

23/01/1999

AIG working on special crisis panel

THE American International Group Inc, the largest life insurance company in Southeast Asia, has led the way in getting the Council of Foreign Relations of the United States to create a special commission which will help countries in temporary distress.

Chairman Maurice Greenberg said the recent economic and financial turmoil in Southeast Asia had led to much hardship and a lot needed to be done to prevent a recurrence of these problems.

"In this connection, AIG led the way to create the commission made up of world class individuals to recommend institutional changes including the possible creation of new multilateral organisations to aid countries in temporary distress."

He was speaking at AIA Malaysia's 50th anniversary dinner in Kuala Lumpur yesterday.

The dinner was officiated by Prime Minister Datuk Seri Dr Mahathir Mohamad.

Greenberg said AIG, which wholly owns AIA, had been a supporter of local investment opportunities.

"In the late 1980s, we led the first investment mission of potential business investors to Malaysia and we'll renew the practice in months ahead," he said.

He said AIA had invested in many important projects in the country. These included the Labuan water supply project and the Star LRT.

Greenberg also said that over 20 per cent of AIA's assets are invested in government bonds.

Life insurance, he said, performs an important role in nation building and life insurance companies channel local savings into government bonds and other long term investments.

"In AIA's case, all policyholders' reserves are invested locally. At the same time, this also provides our policyholders with financial security."

Highlighting AIA's contributions over the past 50 years, he said AIA had a strong distribution network of 22 branches in the country.

There are over one million policyholders served by 9,000 agents and over 800 AIA staff.

"When the financial crisis started in Asia, many Asian students were stranded in the US and unable to continue to pay for tuition, AIG quickly sponsored a fund to help these students in distress.

"In the case of Malaysia there were 113 such individuals," he said.

Earlier, AIA senior vice-president and general manager Edward J. Bush, in his welcome address, said the company was fully committed to serving the needs and requirements of all Malaysians for many years to come.

AIA, he said, was Malaysia's second largest life insurance company by market share, managing the financial resources of nearly one million Malaysians with 22 branch offices.

It has almost RM5 billion in total invested assets in Malaysia.

Bush, who had recently arrived in Malaysia, attributed AIA's long-term success in Malaysia to the company's initiative in providing the highest levels of quality service combined with the constant introduction of innovative products.

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