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For immediate release:
Sept. 16, 2008

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Oregon AIG policyholders are safe, Insurance Division says

(Salem) — Despite financial issues facing American International Group (AIG), AIG insurance companies are solvent and have the capability to pay claims, the Oregon Department of Consumer and Business Services Insurance Division said today. Anyone covered by AIG insurance companies can expect their claims to be paid as usual.

As a holding company, AIG is a separate, federally regulated legal entity that is distinct and apart from its subsidiary insurers. The subsidiary insurers are governed by state laws designed to protect the interest of policyholders. The Insurance Division monitors AIG insurance companies and any other company that is licensed to transact insurance in Oregon to make sure it is financially sound and can pay claims.

“AIG’s insurance subsidiaries are healthy,” said Scott Kipper, Insurance Division administrator. “We are committed to protecting the interests of Oregon policyholders and will work with other state regulators to ensure the subsidiaries continue to have the ability to pay claims.”

Oregon insurance regulators are staying in close touch with their counterparts in other states to monitor developments relating to the holding company and their implications for the insurance subsidiaries. For example, it is possible that some subsidiaries would be sold, which would require regulatory approval by the states where the subsidiaries are headquartered.

State regulators have numerous actions they can take to prevent an insurer from failing, and claims from individual policyholders are given priority over other creditors in these matters. If an insurer does become insolvent, then in the unlikely event that assets are not enough to cover claims, consumers still are protected by state guaranty funds.

AIG provides a range of insurance products in Oregon including, property, casualty, auto, workers’ compensation, life, and annuities. For a list of AIG subsidiaries, go to www.insurance.oregon.gov. Policyholders with questions can call the Insurance Division’s Consumer Advocacy Unit at 1-888-877-4894. Check www.insurance.oregon.gov for updates and more information.

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The Insurance Division, part of the Department of Consumer & Business Services, helps ensure the financial soundness of insurers, the fair treatment of consumers, and the affordability and availability of insurance products. For more information, visit www.insurance.oregon.gov.

The Department of Consumer and Business Services is Oregon’s largest business regulatory and consumer protection agency. For more information, visit www.dcbs.oregon.gov.