texas providing additional information about Parent and refuting allegations previously made by AIG to such commissioners regarding Parent and its management. Parent also submitted a letter to the state insurance commissioner of Arizona on February 23, 1997 and Parent submitted letters to the state insurance commissioners of New York, Georgia and South Carolina on February 24, 1998, in connection with Parent's contention that, pursuant to certain contracts and agreements entered into between AIG and the Company and certain members of its management, AIG and those persons controlling AIG are currently in control over the Company without having obtained prior insurance regulatory approval in violation of the applicable insurance statutes.

International Insurance Regulatory Approvals. On March 13, 1998, Parent and Purchaser made the required filing with the Department of Trade and Industry in the United Kingdom with respect to the proposed acquisition of control of Bankers Insurance Company Limited, the Company's insurance subsidiary domiciled in the United Kingdom.

11. MISCELLANEOUS.

Parent and Purchaser have filed with the SEC amendments to the Schedule 14D-1, together with exhibits, pursuant to Rule 14d-3 of the General Rules and Regulations under the Exchange Act, furnishing certain additional information with respect to the Offer. The Schedule 14D-1, and any amendments thereto, may be inspected at, and copies may be obtained from, the same places and in the same manner as set forth in Section 8 of the Offer to Purchase (except that they may not be available at the regional offices of the SEC).

SEASON ACQUISITION CORP.

March 16, 1998

Facsimile copies of the Letters of Transmittal, properly completed and duly signed, will be accepted. Either the original Letter of Transmittal or the revised Letter of Transmittal, certificates for the Common Shares and any other required documents should be sent by each shareholder of the Company or his broker, dealer, commercial bank, trust company or other nominee to the Depositary as follows:

The Depositary for the Offer is:

CONTINENTAL STOCK TRANSFER & TRUST COMPANY
2 Broadway
New York, New York 10004

By Facsimile Transmission:
(for Eligible Institutions Only)
(212) 509-5150

For Information Telephone:
(212) 509-4000 ext. 226
(800) 509-5586

Any questions or requests for assistance may be directed to the Information Agent or the Dealer Managers at their respective telephone numbers and locations listed below. Additional copies of the Offer to Purchase, this Supplement, the revised Letter of Transmittal and the revised Notice of Guaranteed Delivery may be obtained from the Information Agent at its address and telephone numbers set forth below. Holders of Shares may also contact their broker, dealer, commercial bank or trust company or other nominee for assistance concerning the Offer.

The Information Agent for the Offer is:

INNISFREE M&A INCORPORATED
501 Madison Avenue, 20th Floor
New York, New York 10022
CALL TOLL-FREE: (888) 750-5834
BANKS AND BROKERS CALL COLLECT: (212) 750-5833

The Dealer Managers for the Offer are:

LEHMAN BROTHERS
3 WORLD FINANCIAL CENTER
NEW YORK, NEW YORK 10285
(212) 526-1849 (CALL COLLECT)

MERRILL LYNCH & CO.
WORLD FINANCIAL CENTER
NORTH TOWER
NEW YORK, NEW YORK 10281-1305
(212) 449-8971 (CALL COLLECT)

LETTER OF TRANSMITTAL
TO TENDER SHARES OF COMMON STOCK
(Including the associated Preferred Stock Purchase Rights)

OF
AMERICAN BANKERS INSURANCE GROUP, INC.

PURSUANT TO THE OFFER TO PURCHASE,
DATED JANUARY 27, 1998
AND
THE SUPPLEMENT THERETO, DATED MARCH 16, 1998
BY
SEASON ACQUISITION CORP.
A WHOLLY OWNED SUBSIDIARY OF
CENDANT CORPORATION

THE OFFER, PRORATION PERIOD AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00
MIDNIGHT, NEW YORK CITY TIME, ON FRIDAY, MARCH 27, 1998, UNLESS THE OFFER IS
EXTENDED.

The Depository for the Offer is:

CONTINENTAL STOCK TRANSFER & TRUST COMPANY
2 Broadway
New York, New York 10004

By Facsimile Transmission:
(for Eligible Institutions Only)
(212) 509-5150

For Information Telephone:
(212) 509-4000 ext. 226
(800) 509-5586

DELIVERY OF THIS REVISED LETTER OF TRANSMITTAL TO AN ADDRESS OTHER THAN AS
SET FORTH ABOVE OR TRANSMISSION OF INSTRUCTIONS VIA FACSIMILE TRANSMISSION
OTHER THAN AS SET FORTH ABOVE WILL NOT CONSTITUTE A VALID DELIVERY. YOU MUST
SIGN THIS REVISED LETTER OF TRANSMITTAL WHERE INDICATED BELOW AND COMPLETE
THE SUBSTITUTE FORM W-9 PROVIDED BELOW.

THE INSTRUCTIONS ACCOMPANYING THIS REVISED LETTER OF TRANSMITTAL SHOULD BE
READ CAREFULLY BEFORE THIS LETTER OF TRANSMITTAL IS COMPLETED.

THIS REVISED LETTER OF TRANSMITTAL IS TO BE COMPLETED BY SHAREHOLDERS OF
AMERICAN BANKERS INSURANCE GROUP, INC. EITHER IF CERTIFICATES EVIDENCING
COMMON SHARES AND/OR RIGHTS (EACH AS DEFINED BELOW) ARE TO BE FORWARDED
HEREWITH, OR IF DELIVERY OF COMMON SHARES AND/OR RIGHTS IS TO BE MADE BY
BOOK-ENTRY TRANSFER TO THE DEPOSITARY'S ACCOUNT AT THE DEPOSITARY TRUST
COMPANY (THE "BOOK-ENTRY TRANSFER FACILITY") PURSUANT TO THE BOOK-ENTRY
TRANSFER PROCEDURE DESCRIBED IN "PROCEDURES FOR TENDERING COMMON SHARES" OF
THE OFFER TO PURCHASE AND THE SUPPLEMENT (EACH AS DEFINED BELOW). DELIVERY OF
DOCUMENTS TO THE BOOK-ENTRY TRANSFER FACILITY IN ACCORDANCE WITH THE
BOOK-ENTRY TRANSFER FACILITY'S PROCEDURES DOES NOT CONSTITUTE DELIVERY TO THE
DEPOSITARY.

SHAREHOLDERS WHO HAVE PREVIOUSLY TENDERED COMMON SHARES AND/OR RIGHTS PURSUANT TO THE OFFER USING THE PREVIOUSLY CIRCULATED LETTER OF TRANSMITTAL OR THE NOTICE OF GUARANTEED DELIVERY AND WHO HAVE NOT PROPERLY WITHDRAWN SUCH COMMON SHARES AND/OR RIGHTS HAVE VALIDLY TENDERED SUCH COMMON SHARES AND/OR RIGHTS FOR THE PURPOSES OF THE OFFER, AS AMENDED, AND NEED NOT TAKE ANY FURTHER ACTION.

Holders of Common Shares will be required to tender one Right for each Common Share tendered to effect a valid tender of such Common Share. Until the Distribution Date (as defined in the Offer to Purchase) occurs, the Rights are represented by and transferred with the Common Shares. Accordingly, if the Distribution Date does not occur prior to the Expiration Date (as defined in the Offer to Purchase), a tender of Common Shares will constitute a tender of the associated Rights. If a Distribution Date has occurred and (i) Purchaser (as defined below) has waived that portion of the Rights Condition (as defined in the Offer to Purchase) requiring that a Distribution Date not have occurred and (ii) separate certificates ("Rights Certificates") have been distributed by the Company (as defined below) to holders of Common Shares prior to the date of tender pursuant to the Offer to Purchase, Rights Certificates representing the number of Common Shares being tendered must be delivered to the Depository in order for such Common Shares to be validly tendered. If a Distribution Date has occurred and (i) Purchaser has waived any portion of the Rights Condition and (ii) Rights Certificates have not been distributed prior to the time Common Shares are tendered pursuant to the Offer to Purchase, a tender of Common Shares without Rights constitutes an agreement by the tendering shareholder to deliver Rights Certificates representing the number of Common Shares tendered pursuant to the Offer (as defined in the Offer to Purchase) to the Depository within three business days after the date Rights Certificates are distributed. Purchaser reserves the right to require that it receive such Rights Certificates prior to accepting Common Shares for payment. Payment for Common Shares tendered and purchased pursuant to the Offer to Purchase will be made only after timely receipt by the Depository of, among other things, Rights Certificates, if such certificates have been distributed to holders of Common Shares. Purchaser will not pay any additional consideration for the Rights tendered pursuant to the Offer to Purchase.

Shareholders whose certificates for Common Shares and, if applicable, Rights, are not immediately available or who cannot deliver such certificates and all other documents required hereby to the Depository prior to the Expiration Date or who cannot complete the procedure for delivery by book-entry transfer on a timely basis and who wish to tender their Common Shares and Rights must do so pursuant to the guaranteed delivery procedure described in "Procedures for Tendering Common Shares" of the Offer to Purchase and the Supplement. See Instruction 2.

