

AIG Insurance Customers Were Safe

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Your editorial "[The Latest AIG Story](#)" (Jan. 28) calls into question the accuracy of state insurance regulators' assertions about our authority and involvement in the events leading up to federal intervention at AIG, as well as our ability to protect AIG policyholders. While we do not seek to join the political theater that has accompanied the necessary oversight of that federal intervention, the questions you raise deserve a response.

First, state insurance regulators had the ability and the legal authority to seize AIG's insurance subsidiaries from the holding company, if needed, to protect AIG policyholders through our state receivership and guaranty fund systems. This fact is acknowledged in Treasury Secretary Timothy Geithner's written testimony before Congress.

Second, AIG's insurance subsidiaries continue to be solvent, pay claims, and represent the best chance for generating the value necessary to repay American taxpayers.

Third, we believe that Secretary Geithner and others within the federal government, stepped in to prevent the failure of AIG—not to reward Wall Street or to protect AIG's insurance policyholders but to avert a rapidly expanding and worsening financial crisis from spiraling out of control.

The protection we provide American insurance consumers, including those at AIG, partly explains the relative strength of the insurance sector when compared to other areas of the financial markets. It is these other sectors that were predominantly responsible for the dramatic action by governments around the world.

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