



2021 Lobbying Report

Lobbying and Public Policy

AIG regularly communicates with government and regulatory officials on issues impacting our business. We view such engagements as being in the interests of our clients, distribution partners, employees, shareholders and other stakeholders.

During 2021, as in prior years, AIG's state, federal and international advocacy efforts largely focused on issues and areas of interest within the insurance industry. Examples include: the regulation of insurance product design, pricing and taxation; market conduct; the regulation of underwriting and claims handling; and retirement security. On these issues, and similar topics, AIG advocates for sensible outcomes for our stakeholders, often alongside other companies in the insurance sector. We anticipate that these and similar issues and areas of interest will continue to represent the majority of our regulatory monitoring and advocacy efforts.

However, climate change is an area where we have seen increasing levels of regulatory activity in recent years. That trend continued in 2021 as regulators in a number of jurisdictions progressed climate change initiatives through the release of new guidance on climate risk management, data calls, stress testing exercises and related projects.

The regulation of insurance companies with respect to climate change issues is still an emerging area. AIG periodically engages with government and regulatory officials to better understand evolving policy frameworks, and to provide feedback to policy makers based on our insurance expertise. Our position on climate-related regulatory initiatives is that newly proposed rules, regulations and testing should be sensible, risk-based and consistently applied. For example, as standards for climate risk regulation develop across key jurisdictions where we operate, we would like to see alignment among those standards, where possible, to avoid a proliferation of competing standards that will add complexity to our work, increase the demand on insurance company resources generally, and potentially yield inconsistent results across insurers.

We recognize the important role insurance can and should play in climate adaptation, mitigation of risk and supporting complex transitions. However, the introduction of complex and often conflicting policies will limit our industry's ability to play this critical role. Our advocacy efforts are undertaken knowing that climate risk regulation is necessary, important and inevitable, and all our work is done in compliance with local regulations, as well as local disclosure and reporting requirements.

Lobbying Disclosure

In compliance with the Lobbying Disclosure Act, AIG files quarterly LD2 reports, which publicly disclose all of our U.S. federal lobbying activities—including all lobbying-related expenses, all issues that the company is currently lobbying, and the entities lobbied. Past LD2 reports can be found on the U.S. Senate Lobbying Disclosure Website [here](#).

Similar requirements for lobbying activities exist in jurisdictions outside the U.S. where AIG also interacts with government and regulatory officials. AIG operates in compliance with local requirements, including registering on public lobbying registries regardless of whether they are mandatory or voluntary.

Political Donations

On January 13, 2021, AIG suspended its very limited Political Action Committee (PAC) activity for the foreseeable future. This suspension remains in effect today. In addition, AIG does not make political donations outside the U.S. All political contributions made by the AIG PAC prior to its suspension were publicly disclosed and can be found through the Federal Election Commission.

The Center for Political Accountability and Zicklin Center for Business Ethics Research at the Wharton School of the University of Pennsylvania annually publish the CPA-Zicklin Index, which benchmarks political disclosure and accountability policies and practices for the election-related spending of leading U.S. public companies. In 2021, AIG received a “Trendsetter” designation (given to companies that receive a score of 90% or higher in the Index), and a score of 97.1%¹.

External Organizations

AIG belongs to various external organizations (“Associations”) that advocate for, or comment on, public policies affecting AIG and the insurance sector more broadly. These Associations include trade groups and think tanks, each of which participate in public policy discussions in different ways. Trade groups are typically member-driven, and the ability of any individual member to influence the activities of a trade group will vary greatly based on the level of membership, board representation, business size/market share of the member, and other factors. Think tanks typically operate independently from their members/donors. As a result, official positions of an Association of which AIG is a member, or otherwise participates, on any particular issue may be quite different than AIG’s position.

During 2021, AIG reviewed a select number of Associations to identify whether there was a misalignment in the climate risk policies and values of AIG, on the one hand, and the Association, on the other. The review was conducted by a team comprised of AIG’s Government Affairs personnel, and involved assembling an initial list of Associations that were considered suitable for inclusion in this initial review due to AIG’s level of engagement with the Association, or the Association having well-publicized climate positions. AIG is a large, global organization, with an employee population dispersed over more than 50 countries. Many of our employees are asked to join various external groups based on their professional backgrounds, personal industry contacts and areas of expertise, and those organizations may or may not be involved in the insurance industry. For the purposes of our review, we did not attempt to survey every external organization in which AIG or an AIG employee participates. Rather, we focused this initial review on a subset of Associations and will expand the scope in future reviews.

1. <https://www.politicalaccountability.net/wp-content/uploads/2021/11/2021-CPA-Zicklin-Index.pdf>

Our process to identify the initial list of Associations to be reviewed yielded 51 organizations. Of that group, 32 organizations are primarily active within the U.S., and the remaining 19 are active overseas or have a global mandate.