CHECK HERE IF TENDERED COMMON SHARES ARE BEING DELIVERED BY BOOK-ENTRY TRANSFER TO THE DEPOSITARY'S ACCOUNT AT THE BOOK-ENTRY TRANSFER FACILITY AND COMPLETE THE FOLLOWING:

Name of Tendering Institution: _____
Account Number: _____
Transaction Code Number: _____

CHECK HERE IF TENDERED RIGHTS ARE BEING DELIVERED BY BOOK-ENTRY TRANSFER TO THE DEPOSITARY'S ACCOUNT AT THE BOOK-ENTRY TRANSFER FACILITY AND COMPLETE THE FOLLOWING:

Name of Tendering Institution: _____
Account Number: _____
Transaction Code Number: _____

[] CHECK HERE IF TENDERED COMMON SHARES ARE BEING TENDERED PURSUANT TO A NOTICE OF GUARANTEED DELIVERY PREVIOUSLY SENT TO THE DEPOSITARY AND COMPLETE THE FOLLOWING:

Name(s) of Registered Holder(s):

Window Ticket Number (if any):

Date of Execution of Notice of Guaranteed Delivery:

Name of Institution which Guaranteed Delivery:

Account Number:

Transaction Code Number:

[] CHECK HERE IF TENDERED RIGHTS ARE BEING TENDERED PURSUANT TO A NOTICE OF GUARANTEED DELIVERY PREVIOUSLY SENT TO THE DEPOSITARY AND COMPLETE THE FOLLOWING:

Name(s) of Registered Holder(s):

Window Ticket Number (if any):

Date of Execution of Notice of Guaranteed Delivery:

Name of Institution which Guaranteed Delivery:

Account Number:

Transaction Code Number:

in cash, without interest thereon, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated January 27, 1998 (the "Offer to Purchase"), the Supplement, dated March 16, 1998 (the "Supplement"), receipt of which is hereby acknowledged, and in this revised Letter of Transmittal (which, as amended from time to time, together constitute the "Offer"). Unless the context requires otherwise, all references herein to the Common Shares shall include the associated Rights, and all references to the Rights shall include the benefits that may inure to the holders of the Rights pursuant to the Rights Agreement, including the right to receive any payment due upon redemption of the Rights.

The undersigned understands that Purchaser reserves the right to transfer or assign, in whole at any time, or in part from time to time, to one or more of its affiliates, the right to purchase all or any portion of the Common Shares and/or Rights tendered pursuant to the Offer, but any such transfer or assignment will not relieve Purchaser of its obligations under the Offer and will in no way prejudice the rights of tendering shareholders to receive payment for Common Shares validly tendered and accepted for payment pursuant to the Offer.

Subject to, and effective upon, acceptance for payment of the Common Shares and Rights tendered herewith, in accordance with the terms of the Offer (including, if the Offer is extended or amended, the terms and conditions of any such extension or amendment), the undersigned hereby sells, assigns and transfers to, or upon the order of, Purchaser all right, title and interest in and to all the Common Shares and Rights that are being tendered hereby (and any and all non-cash dividends, distributions, rights, other Common Shares or other securities issued or issuable in respect thereof or declared, paid or distributed in respect of such Common Shares on or after January 27, 1998 (collectively, "Distributions")), and irrevocably appoints the Depository the true and lawful agent and attorney-in-fact of the undersigned with respect to such Common Shares, Rights and all Distributions, with full power of substitution (such power of attorney being deemed to be an irrevocable power coupled with an interest), to (i) deliver certificates for such Common Shares (individually, a "Common Share Certificate"), Rights and all Distributions, or transfer ownership of such Common Shares, Rights and all Distributions on the account books maintained by the Book-Entry Transfer Facility, together, in either case, with all accompanying evidence of transfer and authenticity to, or upon the order of Purchaser, (ii) present such Common Shares, Rights and all Distributions for transfer on the books of the Company and (iii) receive all benefits and otherwise exercise all rights of beneficial ownership of such Common Shares, Rights and all Distributions, all in accordance with the terms of the Offer.

If, on or after the date of this Offer to Purchase, the Company should declare or pay any dividend on the Common Shares, other than regular quarterly dividends, or make any distribution (including, without limitation, the issuance of additional Common Shares pursuant to a stock dividend or stock split, the issuance of other securities or the issuance of rights for the purchase of any securities) with respect to the Common Shares that is payable or distributable to shareholders of record on a date prior to the transfer to the name of Purchaser or its nominee or transferee on the Company's stock transfer records of the Common Shares purchased pursuant to the Offer, then, subject to the provisions of Section 13 of the Offer to Purchase, (i) the purchase price per Common Share payable by Purchaser pursuant to the Offer will be reduced by the amount of any such cash dividend or cash distribution and (ii) any such non-cash dividend, distribution or right to be received by the tendering shareholder will be received and held by such tendering shareholder for the account of Purchaser and will be required to be remitted promptly and transferred by each such tendering shareholder to the Depository for the account of Purchaser, accompanied by appropriate documentation of transfer. Pending such remittance and subject to applicable law, Purchaser will be entitled to all rights and privileges as owner of any such non-cash dividend, distribution or right and may withhold the entire purchase price or deduct from the purchase price the amount of value thereof, as determined by Purchaser in its sole discretion.

By executing this revised Letter of Transmittal, the undersigned irrevocably appoints James E. Buckman and Michael P. Monaco as proxies of the undersigned, each with full power of substitution, to the full extent of the undersigned's rights with respect to the Common Shares and Rights tendered by the undersigned and accepted for payment by Purchaser (and any and all Distributions). All such proxies shall be considered coupled with an interest in the tendered Common Shares and Rights. This appointment will be effective if, when, and only to the extent that Purchaser accepts such Common Shares and Rights for payment pursuant to the Offer. Upon such acceptance for payment, all prior proxies given by the undersigned with respect to such Common Shares, Rights, Distributions and other securities will, without further action, be revoked, and no subsequent proxies may be given. The individuals named above as proxies will, with respect to the Common Shares, Rights, Distributions and other securities for which the appointment is effective, be empowered to exercise all voting and other rights of the undersigned as they in their sole discretion may deem proper at any annual, special, adjourned or postponed meeting of Company shareholders, by written consent or otherwise, and Purchaser reserves the right to require that, in order for Common Shares, Rights, Distributions or other securities to be deemed validly tendered, immediately upon Purchaser's acceptance for payment of such Common Shares and Rights, Purchaser or Purchaser's designee must be able to exercise full voting rights with respect to such Common Shares and Rights.

The undersigned hereby represents and warrants that the undersigned has full power and authority to tender, sell, assign and transfer the Common Shares and Rights tendered hereby and all Distributions, that the undersigned own(s) the Common Shares and Rights tendered hereby within the meaning of Rule 14e-4 promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), that such tender of Common Shares complies with Rule 14e-4 under the Exchange Act, and that, when such Common Shares and Rights are accepted for payment by Purchaser, Purchaser will acquire good, marketable and unencumbered title thereto and to all Distributions, free and

clear of all liens, restrictions, charges and encumbrances, and that none of such Common Shares, Rights and Distributions will be subject to any adverse claim. The undersigned, upon request, shall execute and deliver all additional documents deemed by the Depositary or Purchaser to be necessary or desirable to complete the sale, assignment and transfer of the Common Shares and Rights tendered hereby and all Distributions. In addition, the undersigned shall remit and transfer promptly to the Depositary for the account of Purchaser all Distributions in respect of the Common Shares and Rights tendered hereby, accompanied by appropriate documentation of transfer, and, pending such

remittance and transfer or appropriate assurance thereof, Purchaser shall be entitled to all rights and privileges as owner of each such Distribution and may withhold the entire purchase price of the Common Shares and Rights tendered hereby or deduct from such purchase price the amount or value of such Distribution as determined by Purchaser in its sole discretion.

No authority herein conferred or agreed to be conferred shall be affected by, and all such authority shall survive, the death or incapacity of the undersigned. All obligations of the undersigned hereunder shall be binding upon the heirs, executors, personal and legal representatives, administrators, trustees in bankruptcy, successors and assigns of the undersigned. Except as stated in the Offer to Purchase, this tender is irrevocable, provided that Common Shares and Rights tendered pursuant to the Offer may be withdrawn at any time prior to their acceptance for payment.

The undersigned understands that tenders of Common Shares and Rights pursuant to any one of the procedures described in "Procedures for Tendering Common Shares" of the Offer to Purchase, the Supplement and in the Instructions hereto will constitute the undersigned's acceptance of the terms and conditions of the Offer. Purchaser's acceptance for payment of Common Shares and Rights tendered pursuant to the Offer will constitute a binding agreement between the undersigned and Purchaser upon the terms and subject to the conditions of the Offer. The undersigned recognizes that under certain circumstances set forth in the Offer to Purchase, Purchaser may not be required to accept for payment any of the Common Shares and Rights tendered hereby.

Unless otherwise indicated herein in the box entitled "Special Payment Instructions," please issue the check for the purchase price and/or return any certificates evidencing Common Shares or Rights not tendered or accepted for payment, in the name(s) of the registered holder(s) appearing above under "Description of Common Shares Tendered." Similarly, unless otherwise indicated in the box entitled "Special Delivery Instructions," please mail the check for the purchase price and/or return any certificates evidencing Common Shares or Rights not tendered or accepted for payment (and accompanying documents, as appropriate) to the address(es) of the registered holder(s) appearing above under "Description of Common Shares Tendered." In the event that the boxes entitled "Special Payment Instructions" and "Special Delivery Instructions" are both completed, please issue the check for the purchase price and/or return any certificates for Common Shares or Rights not purchased or not tendered or accepted for payment in the name(s) of, and mail such check and/or return such certificates to, the person(s) so indicated. Unless otherwise indicated herein in the box entitled "Special Payment Instructions," please credit any Common Shares or Rights tendered hereby and delivered by book-entry transfer, but which are not purchased, by crediting the account at the Book-Entry Transfer Facility designated above. The undersigned recognizes that Purchaser has no obligation, pursuant to the Special Payment Instructions, to transfer any Common Shares or Rights from the name of the registered holder(s) thereof if Purchaser does not accept for payment any of the Common Shares or Rights tendered hereby.

