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Insurance Commissioner Steve Poizner Issues Statement on Federal AIG Action and its Effect on AIG-Owned Insurance Companies in California

SACRAMENTO — Insurance Commissioner Steve Poizner issued the following statement regarding the two dozen companies under the AIG corporate umbrella that are licensed to sell insurance in California.

"I have made monitoring the AIG issue the No. 1 priority of my department. The Federal action offers maximum protection for AIG insurance customers in California and elsewhere. The loan does not create any lien obligations on any of the AIG insurance assets, ensuring that their claims-paying capacity remains strong.

"Even prior to action taken by the Federal government, the companies owned by AIG had the risk-based capital required to operate in the California market. The financial issues all come from the parent company, AIG, and not its subsidiary insurance companies. The AIG-affiliated insurance companies remain solid. We will continue to closely monitor these companies for any changes in their financial condition.

"Should AIG decide to sell any of the insurance companies domiciled in California or those that do business in California, I will closely scrutinize those proposed sales to ensure that consumers receive the protections they deserve.

"Because insurance companies are regulated by the state in which they are domiciled, New York bears the brunt of this regulatory work load. I called my counterpart in New York earlier in the week to offer assistance. He deserves a lot of credit for negotiating a deal that provides maximum protection to policyholders and soothes concerns of the financial markets. We will also continue communicating and working with the National Association of Insurance Commissioners, the body that routinely coordinates the actions of the state Insurance Commissioners."

Background Facts:

- In 2007, AIG was a significant player in the California insurance market. AIG-owned companies had 1.5 percent of the homeowners insurance market (\$98 million in written premiums), 8 percent of the workers compensation market (\$725 million in written premiums) and 7 percent of the auto insurance market (\$1.5 billion in written premium).
- Generally, the California Department of Insurance (CDI) regulates individual insurance companies and not their holding companies.
- AIG owns more than two dozen companies licensed to transact insurance in California. Those companies are 21st Century Casualty Company; 21st Century Insurance Company; AIG Casualty Company; AIG Centennial Insurance Company; AIG Premier Insurance Company; AIU Insurance Company; American General Indemnity Company; American Home Assurance Company; American International Insurance Company Of California, Inc.; Birmingham Fire Insurance Company Of Pennsylvania; Commerce And Industry Insurance Company; GE Auto & Home Assurance Company; GE Indemnity Insurance Company; Granite State Insurance Company; Hartford Steam Boiler Inspection And Insurance Company; Insurance Company Of The State Of Pennsylvania; Landmark Insurance Company; National Union Fire Insurance Company Of Pittsburgh, Pa; New Hampshire Insurance Company; Pacific Assurance; Putnam Reinsurance Company; Transatlantic Reinsurance Company; United Guaranty Commercial Insurance Co. Of North Carolina; United Guaranty Credit Insurance Company; United Guaranty Residential Insurance Company; and Yosemite Insurance Company.

If consumers have questions regarding AIG or any other insurance matter, they should contact CDI at 800-927-HELP.

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should be directed to the Consumer Hotline at 800.927.HELP. Callers from out of state, please dial 213.897.8921. Telecommunications Devices for the Deaf (TDD), please dial 800.482.4833.

If you are a member of the public wishing information, please visit our [Consumer Services](#).