

## Sector Snap: Insurance stocks rally

by AP-News

CHARLOTTE, N.C. - Shares of insurance companies advanced Tuesday as investors were encouraged by the government's plan to buy stakes in banks - an effort designed to revitalize crippled credit markets and boost confidence in the market.

Investors continued to buy into stocks that had seen a steady decline in recent weeks.

Leading the way was Hartford Financial Services Group, which gained \$6.54, or 26.6 percent, to \$31.17 in afternoon trading. Lincoln National Corp. (nyse: LNC - news - people ) rose \$4.08, or 15.5 percent, to \$30.46. Shares of several national insurers had fallen steadily in the past month, as broader financial markets grew shaky and the government stepped in to bail out failing insurance giant American International Group Inc. (nyse: AIG - news - people )

Analysts have expressed some concern about some of the companies' investment portfolios and feared that insurers may need to raise capital to avoid damaging downgrades from rating agencies.

On Tuesday, President Bush announced a \$250 billion plan to directly buy shares in nine of the country's leading banks. The Federal Reserve, meanwhile, announced that it will begin buying massive amounts of short-term debt on Oct. 27 to help unfreeze the credit markets and encourage lending. The moves are the latest in a stream of unprecedented efforts by the government to restore stability to the financial markets and reassure investors.

Among national insurers, shares of AIG gained 6 cents, or 2.3 percent, to \$2.63; Genworth Financial Inc. rose 66 cents, or 10.4 percent, to \$6.98; Prudential Financial Inc. (nyse: PRU - news - people ) rose \$2.60, or 5.2 percent, to \$52.55; MetLife Inc. (nyse: MET - news - people ) lost 78 cents, or 2.1 percent, to \$37.31.

---

Copyright 2008 Associated Press. All rights reserved.

*Sector Snap: Insurance stocks rally by AP-News*