

Insurers Could Be Next to Get Bailout Help

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The next beneficiary of the government's \$700 billion rescue fund approved by Congress earlier this month could be **insurance** companies, according to published reports.

The Treasury Department wants **insurance** companies to participate in the troubled asset relief program, or TARP, The Wall Street Journal reported, citing people familiar with the matter. The government could take [preferred equity](#) stakes in certain insurers, the paper said.

Only **insurance** companies with a financial institution holding company regulated at the federal level will be eligible for the initial program, the Journal said.

The federal government already has come to the rescue of **American International Group** (AIG:NYSE), the world's largest insurer, with an \$85 billion loan last month. The government has since made more money available to [AIG](#), as it has looked to sell assets to meet capital demands.

The TARP's first major initiative is a plan for the government to make \$250 billion in preferred equity investments in banks to shore up capital and encourage lending. Banks including **JPMorgan Chase** (JPM:NYSE), **Citigroup** (C:NYSE), **Bank of America** (BAC:NYSE), **Wells Fargo** (WFC:NYSE) and others have already agreed to participate in the program.

A host of [regional banks](#) are expected to receive investments by Monday. **PNC Financial Services** (PNC:NYSE) on Friday said it agreed to buy **National City** (NCC:NYSE) for \$5.2 billion in cash and stock, the same day it said it would be bolstered by the federal government's purchase of a \$7.7 billion preferred equity stake.

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