SPECIAL PAYMENT INSTRUCTIONS
(SEE INSTRUCTIONS 1, 5, 6 AND 7 OF THIS
LETTER OF TRANSMITTAL)

To be completed ONLY if certificates for Common Shares and/or Rights not tendered or not purchased and/or the check for the purchase price of Common Shares and/or Rights purchased are to be issued in the name of someone other than the undersigned, or if the Common Shares and/or Rights delivered by book-entry transfer which are not purchased are to be returned by credit to an account maintained at a Book-Entry Transfer Facility other than that designated above.

Issue check and/or certificate(s) to:

Name -----
(Please Print)

Address -----
(Include Zip Code)

(TAX IDENTIFICATION OR SOCIAL SECURITY NUMBER)
(ALSO COMPLETE SUBSTITUTE FORM W-9 BELOW)

[] Credit unpurchased Common Shares and/or Rights delivered by book-entry transfer to the Book-Entry Transfer Facility account set forth below:

(Account Number)

SPECIAL DELIVERY INSTRUCTIONS
(SEE INSTRUCTIONS 1, 5, 6 AND 7 OF THIS
LETTER OF TRANSMITTAL)

To be completed ONLY if certificates for Common Shares and/or Rights not tendered or not purchased and/or the check for the purchase price of Common Shares and/or Rights purchased are to be sent to someone other than the undersigned, or to the undersigned at an address other than that shown above.

Mail check and/or certificates to:

Name -----
(Please Print)

Address -----
(Include Zip Code)

(TAX IDENTIFICATION OR SOCIAL SECURITY NUMBER)
(ALSO COMPLETE SUBSTITUTE FORM W-9 BELOW)

SIGN HERE
(COMPLETE SUBSTITUTE FORM W-9 ON REVERSE)

(Signature(s) of Holder(s))

Dated: _____, 1998

(Must be signed by registered holder(s) exactly as name(s) appear(s) on Common Stock certificate(s) or on a security position listing or by person(s) authorized to become registered holder(s) by certificates and documents transmitted herewith. If signature is by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, please provide the following information. See Instruction 5 of the Letter of Transmittal.)

Name(s): -----
(Please Print)

Capacity (full title): -----

Address: -----
(Include Zip Code)

Area Code and Telephone Number: -----

Tax Identification or Social Security Number: -----
(Complete Substitute Form
W-9 on Reverse)

GUARANTEE OF SIGNATURE(S)
(SEE INSTRUCTIONS 1 AND 5 OF THIS LETTER OF TRANSMITTAL)

Authorized Signature: -----

Name: -----
(Please Print)

Title: -----

Name of Firm: -----

Address: -----
(Include Zip Code)

Area Code and Telephone Number: -----

Dated: _____, 1998

INSTRUCTIONS

FORMING PART OF THE TERMS AND CONDITIONS OF THE OFFER

1. Guarantee of Signatures. Except as otherwise provided below, all signatures on this revised Letter of Transmittal must be guaranteed by a firm which is a bank, broker, dealer, credit union, savings association or other entity that is a member in good standing of the Securities Transfer Agents Medallion Program (each, an "Eligible Institution"). No signature guarantee is required on this revised Letter of Transmittal (a) if this revised Letter of Transmittal is signed by the registered holder(s) (which term, for purposes of this document, shall include any participant in a Book-Entry Transfer Facility whose name appears on a security position listing as the owner of Common Shares or Rights) of Common Shares and/or Rights tendered herewith, unless such holder(s) has completed either the box entitled "Special Delivery Instructions" or the box entitled "Special Payment Instructions" on the reverse hereof, or (b) if such Common Shares or Rights are tendered for the account of an Eligible Institution. See Instruction 5. If a certificate evidencing Common Shares and/or Rights (a "Certificate") is registered in the name of a person other than the signer of this revised Letter of Transmittal, or if payment is to be made, or a Certificate not accepted for payment or not tendered is to be returned, to a person other than the registered holder(s), then the Certificate must be endorsed or accompanied by appropriate stock powers, in either case signed exactly as the name(s) of the registered holder(s) appear(s) on the Certificate, with the signature(s) on such Certificate or stock powers guaranteed as described above. See Instruction 5.

2. Delivery of Letter of Transmittal and Common Share Certificates. This revised Letter of Transmittal is to be used either if Certificates are to be forwarded herewith or if Common Shares and/or Rights are to be delivered by book-entry transfer pursuant to the procedure set forth in "Procedures for Tendering Common Shares" of the Offer to Purchase and the Supplement. Certificates evidencing all tendered Common Shares and/or Rights, or confirmation of a book-entry transfer of such Common Shares and/or Rights, if such procedure is available, into the Depository's account at the Book-Entry Transfer Facility pursuant to the procedures set forth in "Procedures for Tendering Common Shares" of the Offer to Purchase and the Supplement, together with a properly completed and duly executed Letter of Transmittal (or facsimile thereof) with any required signature guarantees (or, in the case of a book-entry transfer, an Agent's Message, as defined below) and any other documents required by this revised Letter of Transmittal, must be received by the Depository at its address set forth on the reverse hereof prior to the Expiration Date (as defined in "Terms of the Offer; Expiration Date" of the Supplement). If Certificates are forwarded to the Depository in multiple deliveries, a properly completed and duly executed Letter of Transmittal must accompany each such delivery. Shareholders whose Certificates are not immediately available, who cannot deliver their Certificates and all other required documents to the Depository prior to the Expiration Date or who cannot complete the procedure for delivery by book-entry transfer on a timely basis may tender their Common Shares or Rights pursuant to the guaranteed delivery procedure described in "Procedures for Tendering Common Shares" of the Offer to Purchase and the Supplement. Pursuant to such procedure: (i) such tender must be made by or through an Eligible Institution; (ii) a properly completed and duly executed Notice of Guaranteed Delivery, substantially in the form provided by Purchaser herewith, must be received by the Depository prior to the Expiration Date; and (iii) in the case of a guarantee of Common Shares or Rights, the Certificates, in proper form for transfer, or a confirmation of a book-entry transfer of such Common Shares or Rights, if such procedure is available, into the Depository's account at the Book-Entry Transfer Facility, together with a properly completed and duly executed Letter of Transmittal (or manually signed facsimile thereof) with any required signature guarantees (or, in the case of a book-entry transfer, an Agent's Message), and any other documents required by this revised Letter of Transmittal, must be received by the Depository within three New York Stock Exchange, Inc. trading days after the date of execution of the Notice of Guaranteed Delivery, all as described in "Procedures for Tendering Common Shares" of the Offer to Purchase and the Supplement. The term "Agent's Message" means a message, transmitted by the Book-Entry Transfer Facility to, and received by the Depository and forming a part of the Book-Entry Confirmation, which states that the Book-Entry Transfer Facility has received an express acknowledgment from the participant in such Book-Entry Transfer Facility tendering the Common Shares or Rights, that such participant has received and agrees to be bound by the terms of this revised Letter of Transmittal and that Purchaser may enforce such agreement against the participant.

THE METHOD OF DELIVERY OF THIS REVISED LETTER OF TRANSMITTAL, CERTIFICATES AND ALL OTHER REQUIRED DOCUMENTS, INCLUDING DELIVERY THROUGH THE BOOK-ENTRY TRANSFER FACILITY, IS AT THE SOLE OPTION AND RISK OF THE TENDERING SHAREHOLDER, AND THE DELIVERY WILL BE DEEMED MADE ONLY WHEN ACTUALLY RECEIVED BY THE DEPOSITARY. IF DELIVERY IS BY MAIL, REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, PROPERLY INSURED, IS RECOMMENDED. IN ALL CASES, SUFFICIENT TIME SHOULD BE ALLOWED TO ENSURE TIMELY DELIVERY.

No alternative, conditional or contingent tenders will be accepted and no fractional Common Shares or Rights will be purchased. By execution of this revised Letter of Transmittal (or a facsimile hereof), all tendering

shareholders waive any right to receive any notice of the acceptance of their Common Shares or Rights for payment.

3. Inadequate Space. If the space provided herein under "Description of Common Shares Tendered" is inadequate, the Certificate numbers, the number of Common Shares or Rights evidenced by such Certificates and the number of Common Shares or Rights tendered should be listed on a separate schedule and attached hereto.

4. Partial Tenders. (Not applicable to shareholders who tender by book-entry transfer.) If fewer than all the Common Shares or Rights evidenced by any Certificate delivered to the Depository herewith are to be tendered hereby, fill in the number of Common Shares or Rights which are to be tendered in the box entitled "Number of Common Shares Tendered." In such cases, new Certificate(s) evidencing the remainder of the Common Shares or Rights that were evidenced by the Certificates delivered to the Depository herewith will be sent to the person(s) signing this revised Letter of Transmittal, unless otherwise provided in the box entitled "Special Delivery Instructions," as soon as practicable after the expiration or termination of the Offer. All Common Shares or Rights evidenced by Certificates delivered to the Depository will be deemed to have been tendered unless otherwise indicated.

