

Visit us daily for the latest industry news and insight.
www.insurance-news.net

insurance-news.net
Your Industry. Your Authority.

 Click to Print

Close this Window

38 more AIG Execs Get Retention Awards

Copyright 2008 Los Angeles Times All Rights Reserved **Los Angeles Times**

December 9, 2008 Tuesday Home Edition

SECTION: BUSINESS; Business Desk; Part C; Pg. 3

LENGTH: 390 words

HEADLINE: 38 more AIG execs get retention awards

BYLINE: Bloomberg News

American International Group Inc., the insurer whose bonuses and perks are under fire from U.S. lawmakers, offered cash awards to an additional 38 executives in a retention program with payments of as much as \$4 million.

The incentives range from \$92,500 to \$4 million for employees earning salaries of \$160,000 to \$1 million, Chief Executive Edward Liddy said in a Friday letter to U.S. Rep. Elijah E. Cummings (D-Md.)

The New York insurer had previously disclosed that 130 managers would get the awards and that one executive would get \$3 million.

"I remain concerned, as do many American taxpayers, that these retention payments are simply bonuses by another name," Cummings said in a letter responding to Liddy.

AIG, which received a federal rescue package of more than \$152 billion, has been criticized for saying it will eliminate bonuses for senior executives while still planning to hand out awards that double or triple the salaries of some managers.

The payments are designed to keep top employees at AIG while Liddy seeks to sell units and pay back the federal government, which owns 79.9% of AIG.

He acknowledged in the letter that the company was fortunate to benefit from the aid but said the company would be doing a disservice to taxpayers if it failed to act "decisively to ensure that our key employees remain."

Cummings, a member of the House Committee on Oversight and Government Reform, asked AIG to disclose how much each of the 168 recipients made in salary, bonuses and other kinds of pay. In a letter Monday, Cummings also asked for an estimate of what AIG would have spent on employee compensation in 2008 had the firm not sought U.S. help, compared with what it expected to spend.

AIG is selling businesses including its U.S. life-**insurance** and retirement-services operations. Collectively, the assets for sale equal almost 65% of the company and employ approximately 70,000 people, Liddy wrote. Total employment is about 116,000, he said.

AIG spokesman Joe Norton declined to comment. Another AIG spokesman, Nicholas Ashooh,

previously said that many AIG managers had lost their life savings.

AIG managers have overseen a record \$37.6 billion in net losses so far this year. Cummings has called for Liddy's resignation and said AIG should provide names of those getting retention pay and explain why the awards were needed.

LOAD-DATE: December 9, 2008

Copyright © 2008 LexisNexis, a division of Reed Elsevier Inc. All rights reserved.
Terms and Conditions Privacy Policy