The complete list is shown in the table below:

1.	American Benefits Council	27.	Life Insurance Council of New York
2.	Association of Alabama Life Insurance Companies	28.	Life Insurance Assn. of Michigan
3.	Association of Bermuda Insurers and Reinsurers	29.	Louisiana Insurers' Conference
4.	Association of California Life & Health Insurance Companies	30.	Minnesota Insurance and Financial Services Council
5.	American Council of Life Insurers	31.	Missouri Insurance Coalition
6.	Association of Life Insurance Council	32.	National Association of State Treasurers
7.	American Property Casualty Insurance Association	33.	National Center for APEC
8.	Asia Society	34.	National Conference of Insurance Legislators - Corporate Institutional Partners
9.	Association of British Insurers	35.	National Conference on Public Employee Retirement Systems - 2020
10.	Association of Tennessee Life Insurance Companies	36.	National Council on Teacher Retirement
11.	Business Council for International Understanding	37.	Nebraska Insurance Information Service
12.	Chatham House	38.	New York Insurance Association
13.	Coalition of Service Industries	39.	South Carolina Insurance Association
14.	Committee of Annuity Insurers	40.	Texans for Lawsuit Reform
15.	Council on Foreign Relations	41.	Texas Association of Business
16.	European American Chamber of Commerce	42.	Texas Association of Life & Health Insurers
17.	Florida Insurance Council	43.	Tennessee Chamber of Commerce & Industry
18.	Geneva Association	44.	Thompson & Associates (Life Insurance Assn of MS)
19.	International Business Leaders' Advisory Council	45.	U.S. - ASEAN Business Council
20.	Industry Education Council	46.	US Asia Institute
21.	Insurance Development Forum	47.	U.S. Chamber of Commerce
22.	International Chamber of Commerce	48.	US-China Business Council
23.	Illinois Insurance Association	49.	US-India Strategic Policy Forum
24.	Institute of International Finance	50.	Movement of French Enterprises
25.	Insurance Federation of Pennsylvania	51.	Keidanren Japanese Business Federation
26.	Japan Society		

The next phase of activity was to identify any misalignment with our respective climate risk policies and values. The criteria used included a mix of objective and subjective elements, including whether the Association:

- Has officially taken a position on climate change that acknowledged potential risks;
- Has taken a public position on the Paris Accords;
- Has taken other affirmative steps to participate in climate risk management initiatives, such as:
 - o Promoting net-zero commitments;
 - o Participating in external climate risk coalitions;
 - o Forming internal working groups to study climate risk issues; or
 - o Has conducted direct advocacy work on climate risk issues.

We reviewed publicly available information such as websites, policy papers, statements from the organization's leadership and 3rd party assessments of each Association's activities.

In most cases, we found our Associations have not yet taken a public position on climate change risk, the Paris Accords and are not otherwise actively working on the issue. This finding was common across Associations with a very granular focus area within the insurance industry. For example, there are a number of U.S. Associations with a primary focus on the regulation of particular insurance products, and those organizations will likely only engage on climate risk issues as they arise within those narrow parameters. As climate risk regulation increases within the industry, we anticipate many of these organizations will become more engaged on the topic.

For some of our larger and more active Associations, such as the American Property Casualty Insurance Association and the American Council of Life Insurers, we found that these organizations are generally participating in one form or another in policy discussions around climate change. Where our trade associations participate in climate-related discussions, it is often in the form of commenting on proposed regulation of climate risks. For think tanks, it is often in the form of providing research and data analysis on climate change risks in an effort to advance public policy discussions. While these Associations have, at times, offered constructive criticism on various climate risk regulatory initiatives², we believe these Associations are constructive participants in the public policy debates. Their views are broadly aligned with AIG's and we intend to continue to work collaboratively with them on climate change issues to pursue common goals.

Finally, our review led us to identify a small number of Associations that have been the target of criticism for their climate risk positions and advocacy. For these Associations, the critiques are, in large part, based less on the Association's official public statements and policies, and more on perceptions of how their on-the-ground advocacy impacts progress on proposed climate risk regulation. For example, an Association may broadly support the Paris Climate Agreement, but may also criticize various U.S. Federal legislative proposals related to climate change initiatives. These critiques apply to a small number of our U.S. and non-U.S. Associations. In all such cases, AIG's participation in the Association's activities is modest, with little to no ability to influence the policy direction of the Association. Our membership allows us to stay informed of the group's activities and initiatives unrelated to climate risk, which is of value to AIG. For these Associations, AIG may voice concerns and/ or request that our dissenting view be formally noted on issues related to climate risk. We will continue to evaluate the trade-off between the benefits of membership vs. the costs (reputational and otherwise) of being viewed as implicitly supportive of the Association's climate risk positions.

2. For example, see the ACLI's comments on the Securities Exchange Commission's request for public input on climate risk disclosures issued March 15, 2021 (<https://www.sec.gov/comments/climate-disclosure/cll12-8914302-244670.pdf>).