5. Signatures on Letter of Transmittal; Stock Powers and Endorsements. If this revised Letter of Transmittal is signed by the registered holder(s) of the Common Shares or Rights tendered hereby, the signature(s) must correspond with the name(s) as written on the face of the Certificate(s) evidencing such Common Shares or Rights without alteration, enlargement or any other change whatsoever.

If any Common Shares or Rights tendered hereby are owned of record by two or more persons, all such persons must sign this revised Letter of Transmittal.

If any of the Common Shares or Rights tendered hereby are registered in the names of different holders, it will be necessary to complete, sign and submit as many separate Letters of Transmittal as there are different registrations of such certificates.

If this revised Letter of Transmittal is signed by the registered holder(s) of the Common Shares or Rights tendered hereby, no endorsements of Certificates or separate stock powers are required, unless payment is to be made to, or Certificates evidencing Common Shares or Rights not tendered or not purchased are to be issued in the name of, a person other than the registered holder(s), in which case, the Certificate(s) evidencing the Common Shares or Rights tendered hereby must be endorsed or accompanied by appropriate stock powers, in either case signed exactly as the name(s) of the registered holder(s) appear(s) on such Certificate(s). Signatures on such Certificate(s) and stock powers must be guaranteed by an Eligible Institution.

If this revised Letter of Transmittal is signed by a person other than the registered holder(s) of the Common Shares or Rights tendered hereby, the Common Share or Rights Certificate(s) evidencing the Common Shares or Rights tendered hereby must be endorsed or accompanied by appropriate stock powers, in either case signed exactly as the name(s) of the registered holder(s) appear(s) on such Certificate(s). Signatures on such Certificate(s) and stock powers must be guaranteed by an Eligible Institution.

If this revised Letter of Transmittal or any Certificate(s) or stock power is signed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or representative capacity, such person should so indicate when signing, and proper evidence satisfactory to Purchaser of such person's authority so to act must be submitted.

6. Stock Transfer Taxes. Except as otherwise provided in this Instruction 6, Purchaser will pay all stock transfer taxes with respect to the sale and transfer of any Common Shares or Rights to it or its order pursuant to the Offer. If, however, payment of the purchase price of any Common Shares or Rights purchased is to be made to, or Certificate(s) evidencing Common Shares or Rights not tendered or not purchased are to be issued in the name of, a person other than the registered holder(s), the amount of any stock transfer taxes (whether imposed on the registered holder(s), such other person or otherwise) payable on account of the transfer to such other person will be deducted from the purchase price of such Common Shares or Rights purchased, unless evidence satisfactory to Purchaser of the payment of such taxes, or exemption therefrom, is submitted.

EXCEPT AS PROVIDED IN THIS INSTRUCTION 6, IT WILL NOT BE NECESSARY FOR TRANSFER TAX STAMPS TO BE AFFIXED TO THE CERTIFICATE(S) EVIDENCING THE COMMON SHARES TENDERED HEREBY.

7. Special Payment and Delivery Instructions. If a check for the purchase price of any Common Shares or Rights tendered hereby is to be issued, or Certificate(s) evidencing Common Shares or Rights not tendered or not purchased are to be issued, in the name of a person other than the person(s) signing this revised Letter of Transmittal or if such check or any such Certificate is to be sent to someone other than the person(s) signing this revised Letter of Transmittal or to the person(s) signing this revised Letter of Transmittal but at an address other than that shown in the box entitled "Description of Common Shares Tendered," the appropriate boxes on this

revised Letter of Transmittal must be completed. Shareholders tendering Common Shares or Rights by book-entry transfer may request that Common Shares or Rights not purchased be credited to such account maintained at the Book-Entry Transfer Facility as such shareholder may designate in the box entitled "Special Payment Instructions" on the reverse hereof. If no such instructions are given, all such Common Shares or Rights not purchased will be returned by crediting the account at the Book-Entry Transfer Facility designated on the reverse hereof as the account from which such Common Shares or Rights were delivered.

8. Requests for Assistance or Additional Copies. Requests for assistance may be directed to the Information Agent or the Dealer Managers at their respective addresses or telephone numbers set forth below. Additional copies of the Offer to Purchase, the Supplement, this revised Letter of Transmittal, the Notice of Guaranteed Delivery and the Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9 may be obtained from the Information Agent or the Dealer Managers or from brokers, dealers, commercial banks or trust companies.

9. Substitute Form W-9. Each tendering shareholder is required to provide the Depository with a correct Taxpayer Identification Number ("TIN") on the Substitute Form W-9 which is provided under "Important Tax Information" below, and to certify, under penalties of perjury, that such number is correct and that such shareholder is not subject to backup withholding of federal income tax. If a tendering shareholder has been notified by the Internal Revenue Service that such shareholder is subject to backup withholding, such shareholder must cross out item (2) of the Certification box of the Substitute Form W-9, unless such shareholder has since been notified by the Internal Revenue Service that such shareholder is no longer subject to backup withholding. Failure to provide the information on the Substitute Form W-9 may subject the tendering shareholder to 31% federal income tax withholding on the payment of the purchase price of all Common Shares or Rights purchased from such shareholder. If the tendering shareholder has not been issued a TIN and has applied for one or intends to apply for one in the near future, such shareholder should write "Applied For" in the space provided for the TIN in Part I of the Substitute Form W-9, and sign and date the Substitute Form W-9. If "Applied For" is written in Part I and the Depository is not provided with a TIN within 60 days, the Depository will withhold 31% on all payments of the purchase price to such shareholder until a TIN is provided to the Depository.

10. Lost, Destroyed or Stolen Certificates. If any certificate(s) representing Common Shares or Rights has been lost, destroyed or stolen, the shareholder should promptly notify the Depository. The shareholder will then be instructed as to the steps that must be taken in order to replace the certificate(s). This revised Letter of Transmittal and related documents cannot be processed until the procedures for replacing lost or destroyed certificates have been followed.

IMPORTANT: THIS REVISED LETTER OF TRANSMITTAL (OR FACSIMILE HEREOF), PROPERLY COMPLETED AND DULY EXECUTED, WITH ANY REQUIRED SIGNATURE GUARANTEES, OR AN AGENT'S MESSAGE (TOGETHER WITH COMMON SHARE CERTIFICATES OR CONFIRMATION OF BOOK-ENTRY TRANSFER AND ALL OTHER REQUIRED DOCUMENTS) OR A PROPERLY COMPLETED AND DULY EXECUTED NOTICE OF GUARANTEED DELIVERY MUST BE RECEIVED BY THE DEPOSITARY PRIOR TO THE EXPIRATION DATE (AS DEFINED IN THE SUPPLEMENT).

IMPORTANT TAX INFORMATION

Under the federal income tax law, a shareholder whose tendered Common Shares or Rights are accepted for payment is required by law to provide the Depository (as payer) with such shareholder's correct TIN on Substitute Form W-9 below. If such shareholder is an individual, the TIN is such shareholder's social security number. If the Depository is not provided with the correct TIN, the shareholder may be subject to a \$50 penalty imposed by the Internal Revenue Service. In addition, payments that are made to such shareholder with respect to Common Shares or Rights purchased pursuant to the Offer may be subject to backup withholding of 31%.

Certain shareholders (including, among others, all corporations and certain foreign individuals) are not subject to these backup withholding and reporting requirements. In order for a foreign individual to qualify as an exempt recipient, such individual must submit a statement, signed under penalties of perjury, attesting to such individual's exempt status. Forms of such statements can be obtained from the Depository. See the enclosed Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9 for additional instructions.

If backup withholding applies with respect to a shareholder, the Depository is required to withhold 31% of any payments made to such shareholder. Backup withholding is not an additional tax. Rather, the tax liability of persons subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund may be obtained from the Internal Revenue Service.

PURPOSE OF SUBSTITUTE FORM W-9

To prevent backup withholding on payments that are made to a shareholder with respect to Common Shares or Rights purchased pursuant to the Offer, the shareholder is required to notify the Depository of such shareholder's correct TIN by completing the form below certifying (a) that the TIN provided on Substitute Form W-9 is correct (or that such shareholder is awaiting a TIN), and (b) that (i) such shareholder has not been notified by the Internal Revenue Service that such shareholder is subject to backup withholding as a result of a failure to report all interest or dividends or (ii) the Internal Revenue Service has notified such shareholder that such shareholder is no longer subject to backup withholding.

WHAT NUMBER TO GIVE THE DEPOSITARY

The shareholder is required to give the Depositary the social security number or employer identification number of the record holder of the Common Shares or Rights tendered hereby. If the Common Shares or Rights are in more than one name or are not in the name of the actual owner, consult the enclosed Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9 for additional guidance on which number to report. If the tendering shareholder has not been issued a TIN and has applied for a number or intends to apply for a number in the near future, the shareholder should write "Applied For" in the space provided for the TIN in Part I, and sign and date the Substitute Form W-9. If "Applied For" is written in Part I and the Depositary is not provided with a TIN within 60 days, the Depositary will withhold 31% of all payments of the purchase price to such shareholder until a TIN is provided to the Depositary.

