

For immediate release: Sep 18, 2008

Policyholder protection is top priority in state regulation of AIG

AIG's State-Regulated Insurance Subsidiaries Are Solvent

JEFFERSON CITY, MO — In the wake of the financial troubles surrounding certain business sections of the American International Group (AIG), the Missouri Department of Insurance, Financial Institutions and Professional Registration has been working closely with regulators from other states to make sure insurance consumers are protected. The department is coordinating efforts with other states in which AIG conducts business and with the National Association of Insurance Commissioners (NAIC) to monitor the ongoing operations of the company. At this time, there exists no indication that the company would not be able to pay consumers' insurance claims as those arise.

NAIC President Sandy Praeger today issued the following statement regarding the Federal Reserve's action in response to financial issues facing American International Group (AIG):

"We have been actively participating and aiding the efforts to shore up the federally regulated portions of AIG that were under intense stress.

"As always, the primary concern of state regulators is the continuing ability of insurance companies to meet consumer expectations and pay claims. The 71 state-regulated insurance companies within AIG did not receive a bailout; they are financially solvent. The federal bailout of the non-insurance portions of AIG does not negatively change the solvency strength of its insurance subsidiaries.

"State insurance regulators have done what we do best. We worked together — under the leadership of New York State Insurance Superintendent Eric Dinallo and Pennsylvania Insurance Commissioner Joel Ario — to ensure that the AIG insurance companies and the consumers they serve were not harmed by the financial troubles of the parent company.

"In discussions with AIG and the federal government, our top priority was to take whatever steps necessary to protect the ability of the insurance companies to pay claims, as well as to assist the federal government in their efforts to stabilize the broader market.

"State insurance regulators are committed to continuing to work cooperatively with each other — as well as with AIG, its insurance company affiliates and the federal government — as any necessary sales of AIG insurance assets proceed. We will evaluate any potential transactions made during this process, with the ultimate goal of ensuring that policyholders remain protected."

The Missouri Department will continue to work with federal and state regulators to ensure that insurance consumers in Missouri receive the coverage for which they paid and deserve. Consumers may view a list of Frequently Asked Questions on the NAIC's Web site at http://naic.org/index_AIG_consumer_FAQ.htm

About the Missouri Department of Insurance, Financial Institutions & Professional Registration

The Missouri Department of Insurance, Financial Institutions and Professional Registration (DIFP) is responsible for consumer protection through the regulation of financial industries and professionals. The department's seven divisions work to maintain consumer confidence by examining and monitoring industries and professions and by establishing coherent and evolving policies. DIFP works to enforce state regulations both efficiently and effectively while encouraging a competitive environment for industries and professions to ensure consumers have access to quality products.

For further information, contact: [the department](#) at (573) 526-4845.