

AIG Names Subsidiary 'Chartis,' Appoints Moor CEO of Unit

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American International Group Inc., the insurer bailed out by the U.S., rebranded its property-casualty unit to further distance it from AIG and named Kristian Moor to head the business.

AIG picked "Chartis" as the name for AIU Holdings LLC, which was placed into a special purpose vehicle to prepare for a possible public offering of the business, AIG said in a statement today. Chartis was chosen after surveying 7,000 brokers, clients and employees about whether the unit needed a brand more distinct from its parent, Moor said today in an interview.

"It was an overwhelming response that we should change our name further," Moor said. "It just keeps people focused purely on our organization."

CEO Edward Liddy is seeking to distinguish the firm's businesses from the AIG name that he said in March was "thoroughly wounded and disgraced" by four U.S. bailouts valued at a combined \$182.5 billion. The company previously said it would change the name of a unit selling annuities in the U.S. to Western National Life and has removed the AIG logo from a building in New York.

Moor, 50, joined AIG in 1981. He previously served as executive vice president and oversaw the insurer's property-casualty unit in the U.S. and Canada. He has a bachelor's degree in finance from Bryant University in Rhode Island and a master's of business administration from Pace University in New York, according to the statement. Moor will continue to serve as president, AIG said in the statement.

Assigning Moor to run the renamed unit will "advance the organization toward its goal of operating independence," AIG said in the statement. The company has also said it would place two non-U.S. life insurers into special purpose vehicles.

Possible IPO

AIG may hold an initial public offering of a 20 percent stake in Chartis, or sell some or all of that minority stake to a private investor, Moor said. Chartis has to consolidate its global financial operations and hire an investment banker before an IPO can happen, said Moor, who wouldn't speculate on a date.

"All those things put together, you're not speaking about a this-year event" for the IPO, Moor said. "Once we have all those things finished, then you're dealing with market conditions."

Chartis is derived from the Greek word for map, the company said, and sells protection against worker injuries, storm damage and lawsuits. The company competes against carriers including Chubb Corp. and Travelers Cos., which remained profitable in the recession by sidestepping the investments in subprime home loans that hobbled AIG.

'Normal Examination'

Policy sales for property and casualty insurers have fallen as consumers reduce purchases amid the recession and prices have dropped as insurers compete for market position. U.S. commercial insurance rates dropped 4.9 percent in the three months ended June 30 and have fallen in every quarter since 2004, the Council of Insurance Agents and Brokers said last week.

New York and Pennsylvania regulators are looking into claims that AIG is distorting the market by charging too little for coverage. Competitors including Chubb and Liberty Mutual Insurance Co. have said that U.S. backing gives AIG the ability to write unprofitable business.

State regulators, brokers and buyers of business coverage “have seen no indications that AIG’s commercial property- casualty insurers are selling coverage at prices inadequate to cover the risk involved,” the Government Accountability Office, the investigative arm of the U.S. Congress, said in March. AIG has said it is pricing its coverage responsibly.