PAYER'S NAME: CONTINENTAL STOCK TRANSFER & TRUST COMPANY, DEPOSITARY

SUBSTITUTE FORM W-9
Department of the Treasury
Internal Revenue Service

Part 1--PLEASE PROVIDE YOUR TIN IN THE BOX AT RIGHT AND CERTIFY BY SIGNING AND DATING BELOW.

SOCIAL SECURITY NUMBER OR

EMPLOYER IDENTIFICATION NUMBER
(IF AWAITING TIN WRITE "APPLIED FOR")

PAYER'S REQUEST FOR TAXPAYER IDENTIFICATION NUMBER (TIN)

PART 2-- For Payees Exempt from Backup Withholding, see the enclosed Guidelines and complete as instructed therein.

CERTIFICATION--Under penalties of perjury, I certify that:

- (1) The number shown on this form is my correct Taxpayer Identification Number (or a Taxpayer Identification Number has not been issued to me and either (a) I have mailed or delivered an application to receive a Taxpayer Identification Number to the appropriate Internal Revenue Service ("IRS") or Social Security Administration office or (b) I intend to mail or deliver an application in the near future. I understand that if I do not provide a Taxpayer Identification Number within sixty (60) days, 31% of all reportable payments made to me thereafter will be withheld until I provide a number), and
- (2) I am not subject to backup withholding because (a) I am exempt from backup withholding, (b) I have not been notified by the IRS that I am subject to backup withholding as a result of failure to report all interest or dividends or (c) the IRS has notified me that I am no longer subject to backup withholding.

CERTIFICATION INSTRUCTIONS --You must cross out item (2) above if you have been notified by the IRS that you are subject to backup withholding because of underreporting interest or dividends on your tax return. However, if after being notified by the IRS that you were subject to backup withholding you received another notification from the IRS that you are no longer subject to backup withholding, do not cross out item (2). (Also see instructions in the enclosed Guidelines.)

SIGNATURE: _____
NAME: _____

DATE: _____, 1998

NOTE: FAILURE TO COMPLETE AND RETURN THIS FORM MAY RESULT IN BACKUP WITHHOLDING OF 31% OF ANY PAYMENTS MADE TO YOU PURSUANT TO THE OFFER. PLEASE REVIEW THE ENCLOSED GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9 FOR ADDITIONAL DETAILS.

YOU MUST COMPLETE THE FOLLOWING CERTIFICATE IF YOU WROTE "APPLIED FOR" IN THE SPACE PROVIDED FOR THE TIN IN PART I OF SUBSTITUTE FORM W-9.

CERTIFICATE OF AWAITING TAXPAYER IDENTIFICATION NUMBER

I CERTIFY UNDER PENALTIES OF PERJURY THAT A TAXPAYER IDENTIFICATION NUMBER HAS NOT BEEN ISSUED TO ME, AND EITHER (1) I HAVE MAILED OR DELIVERED AN APPLICATION TO RECEIVE A TAXPAYER IDENTIFICATION NUMBER TO THE APPROPRIATE INTERNAL REVENUE SERVICE CENTER OR SOCIAL SECURITY ADMINISTRATION OFFICE, OR (2) I INTEND TO MAIL OR DELIVER AN APPLICATION IN THE NEAR FUTURE. I UNDERSTAND THAT IF I DO NOT PROVIDE A TAXPAYER IDENTIFICATION NUMBER BY THE TIME OF PAYMENT, 31% OF ALL REPORTABLE PAYMENTS MADE TO ME WILL BE WITHHELD.

SIGNATURE _____ DATE _____, 1998

Questions and requests for assistance or additional copies of the Offer to Purchase, the Supplement, the revised Letter of Transmittal and other tender offer materials may be directed to the Information Agent or the Dealer Managers as set forth below:

The Information Agent for the Offer is:

INNISFREE M&A INCORPORATED

501 Madison Avenue, 20th Floor

New York, New York 10022

CALL TOLL-FREE: (888) 750-5834

Banks and Brokers call collect: (212) 750-5833

The Dealer Managers for the Offer are:

LEHMAN BROTHERS

3 World Financial Center

New York, New York 10285

(212) 526-1849 (Call Collect)

MERRILL LYNCH & CO.

World Financial Center

North Tower

New York, New York, 10281-1314

(212) 449-8971 (Call Collect)

NOTICE OF GUARANTEED DELIVERY
for
Tender of Shares of
Common Stock
(including the associated Preferred Stock Purchase Rights)
of
AMERICAN BANKERS INSURANCE GROUP, INC.
to
Season Acquisition Corp.
a wholly owned subsidiary of
CENDANT CORPORATION
(Not To Be Used For Signature Guarantees)

This Notice of Guaranteed Delivery, or one substantially in the form hereof, must be used to accept the Offer (as defined below) if (i) certificates ("Share Certificates") evidencing shares of common stock, par value \$1.00 per share (the "Common Shares"), of American Bankers Insurance Group, Inc., a Florida corporation (the "Company"), including the associated Series C Preferred Stock Purchase Rights (the "Rights") issued pursuant to the Rights Agreement, dated as of February 19, 1998, between the Company and ChaseMellon Shareholder Services, L.L.C., as Rights Agent (as such agreement may be amended, the "Rights Agreement"), are not immediately available, (ii) time will not permit all required documents to reach Continental Stock Transfer & Trust Company, as Depositary (the "Depositary"), prior to the Expiration Date (as defined in the Supplement, dated March 16, 1998 (the "Supplement")) or (iii) the procedure for book-entry transfer cannot be completed on a timely basis. All references herein to the Common Shares shall include the associated Rights. This Notice of Guaranteed Delivery may be delivered by hand or transmitted by telegram, facsimile transmission or mail to the Depositary. See "Procedures for Tendering Common Shares" of the Offer to Purchase dated January 27, 1998 (the "Offer to Purchase") and the Supplement.

The Depositary for the Offer is:
CONTINENTAL STOCK TRANSFER & TRUST COMPANY
2 Broadway
New York, New York 10004

By Facsimile Transmission:
(for Eligible Institutions Only)
(212) 509-5150

By Information Telephone:
(212) 509-4000 (ext. 226)
(800) 509-5586

DELIVERY OF THIS NOTICE OF GUARANTEED DELIVERY TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE, OR TRANSMISSION OF INSTRUCTIONS VIA FACSIMILE TRANSMISSION OTHER THAN AS SET FORTH ABOVE, WILL NOT CONSTITUTE A VALID DELIVERY.

THIS FORM IS NOT TO BE USED TO GUARANTEE SIGNATURES. IF A SIGNATURE ON A LETTER OF TRANSMITTAL IS REQUIRED TO BE GUARANTEED BY AN "ELIGIBLE INSTITUTION" UNDER THE INSTRUCTIONS THERETO, SUCH SIGNATURE GUARANTEE MUST APPEAR IN THE APPLICABLE SPACE PROVIDED IN THE SIGNATURE BOX ON THE LETTER OF TRANSMITTAL.

LADIES AND GENTLEMEN:

The undersigned hereby tenders to Season Acquisition Corp., a New Jersey corporation and a wholly owned subsidiary of Cendant Corporation, a Delaware corporation, upon the terms and subject to the conditions set forth in the Offer to Purchase, the Supplement and the revised Letter of Transmittal (which, as amended from time to time, together constitute the "Offer"), receipt of each of which is hereby acknowledged, the number of Common Shares specified below pursuant to the guaranteed delivery procedures described in "Procedures for Tendering Common Shares" of the Offer to Purchase and the Supplement.

Number of Common Shares (including the associated Rights): _____
- _____
- _____

Name(s) of Record Holder(s): _____
- _____
(Please Type or Print)

Address(es): _____
(Include Zip Code)

Area Code and Telephone Number: _____

Certificate Number(s) (if available): _____
- _____

Check the box if Common Shares or Rights will be tendered by book-entry transfer: []

Signature(s): _____
- _____

Account Number: _____

Dated: , 1998

GUARANTEE
(NOT TO BE USED FOR SIGNATURE GUARANTEE)

The undersigned, a member firm of a registered national securities exchange, a member of the National Association of Securities Dealers, Inc. or a commercial bank or trust company having an office or correspondent in the United States, hereby (a) represents that the tender of Common Shares effected hereby complies with Rule 14e-4 of the Securities Exchange Act of 1934, as amended, and (b) guarantees delivery to the Depository, at one of its addresses set forth above, of certificates evidencing the Common Shares and Rights tendered hereby in proper form for transfer, or confirmation of book-entry transfer of such Common Shares and Rights into the Depository's account at The Depository Trust Company, with delivery of a properly completed and duly executed revised Letter of Transmittal (or facsimile thereof) with any required signature guarantees, or an Agent's Message (as defined in "Acceptance for Payment and Payment for Shares; Proration" of the Offer to Purchase), and any other documents required by the revised Letter of Transmittal, (x) in the case of Common Shares, within three New York Stock Exchange, Inc. trading days after the date of execution of this Notice of Guaranteed Delivery, or (y) in the case of Rights, within a period ending the later of (i) three New York Stock Exchange, Inc. trading days after the date of execution of this Notice of Guaranteed Delivery or (ii) three business days after the date Rights Certificates are distributed to shareholders.

The Eligible Institution that completes this form must communicate the guarantee to the Depository and must deliver the revised Letter of Transmittal and certificates for Common Shares and Rights to the Depository within the time period shown herein. Failure to do so could result in financial loss to such Eligible Institution.

