



NAIC News Release
National Association of
Insurance Commissioners

FOR IMMEDIATE RELEASE

POLICYHOLDER PROTECTION IS TOP PRIORITY

AIG's State-Regulated Insurance Subsidiaries Are Solvent

KANSAS CITY, Mo. (Sept. 17, 2008) — National Association of Insurance Commissioners (NAIC) President and Kansas Insurance Commissioner Sandy Praeger today issued the following statement regarding the Federal Reserve's action in response to financial issues facing American International Group (AIG):

“State insurance regulators commend the Federal Reserve on its move to provide a line of credit to AIG's financial holding company. 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.”



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About the NAIC

Formed in 1871, the National Association of Insurance Commissioners (NAIC) is a voluntary organization of the chief insurance regulatory officials of the 50 states, the District of Columbia and five U.S. territories. The NAIC has three offices: Executive Office, Washington, D.C.; Central Office, Kansas City, Mo.; and Securities Valuation Office, New York City.

The NAIC serves the needs of consumers and the industry, with an overriding objective of supporting state insurance regulators as they protect consumers and maintain the financial stability of the insurance marketplace. For more information, visit www.naic.org.

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