

17<sup>th</sup> September 2008, 11.30am

### **Reassurance for New Zealanders on AIG situation**

The latest company to be affected by the turmoil in US financial markets is insurer American International Group who need a significant bridge loan, new capital or relief from ratings agencies in order to avoid bankruptcy. In New Zealand it owns two separate businesses, AIG Life and AIG New Zealand, which are the Foreign General Segment of the parent company.

A statement released to C&G Rothbury on 16<sup>th</sup> September from AIG New Zealand CEO Rob Ryan stated that the challenges being faced by their parent company “do not impact the Foreign General Segment’s capital position”.

“The liquidity of the Foreign General segment remains very strong. The Foreign General segment's ability to pay claims and its commitment to writing challenging risks is undiminished.”

This has been supported by a Bloomberg press release at the close of the US business day (9.30am, 17-Sep NZ time) in which AIG addressed policy holder concerns. “AIG continues to pursue alternatives to increase short-term liquidity in the parent company. Those plans do not include any effort to reduce the capital of any of its subsidiaries or to tap into Asian operations for liquidity.”

C&G Rothbury Managing Director Roger Abel comments, “We are in close contact with AIG New Zealand and are watching this situation carefully. I expect AIG to confirm later today that their Standard and Poor’s rating has been downgraded to A+ (Strong) from AA+ (Very Strong).”

“C&G Rothbury are committed to acting in our clients best interests and will keep our brokers and clients informed of any changes in the situation.”

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