Name of Firm: _____
(Authorized Signature)

Address: _____
(Include Zip Code)

Area Code and Telephone Number: _____

Name: _____
(Please Type or Print)

Title: _____

Dated: _____, 1998

NOTE: DO NOT SEND CERTIFICATES FOR COMMON SHARES OR RIGHTS WITH THIS NOTICE. SUCH CERTIFICATES SHOULD BE SENT WITH YOUR REVISED LETTER OF TRANSMITTAL.

SEASON ACQUISITION CORP.

A WHOLLY OWNED SUBSIDIARY OF
CENDANT CORPORATION

HAS INCREASED THE PRICE OF ITS
OFFER TO PURCHASE FOR CASH
23,501,260 SHARES OF COMMON STOCK
(INCLUDING THE ASSOCIATED PREFERRED STOCK PURCHASE RIGHTS)
OF
AMERICAN BANKERS INSURANCE GROUP, INC.
TO
\$67.00 NET PER SHARE

THE OFFER, PRORATION PERIOD AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00
MIDNIGHT, NEW YORK CITY TIME, ON FRIDAY, MARCH 27, 1998, UNLESS THE OFFER
IS EXTENDED.

March 16, 1998

To Brokers, Dealers, Commercial Banks,
Trust Companies and Other Nominees:

We have been engaged by Season Acquisition Corp., a New Jersey corporation ("Purchaser") and a wholly owned subsidiary of Cendant Corporation, a Delaware corporation ("Parent"), to act as Dealer Managers in connection with Purchaser's offer to purchase 23,501,260 outstanding shares of common stock, par value \$1.00 per share (the "Common Shares"), of American Bankers Insurance Group, Inc., a Florida corporation (the "Company"), including the associated Series C Preferred Stock Purchase Rights (the "Rights") issued pursuant to the Rights Agreement, dated as of February 19, 1998, between the Company and ChaseMellon Shareholder Services, L.L.C., as Rights Agent (as such agreement may be amended, the "Rights Agreement"), at a price of \$67.00 per Common Share, net to the seller in cash, without interest thereon, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated January 27, 1998 (the "Offer to Purchase"), the Supplement, dated March 16, 1998 (the "Supplement"), and the revised Letter of Transmittal (which, as amended from time to time, together constitute the "Offer") enclosed herewith. Unless the context requires otherwise, all references herein to Common Shares shall include the associated Rights, and all references to the Rights shall include the benefits that may inure to the holders of the Rights pursuant to the Rights Agreement, including the right to receive any payment due upon redemption of the Rights. Shares of \$3.125 Series B Cumulative Convertible Preferred Stock, no par value (the "Preferred Shares" and, together with the Common Shares, the "Shares"), of the Company may not be tendered pursuant to the Offer. In the event that a holder of Preferred Shares wants to tender such shares pursuant to the Offer, such holder must first convert the Preferred Shares into Common Shares pursuant to the terms of the Preferred Shares and then tender such Common Shares pursuant to the Offer.

Unless the Rights are redeemed prior to the Expiration Date (as defined in the Supplement) of the Offer, holders of Common Shares will be required to tender the associated Rights for each Common Share tendered in order to effect a valid tender of such Common Share. Accordingly, shareholders who sell their Rights separately from their Common Shares and do not otherwise acquire Rights may not be able to satisfy the requirements of the Offer for the tender of Common Shares. If the Distribution Date (as defined in the Supplement) has not occurred prior to the Expiration Date, a tender of Common Shares will also constitute a tender of the associated Rights. If the Distribution Date has occurred and Purchaser has waived that portion of the Rights Condition (as defined in the Offer to Purchase) requiring that a Distribution Date not have occurred and Rights Certificates (as defined in the Offer to Purchase) have been distributed to holders of Common Shares prior to the time a holder's Common Shares are purchased pursuant to the Offer, in order for Rights (and the corresponding Common Shares) to be validly tendered, Rights Certificates representing a number of Rights equal to the number of Common Shares tendered must be delivered to the Depository (as defined in the Supplement) or, if available, a Book-Entry Confirmation (as defined in the Offer to Purchase) must be received by the Depository with respect thereto. If the Distribution Date has occurred and Purchaser has waived

that portion of the Rights Condition requiring that a Distribution Date not have occurred and Rights Certificates have not been distributed prior to the time Common Shares are purchased pursuant to the Offer, Rights may be tendered prior to a shareholder receiving Rights Certificates by use of the guaranteed delivery procedure described in Section 3 of the Offer to Purchase and Section 2 of the Supplement. In any case, a tender of Common Shares constitutes an agreement by the tendering shareholder to deliver Rights Certificates representing a number of Rights equal to the number of Common Shares tendered pursuant to the Offer to the Depository within three business days after the date that Rights Certificates are distributed. Purchaser reserves the right to require that the Depository receive Rights Certificates, or a Book-Entry Confirmation, if available, with respect to such Rights prior to accepting the related Common Shares for payment pursuant to the Offer if the Distribution Date has occurred prior to the Expiration Date.

If a shareholder desires to tender Common Shares and Rights pursuant to the Offer and such shareholder's Common Share Certificates (as defined in the Offer to Purchase) or, if applicable, Rights Certificates are not immediately available (including, if the Distribution Date has occurred and Purchaser waives that portion of the Rights Condition requiring that a Distribution Date not have occurred, because Rights Certificates have not yet been distributed) or time will not permit all required documents to reach the Depository prior to the Expiration Date or the procedure for book-entry transfer cannot be completed on a timely basis, such Common Shares or Rights may nevertheless be tendered according to the guaranteed delivery procedures set forth in Section 3 of the Offer to Purchase and Section 2 of the Supplement. See Instruction 2 of the revised Letter of Transmittal. Delivery of documents to the Book-Entry Transfer Facility (as defined in the Offer to Purchase) in accordance with the Book-Entry Transfer Facility's procedures does not constitute delivery to the Depository.

THE OFFER IS CONDITIONED UPON, AMONG OTHER THINGS, (1) THERE BEING VALIDLY TENDERED AND NOT PROPERLY WITHDRAWN PRIOR TO THE EXPIRATION OF THE OFFER A NUMBER OF COMMON SHARES WHICH, TOGETHER WITH SHARES OWNED BY PARENT AND PURCHASER, CONSTITUTE AT LEAST 51% OF THE COMMON SHARES OUTSTANDING ON A FULLY DILUTED BASIS, (2) PURCHASER BEING SATISFIED, IN ITS REASONABLE DISCRETION, THAT THE PROVISIONS OF SECTION 607.0901(2) OF THE FLORIDA BUSINESS CORPORATION ACT ARE INAPPLICABLE TO THE PROPOSED MERGER DESCRIBED IN THE OFFER TO PURCHASE, (3) PURCHASER BEING SATISFIED, IN ITS REASONABLE DISCRETION, THAT THE PROVISIONS OF SECTION 607.0902 OF THE FLORIDA BUSINESS CORPORATION ACT CONTINUE TO BE INAPPLICABLE TO THE ACQUISITION OF COMMON SHARES PURSUANT TO THE OFFER, (4) THE PURCHASE OF THE COMMON SHARES PURSUANT TO THE OFFER HAVING BEEN APPROVED FOR PURPOSES OF RENDERING THE SUPERMAJORITY VOTE REQUIREMENT OF ARTICLE VIII OF THE COMPANY'S THIRD AMENDED AND RESTATED ARTICLES OF INCORPORATION INAPPLICABLE TO PARENT AND PURCHASER, (5) THE PREFERRED STOCK PURCHASE RIGHTS HAVING BEEN REDEEMED BY THE COMPANY OR PURCHASER BEING SATISFIED, IN ITS REASONABLE DISCRETION, THAT THE RIGHTS ARE INVALID OR OTHERWISE INAPPLICABLE TO THE OFFER AND THE PROPOSED MERGER, (6) THE LOCKUP OPTION HELD BY AMERICAN INTERNATIONAL GROUP, INC. TO PURCHASE UP TO 19.9% OF THE OUTSTANDING COMMON SHARES HAVING BEEN TERMINATED OR INVALIDATED WITHOUT ANY COMMON SHARES HAVING BEEN ISSUED THEREUNDER, AND (7) PARENT AND PURCHASER HAVING OBTAINED ALL INSURANCE REGULATORY APPROVALS NECESSARY FOR THEIR ACQUISITION OF CONTROL OVER THE COMPANY'S INSURANCE SUBSIDIARIES ON TERMS AND CONDITIONS SATISFACTORY TO PURCHASER, IN ITS REASONABLE DISCRETION.

For your information and for forwarding to your clients for whom you hold Common Shares registered in your name or in the name of your nominee, or who hold Common Shares registered in their own names, we are enclosing the following documents:

1. Supplement, dated March 16, 1998;
2. Revised Letter of Transmittal to be used by holders of shares in accepting the Offer and tendering Common Shares and Rights;
3. Revised Notice of Guaranteed Delivery to be used to accept the Offer if the certificates evidencing such Common Shares and Rights are not immediately available or time will not permit all required documents to reach the Depository prior to the Expiration Date or the procedure for book-entry transfer cannot be completed on a timely basis;
4. A letter which may be sent to your clients for whose accounts you hold Common Shares registered in your name or in the name of your nominees, with space provided for obtaining such clients' instructions with regard to the Offer;
5. Guidelines of the Internal Revenue Service for Certification of Taxpayer Identification Number on Substitute Form W-9; and
6. Return envelope addressed to the Depository.

