AMERICAN INTERNATIONAL GROUP, INC.



April 22, 2013

Technical Director
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

Re: FASB File Reference No. EITF-13C, Proposed Accounting Standards Update, *Income Taxes (Topic 740): Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward or Tax Credit Carryforward Exists*

American International Group, Inc. ("AIG") appreciates the opportunity to comment on Proposed Accounting Standards Update, *Income Taxes (Topic 740): Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward or Tax Credit Carryforward Exists* (the "Proposed Update").

We support the FASB's efforts to reduce the diversity that currently exists in the presentation of unrecognized tax benefits when a net operating loss carryforward, capital loss carryforward or a foreign tax credit carryforward exists since Topic 740, *Income Taxes*, does not include explicit guidance on this presentation. The proposed approach for presentation in the statement of financial position of an unrecognized tax benefit, or a portion of an unrecognized tax benefit, as a reduction to a deferred tax asset when a net operating loss carryforward, capital loss carryforward or tax credit carryforward exists is most consistent with the manner in which AIG would settle a tax liability for the available years. These unrecognized tax benefits currently are presented as a net reduction of our deferred tax assets for jurisdictions where these carryforwards are an allowed means to settle income taxes. Additionally, for the US and some foreign tax jurisdictions, this net presentation would satisfy the requirements specified in ASC 210-20-45-1, *Balance Sheet*, *Offsetting - Other Presentation Matters*, as the tax liability would be offset by the unrecognized tax benefit under the provisions of the tax law.

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Our responses to the questions raised by the Board are included in the Appendix to this letter. Thank you for the opportunity to present our views. Please contact me at (212) 770-4816 if you have any questions.

Very truly yours,

/s/

Jeff Meshberg

Chief Accounting Officer and Global Head of Accounting Policy American International Group, Inc.

cc: Jeffrey M. Farber

Senior Vice President and Deputy Chief Financial Officer American International Group, Inc.

APPENDIX

Question 1: Do you agree with the proposed approach for the presentation in the statement of financial position of unrecognized tax benefits when net operating loss carryforwards or tax credit carryforwards exist? If not, what approach do you prefer and why?

We agree with the approach for presentation in the statement of financial position of an unrecognized tax benefit, or a portion of an unrecognized tax benefit, as a reduction to a deferred tax asset when a net operating loss carryforward, capital loss carryforward or tax credit carryforward exists. In the instance that a liability arising from an uncertain tax position was not sustained, the liability would be settled with the application of our net operating loss carryforward, capital loss carryforward or tax credit carryforward, for the available years. These unrecognized tax benefits currently are presented as a net reduction of our deferred tax assets for jurisdictions where these carryforwards are an allowed means to settle income taxes. As such, we find the proposed presentation to be reasonable and consistent with the manner in which the tax liability would be settled (i.e., no payment of taxes) for the available years.

Question 2: Do you agree that no new recurring disclosures about the presentation of unrecognized tax benefits should be required? If not, what disclosures would be appropriate?

We agree that no new recurring disclosures about the presentation of unrecognized tax benefits should be required. The proposal on the net presentation within deferred tax assets does not affect the recognition or measurement of uncertain tax positions under Topic 740. Additionally, in compliance with current disclosure requirements, AIG presents the gross and tax effected unrecognized tax benefits, along with the applicable expiration periods, within our footnote disclosures on the components of our deferred tax assets.

Question 3: Do you agree that the proposed Update should be adopted retrospectively? If not, why not?

To obtain greater consistency among companies, we are supportive of retrospective adoption of the Proposed Update.

Question 4: For preparers, how much time is necessary to implement the proposed Update? Should the effective date for public and nonpublic entities be the same? If not, why not?

Since we already present an unrecognized tax benefit as a reduction to a deferred tax asset when a net operating loss carryforward, capital loss credit carryforward or tax credit carryforward exists for AIG's US Consolidated Group, we already have the information required to adopt the proposal within a reasonable timeframe after the effective date for this Group. However, to allow for an assessment of the utilization of our tax attribute carryforwards for our foreign tax filing entities, we believe one year would provide us with adequate time to adopt the Proposed Update. Because AIG has operations in more than 130 countries with different tax jurisdictions, we believe one year would provide us with an adequate amount of time to complete this assessment for our foreign tax filing entities in a controlled manner that is in compliance with the provisions of the Sarbanes-Oxley Act.