THE STATE of ALASKA
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Department of Commerce, Community, and Economic Development

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December 8, 2025

Via Email and U.S. Mail

Peter Zaffino
Chairman & Chief Executive Officer
American International Group, Inc. (AIG)
70 Pine Street
New York, NY 10270-0002

Re: *Review of Insurance Carriers Operating in Alaska*

Dear Mr. Zaffino:

Our offices are jointly undertaking a comprehensive review of insurance carriers operating in Alaska to ensure compliance with the State's insurance code and consumer-protection laws and to advance a broader effort. We're strengthening Alaska's standing as a top, reliable place to invest. In recent years, Alaska ranked among the top five states in America to do business.[1] That progress reflects deliberate work by the State to reduce barriers to investment and support industries that create jobs and opportunity for Alaskans. But more remains to be done.

As part of our review, we're testing whether insurance markets treat Alaska fairly and lawfully. Insurers, like other financial institutions, help decide which projects live or die. In recent years, Alaska and other energy states have been able to convince some investment banks that had attempted to de-bank Arctic energy projects to revisit their flawed assumptions about Alaska and start backing these projects again. But insurance

[1] https://instituteforlegalreform.com/wp-content/uploads/2020/10/2019-Lawsuit-Climate-Survey-Ranking-the-States.pdf.

coverage remains a problematic form of gatekeeping for the State. If insurers refuse coverage on non-actuarial grounds, investment stalls. And so does Alaska's economy.

Alaska's insurance code is built on a central premise: underwriting decisions must rest on risk, and that means no discrimination based on extra-legal political, environmental, or long-range policy commitments. And where the insurance code doesn't reach, our consumer-protection statute prohibits unfair or deceptive acts or practices, which could include misrepresentations of compliance with Alaska law in contractual dealings. AS 45.50.471(a). It is with this legal backdrop that we turn to AIG's policies and practices that give us concern.

Oil and gas. We have substantial concerns about AIG's treatment of Alaska's oil and gas sector—an industry that remains foundational to our State's economy and essential to future projects such as the Alaska LNG project. AIG's net-zero underwriting goal[2] necessarily will result in emissions requirements that do not appear to be tied to short-term actuarial risk within the policy period.[3] AIG's goal appears to be an effort to reshape a lawful sector according to AIG's long-term environmental commitments.

AIG also has announced a categorical and immediate prohibition on providing insurance for any new Arctic energy exploration activities[4]—a prohibition that uniquely affects Alaska. Alaska has invested years of planning and permitting work to open responsible opportunity in the Arctic. AIG's policy is unacceptable, and no other State faces this kind of prohibition.

AIG should take note that Alaska is home to significant conventional oil and gas reserves, world-class operators, modern pipeline systems, and one of the most robust safety and environmental frameworks in the nation. The Alaska LNG project, for example, represents one of the most consequential energy infrastructure efforts in the United States today—a strategic asset capable of delivering reliable gas to Alaskans and global markets while creating hundreds of high-paying jobs. These projects require the availability of insurance. When an insurer adopts blanket exclusions based on geography or on long-range public policy objectives untethered to risk, those exclusions function as de-facto prohibitions on investment.

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2 https://www.aig.com/content/dam/aig/america-canada/us/documents/about-us/report/aig-sustainability-report-2024.pdf, at 24, 35.

3 *See* https://iea.blob.core.windows.net/assets/8ad619b9-17aa-473d-8a2f-4b90846f5c19/NetZeroRoadmap_AGlobalPathwaytoKeepthe1.5CGoalinReach-2023Update.pdf (Table A.4) (net-zero pathway demanding that emissions from fossil-fuel combustion activities drop by 96% between 2022 and 2050).

4 https://aig.gcs-web.com/node/53226/pdf, at 1.

To put a finer point on this, we are undertaking this review precisely because Alaska is working to broaden, not narrow, the range of industries and companies willing to invest here. If insurers adopt criteria that deem entire categories of Alaskan energy projects uninsurable—despite a proven safety record and responsible operating practices—those decisions directly threaten Alaska's economic growth. We cannot ignore policies that effectively deny coverage to responsible operators based solely on AIG's policy preferences rather than the realities of risk on the ground.

Coal. We have related concerns regarding AIG's underwriting approach to coal-related industries. AIG's public materials state that AIG will not make new investments or provide new insurance policies for coal-fired power plants or thermal coal mines, and that it is phasing out (by 2030 or sooner) investments in and underwriting of all existing operation insurance risks for clients that generate more than 30 percent of their energy production from coal or that derive at least 30 percent of their revenues from coal-fired power or thermal coal mines.[5] None of those restrictions is required by any Alaska or federal statute, and none of them reflects traditional one-year underwriting risk. These are corporate policy choices, not risk calls. Alaska law does not allow that substitution.

The broader concern. Across these sectors, our preliminary assessment is that AIG's underwriting restrictions appear to be driven by its corporate commitment to "achiev[e] a net zero underwriting portfolio" and "shape industry standards for sustainable pathways."[6] Whatever the merits of those goals, Alaska law requires insurers to treat insureds with like risk characteristics alike and to base underwriting decisions on risk—not on corporate climate-policy preferences or extra-legal standards developed "to meet the goals of the Paris Agreement."[7]

We also note that if AIG has entered into contracts with Alaska governmental entities that include representations of compliance with Alaska law, any violation of AS 21.36.120(c) may raise additional questions under Alaska's Unfair Trade Practices and Consumer Protection Act. We do not reach that conclusion here, but it is part of our broader review. Again, although Alaska's consumer-protection laws generally defer to other regulatory bodies where they have jurisdiction, surplus-lines insurance is not regulated in the same manner. To the extent AIG issues surplus-lines coverage in Alaska, those policies would fall squarely within the scope of our consumer-protection review.

Given the significance of these issues to Alaska's energy security, and to our State's ability to attract and retain investment across multiple industries, we believe direct engagement with AIG is essential. We invite AIG's leadership to Alaska to talk through

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5 https://aig.gcs-web.com/node/53226/pdf, at 1.

6 https://www.aig.com/content/dam/aig/america-canada/us/documents/about-us/report/aig-sustainability-report-2024.pdf, at 24, 35.

7 https://aig.gcs-web.com/node/53226/pdf, at 1.

these issues, offer any context you wish, and explain how the company plans to comply with Alaska law.

Please contact Director Heather Carpenter at heather.carpenter@alaska.gov within ten business days so we may schedule a meeting. We appreciate your prompt attention to these concerns and look forward to a constructive dialogue.

Sincerely,

Julie Sande,
Commissioner, DCCED

Stephen J. Cox
Attorney General