Upon the terms and subject to the conditions of the Offer (including, if the Offer is extended or amended, the terms and conditions of any such extension or amendment), Purchaser will purchase, by accepting for payment, and will pay for, all Common Shares (and, if applicable, Rights) validly tendered prior to the Expiration Date promptly after the later to occur of (i) the Expiration Date and (ii) the

satisfaction or waiver of the regulatory conditions set forth in "Conditions of the Offer" of the Offer to Purchase. For purposes of the Offer, Purchaser will be deemed to have accepted for payment, and thereby purchased, tendered Common Shares and Rights if, as and when Purchaser gives oral or written notice to the Depositary of Purchaser's acceptance of such Common Shares and Rights for payment. In all cases, payment for Common Shares and Rights purchased pursuant to the Offer will be made only after timely receipt by the Depositary of (i) the certificates evidencing such Common Shares and Rights or timely confirmation of a book-entry transfer of such Common Shares and Rights, if such procedure is available, into the Depositary's account at The Depositary Trust Company pursuant to the procedures set forth in "Procedures for Tendering Common Shares" of the Offer to Purchase, as supplemented by the Supplement, (ii) the revised Letter of Transmittal (or facsimile thereof), properly completed and duly executed, or an Agent's Message (as defined in the Offer to Purchase) and (iii) any other documents required by the revised Letter of Transmittal.

Purchaser will not pay any fees or commissions to any broker or dealer or any other person (other than the Dealer Managers and the Information Agent as described in "Fees and Expenses" of the Offer to Purchase) in connection with the solicitation of tenders of Common Shares and Rights pursuant to the Offer. Purchaser will, however, upon request, reimburse you for customary mailing and handling expenses incurred by you in forwarding the enclosed materials to your clients.

Purchaser will pay any stock transfer taxes incident to the transfer to it of validly tendered Common Shares, except as otherwise provided in Instruction 6 of the revised Letter of Transmittal.

YOUR PROMPT ACTION IS REQUESTED. WE URGE YOU TO CONTACT YOUR CLIENTS AS PROMPTLY AS POSSIBLE. THE OFFER, PRORATION PERIOD AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON FRIDAY, MARCH 27, 1998, UNLESS THE OFFER IS EXTENDED.

In order to take advantage of the Offer, a duly executed and properly completed Letter of Transmittal (or facsimile thereof), with any required signature guarantees and any other required documents, should be sent to the Depositary, and certificates evidencing the tendered Common Shares should be delivered or such Common Shares and Rights should be tendered by book-entry transfer, all in accordance with the Instructions set forth in the revised Letter of Transmittal, the Supplement and the Offer to Purchase.

If holders of Common Shares and Rights wish to tender, but it is impracticable for them to forward their certificates or other required documents prior to the Expiration Date, a tender may be effected by following the guaranteed delivery procedures specified under "Procedures for Tendering Common Shares" of the Offer to Purchase, as supplemented by the Supplement.

Any inquiries you may have with respect to the Offer should be addressed to the Dealer Managers or the Information Agent at their respective addresses and telephone numbers set forth on the back cover page of the Offer to Purchase.

Additional copies of the enclosed materials may be obtained from Lehman Brothers at 3 World Financial Center, New York, New York 10285, telephone (212) 526-1849 (Call Collect), from Merrill Lynch & Co., at World Financial Center, North Tower, New York, New York 10281-1305, telephone (212) 449-8971 (Call Collect), from the Information Agent, Innisfree M&A Incorporated, 501 Madison Avenue, 20th Floor, New York, New York 10022, telephone (212) 750-5833 or call toll-free (888) 750-5834, or from brokers, dealers, commercial banks or trust companies.

Very truly yours,

LEHMAN BROTHERS

MERRILL LYNCH & CO.

NOTHING CONTAINED HEREIN OR IN THE ENCLOSED DOCUMENTS SHALL CONSTITUTE YOU OR ANY OTHER PERSON AS AN AGENT OF PARENT, PURCHASER, THE DEPOSITARY, THE INFORMATION AGENT OR THE DEALER MANAGERS, OR ANY AFFILIATE OF ANY OF THE FOREGOING, OR AUTHORIZE YOU OR ANY OTHER PERSON TO USE ANY DOCUMENT OR MAKE ANY STATEMENT ON BEHALF OF ANY OF THEM IN CONNECTION WITH THE OFFER OTHER THAN THE DOCUMENTS ENCLOSED AND THE STATEMENTS CONTAINED THEREIN.

SEASON ACQUISITION CORP.

A WHOLLY OWNED SUBSIDIARY OF
CENDANT CORPORATION

HAS INCREASED THE PRICE OF ITS
OFFER TO PURCHASE FOR CASH
23,501,260 SHARES OF COMMON STOCK
(INCLUDING THE ASSOCIATED PREFERRED STOCK PURCHASE RIGHTS)
OF
AMERICAN BANKERS INSURANCE GROUP, INC.
TO
\$67.00 NET PER SHARE

THE OFFER, PRORATION PERIOD AND WITHDRAWAL RIGHTS WILL EXPIRE AT
12:00 MIDNIGHT, NEW YORK CITY TIME, ON FRIDAY, MARCH 27, 1998, UNLESS THE
OFFER IS EXTENDED.

March 16, 1998

To Our Clients:

Enclosed for your consideration is the Supplement, dated March 16, 1998 (the "Supplement"), to the Offer to Purchase, dated January 27, 1998 (the "Offer to Purchase"), and the revised Letter of Transmittal (which, as amended from time to time, together constitute the "Offer") in connection with the offer by Season Acquisition Corp., a New Jersey corporation ("Purchaser") and a wholly owned subsidiary of Cendant Corporation, a Delaware corporation ("Parent"), to purchase 23,501,260 outstanding shares of common stock, par value \$1.00 per share (the "Common Shares"), of American Bankers Insurance Group, Inc., a Florida corporation (the "Company"), including the associated Series C Preferred Stock Purchase Rights (the "Rights") issued pursuant to the Rights Agreement, dated as of February 19, 1998, between the Company and ChaseMellon Shareholder Services, L.L.C., as Rights Agent (as such agreement may be amended, the "Rights Agreement"), at a price of \$67.00 per Common Share, net to the seller in cash, without interest thereon, upon the terms and subject to the conditions set forth in the Offer. Unless context otherwise requires, all references to the Common Shares shall include the associated Rights, and all references to the Rights shall include the benefits that may inure to holders of the Rights pursuant to the Rights Agreement, including the right to receive any payment due upon redemption of the Rights. Shares of \$3.125 Series B Cumulative Convertible Preferred Stock, no par value (the "Preferred Shares" and, together with the Common Shares, the "Shares"), of the Company may not be tendered pursuant to the Offer. In the event that a holder of Preferred Shares wants to tender such shares pursuant to the Offer, such holder must first convert the Preferred Shares into Common Shares pursuant to the terms of the Preferred Shares and then tender such Common Shares pursuant to the Offer.

Unless the Rights are redeemed prior to the Expiration Date (as defined in the Supplement), holders of Common Shares will be required to tender one associated Right for each Common Share tendered in order to effect a valid tender of such Common Share. Accordingly, shareholders who sell their Rights separately from their Common Shares and do not otherwise acquire Rights may not be able to satisfy the requirements of the Offer for the tender of Common Shares. If the Distribution Date (as defined in the Supplement) has not occurred prior to the Expiration Date, a tender of Common Shares will also constitute a tender of the associated Rights. If the Distribution Date has occurred and (i) Purchaser has waived that portion of the Rights Condition (as defined in the Offer to Purchase) requiring that a Distribution Date not have occurred and (ii) Rights Certificates (as defined in the Offer to Purchase) have been distributed to holders of Common Shares prior to the time a holder's Common Shares are purchased pursuant to the Offer, in order for Rights (and the corresponding Common Shares) to be validly tendered, Rights Certificates representing a number of Rights equal to the number of Common Shares tendered must be delivered to the Depository (as defined in the Supplement) or, if available, a Book-Entry Confirmation (as defined in the Offer to Purchase)

must be received by the Depository with respect thereto. If the Distribution Date has occurred and (i) Purchaser has waived that portion of the Rights Condition requiring that a Distribution Date not have occurred and (ii) Rights Certificates have not been distributed prior to the time Common Shares are purchased pursuant to the Offer, Rights may be tendered prior to a shareholder receiving Rights Certificates by use of the guaranteed delivery procedure described in Section 3 of the Offer to Purchase. In any case, a tender of Common Shares constitutes an agreement by the tendering shareholder to deliver Rights Certificates representing a number of Rights equal to the number of Common Shares tendered pursuant to the Offer to the Depository within three business days after the date that Rights Certificates are distributed. Purchaser reserves the right to require that the Depository receive Rights Certificates, or a Book-Entry Confirmation, if available, with respect to such Rights prior to accepting the related Common Shares for payment pursuant to the Offer if the Distribution Date has occurred prior to the Expiration Date.

