

Is AIG Still Insuring Acupuncturists?

Editorial Staff

At the beginning of last year, the [media was buzzing](#) about the stability of American International Group, otherwise known as AIG. As had been widely reported, AIG Insurance Company was not considered financially viable after engaging in billions of dollars of extremely speculative investments known as credit swaps.¹

In order to prevent AIG from failing, the federal government gave a \$160 billion dollar bailout that also involved the government taking an 80 percent ownership in the company. That amount later proved to be insufficient, and the government gave AIG another \$30 billion. In an effort to create a new image, AIG became AIU Holdings, Inc. According to [one analyst](#) late last year, it is "estimated AIG's property/casualty operations could face an \$11 billion reserve deficiency" this year. Their report further stated, "the majority of the possible deficiency is in three lines of coverage: workers compensation, general liability and professional liability."²

Reserves are the amount that insurers set aside to cover claims on policies they have already written. These reserves may be required to cover claims that have occurred several years earlier.

In the acupuncture profession, AIG malpractice insurance has been sold under "Lexington" and "National Union," both AIG affiliate companies. When an inquiry was made last August, the [Wood Insurance Group](#), which sells insurance to the health care industry, reported that they hadn't sold malpractice insurance underwritten by AIG or their affiliate companies for the previous two years.

However, new information suggests that this may not be the case. Unfortunately, efforts to verify (via phone, fax and e-mail) if AIG policies have been, or are being, written have been ignored by the Wood Group. In the latest effort to gain this information, the following questions were both faxed and e-mailed:

- Had the Wood Group in the past been placing any of their clients with an AIG-affiliated company?
- If yes, what was the name of the company and when did the Wood Group stop placing their clients with it?
- Did the Wood Group use Lexington or National Union?
- Is the Wood Group still writing policies with Lexington and National Union?
- When did the Wood Group stop using them? (if they have done so)
- When their policyholders switched companies, did their policyholders receive "tail coverage"?
- If not, why not?

While answers to these questions are still not forthcoming, *Acupuncture Today* will continue to watch this story closely.

References

1. [AIG coverage.](http://www.businessinsurance.com/article/99999999/PAGES/1159) *Business Insurance* www.businessinsurance.com/article/99999999/PAGES/1159
2. [AIG shares fall after analyst questions reserves.](#) *Business Insurance* Nov. 30, 2009.
3. www.businessinsurance.com/article/20091130/NEWS01/911309994#

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