If a shareholder desires to tender Common Shares and Rights pursuant to the Offer and such shareholder's Common Share Certificates (as defined in the Offer to Purchase) or, if applicable, Rights Certificates are not immediately available (including, if the Distribution Date has occurred and Purchaser waives that portion of the Rights Condition requiring that a Distribution Date not have occurred, because Rights Certificates have not yet been distributed) or time will not permit all required documents to reach the Depository prior to the Expiration Date or the procedure for book-entry transfer cannot be completed on a timely basis, such Common Shares or Rights may nevertheless be tendered according to the guaranteed delivery procedures set forth in Section 3 of the Offer to Purchase and Section 2 of the Supplement. See Instruction 2 of the revised Letter of Transmittal. Delivery of documents to the Book-Entry Transfer Facility (as defined in the Offer to Purchase) in accordance with the Book-Entry Transfer Facility's procedures does not constitute delivery to the Depository.

THE MATERIAL IS BEING SENT TO YOU AS THE BENEFICIAL OWNER OF COMMON SHARES HELD BY US FOR YOUR ACCOUNT BUT NOT REGISTERED IN YOUR NAME. WE ARE THE HOLDER OF RECORD OF COMMON SHARES HELD BY US FOR YOUR ACCOUNT. A TENDER OF SUCH COMMON SHARES CAN BE MADE ONLY BY US AS THE HOLDER OF RECORD AND PURSUANT TO YOUR INSTRUCTIONS. THE REVISED LETTER OF TRANSMITTAL IS FURNISHED TO YOU FOR YOUR INFORMATION ONLY AND CANNOT BE USED BY YOU TO TENDER COMMON SHARES HELD BY US FOR YOUR ACCOUNT.

We request instructions as to whether you wish to have us tender on your behalf any or all of the Common Shares held by us for your account, upon the terms and subject to the conditions set forth in the Offer.

Your attention is invited to the following:

1. The tender price has been increased to \$67.00 per Common Share, net to the seller in cash, without interest thereon.
2. The Offer, proration period and withdrawal rights will expire at 12:00 Midnight, New York City time, on Friday, March 27, 1998, unless the Offer is extended.
3. The Offer is being made for 23,501,260 outstanding Common Shares.
4. The Offer is conditioned upon, among other things, (1) there being validly tendered and not properly withdrawn prior to the expiration of the Offer a number of Common Shares which, together with Shares owned by Parent and Purchaser, constitute at least 51% of the Common Shares outstanding on a fully diluted basis, (2) Purchaser being satisfied, in its reasonable discretion, that the provisions of Section 607.0901(2) of the Florida Business Corporation Act are inapplicable to the Proposed Merger described in the Offer to Purchase, (3) Purchaser being satisfied, in its reasonable discretion, that the provisions of Section 607.0902 of the Florida Business Corporation Act continue to be inapplicable to the acquisition of Common Shares pursuant to the Offer, (4) the purchase of the Common Shares pursuant to the Offer having been approved for purposes of rendering the supermajority vote requirements of Article VIII of the Company's Third Amended and Restated Articles of Incorporation inapplicable to Parent and Purchaser, (5) the Preferred Stock Purchase Rights having been redeemed by the Company or Purchaser being satisfied, in its reasonable discretion, that the Rights are invalid or otherwise inapplicable to the Offer and the Proposed Merger, (6) the Lockup Option held by American International Group, Inc. to purchase up to 19.9% of the outstanding Common Shares having been terminated or invalidated without any Common Shares having been issued thereunder, and (7) Parent and Purchaser having obtained all insurance regulatory approvals necessary for their acquisition of control over the Company's insurance subsidiaries on terms and conditions satisfactory to Purchaser, in its reasonable discretion.
5. Tendering shareholders will not be obligated to pay brokerage fees or commissions or, except as set forth in Instruction 6 of the revised Letter of Transmittal, stock transfer taxes on the purchase of Common Shares by Purchaser pursuant to the Offer.

The Offer is made solely by the Offer to Purchase, the Supplement and the revised Letter of Transmittal and is being made to all holders of Common

Shares. Purchaser is not aware of any state where the making of the Offer is prohibited by administrative or judicial action pursuant to any valid state statute. If Purchaser becomes aware of any valid state statute prohibiting the making of the Offer or the

acceptance of Common Shares pursuant thereto, Purchaser will make a good faith effort to comply with such state statute. If, after such good faith effort, Purchaser cannot comply with such state statute, the Offer will not be made to (nor will tenders be accepted from or on behalf of) the holders of Common Shares in such state. In any jurisdiction where the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer, the Offer shall be deemed to be made on behalf of Purchaser by the Dealer Managers or one or more registered brokers or dealers licensed under the laws of such jurisdiction.

If you wish to have us tender any or all of your Common Shares, please so instruct us by completing, executing and returning to us the instruction form contained in this letter. An envelope in which to return your instructions to us is enclosed. If you authorize the tender of your Common Shares, all such Common Shares will be tendered unless otherwise specified on the instruction form set forth in this letter. YOUR INSTRUCTIONS SHOULD BE FORWARDED TO US IN AMPLE TIME TO PERMIT US TO SUBMIT A TENDER ON YOUR BEHALF PRIOR TO THE EXPIRATION OF THE OFFER.

INSTRUCTIONS WITH RESPECT TO THE OFFER
TO PURCHASE FOR CASH 23,501,260 OUTSTANDING SHARES OF COMMON STOCK
OF
AMERICAN BANKERS INSURANCE GROUP, INC.

The undersigned acknowledge(s) receipt of your letter and the enclosed Supplement, dated March 16, 1998, and the revised Letter of Transmittal (which, as amended from time to time, together constitute the "Offer"), in connection with the offer by Season Acquisition Corp., a New Jersey corporation ("Purchaser") and a wholly owned subsidiary of Cendant Corporation, a Delaware corporation ("Parent"), to purchase 23,501,260 outstanding shares of common stock, par value \$1.00 per share (the "Common Shares"), of American Bankers Insurance Group, Inc., a Florida corporation (the "Company"), including the associated Series C Preferred Stock Purchase Rights (the "Rights") issued pursuant to the Rights Agreement, dated as of February 19, 1998, between the Company and ChaseMellon Shareholder Services, L.L.C., as Rights Agent (as such agreement may be amended, the "Rights Agreement"). Unless context otherwise requires, all references to the Common Shares shall include the associated Rights, and all references to the Rights shall include the benefits that may inure to holders of the Rights pursuant to the Rights Agreement, including the right to receive any payment due upon redemption of the Rights.

This will instruct you to tender to Purchaser the number of Common Shares and Rights indicated below (or, if no number is indicated in either appropriate space below, all Common Shares and Rights) held by you for the account of the undersigned, upon the terms and subject to the conditions set forth in the Offer.

NUMBER OF COMMON SHARES AND RIGHTS
TO BE TENDERED:*

_____ Common Shares and Rights

ACCOUNT NUMBER:

Dated: _____, 1998

SIGN HERE

SIGNATURE(S)

PLEASE TYPE OR PRINT NAME(S)

PLEASE TYPE OR PRINT ADDRESS(ES) HERE

AREA CODE AND TELEPHONE NUMBER

TAXPAYER IDENTIFICATION OR SOCIAL
SECURITY NUMBER(S)

* Unless otherwise indicated, it will be assumed that all Common Shares and Rights held by us for your account are to be tendered.

For Immediate Release

CENDANT INCREASES OFFER
FOR AMERICAN BANKERS TO \$67 PER SHARE

Stamford, CT and Parsippany, NJ, March 16, 1998 -- Cendant Corporation (NYSE: CD) announced today that it has increased its offer to buy American Bankers Insurance Group Inc. (NYSE: ABI) to a price of \$67 per share. Cendant will purchase 23.5 million shares of American Bankers through a cash tender offer, and will pay \$67 per share in Cendant shares for the remainder of American Bankers shares outstanding. The total consideration of Cendant's offer on a fully diluted basis is \$3.1 billion, a 15.5% premium over AIG's \$2.7 billion offered on the same basis. The tender offer will expire at 12:00 midnight, New York City time, on Friday, March 27, 1998.

"Since the commencement of our offer, it has been our belief that the acquisition of American Bankers should be based on value, and once again, we are offering a higher price for American Bankers than is AIG.

"We continue to expect the acquisition to be accretive in 1998, even at this new price. We remain committed to acquiring American Bankers because of the compelling strategic and economic benefits which will result from combining our direct marketing strengths, distribution channels and customer base with American Bankers' products and customer relationships," said Walter A. Forbes, Chairman, and Henry R. Silverman, President and Chief Executive Officer of Cendant.

The Information Agent for the Cendant offer is Innisfree M&A Incorporated. The Dealer Managers are Lehman Brothers and Merrill Lynch & Co.

Cendant (NYSE: CD) is the world's premier provider of consumer and business services. With a market capitalization in excess of \$30 billion, it ranks among the 100 largest U.S. corporations. Cendant operates in three principal segments: Membership, Travel and Real Estate Services. In Membership Services, Cendant provides access to travel, shopping, auto, dining, and other services through more than 66.5 million

memberships worldwide. In Travel Services, Cendant is the leading franchisor of hotels and rental car agencies worldwide, the premier provider of vacation exchange services and the second largest fleet management company. In Real Estate Services, Cendant is the world's premier franchisor of residential real estate brokerage offices, a major provider of mortgage services to consumers and a global leader in corporate employee relocation. Headquartered in Stamford, CT and Parsippany, NJ, the company has more than 35,000 employees, operates in over 100 countries and makes approximately 100 million customer contacts annually.

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