AMERICAN INTERNATIONAL GROUP, INC.

AIG

August 30, 2013

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

Re: FASB File Reference No. 2013-230, Proposed Accounting Standards Update, *Reporting Discontinued Operations*

American International Group, Inc. ("AIG") appreciates the opportunity to comment on Proposed Accounting Standards Update, *Presentation of Financial Statements (Topic 205): Reporting Discontinued Operations* (the "Proposed ASU" or "Proposal").

We support the Financial Accounting Standards Board's (the "FASB" or the "Board") efforts to change the criteria for reporting discontinued operations and to enhance convergence of the FASB's and the International Accounting Standards Board's reporting requirements for discontinued operations. Under the current definition of discontinued operations, we agree with the FASB that too many disposals are presented as discontinued operations, including those that may be routine and recurring in nature, diluting the decision-useful information of the discontinued operations disclosures. The presentation of discontinued operations should highlight disposals that represent significant strategic shifts in the operations of a company. We also support the removal of the operations-and-cash-flows and significant-continuing-involvement criteria required to be performed by existing U.S. generally accepted accounting principles ("GAAP") when determining whether an operation qualifies for presentation as a discontinued operation.

The proposed disclosures, in the aggregate, will take a significant amount of time and effort to reflect in the financial statements. While we understand that the objective of these extensive disclosures is to provide decision-useful information to the users of the financial statements, there may be instances in which it will be challenging to obtain information to support some of the proposed incremental disclosures. For example, under the revised definition of a qualifying discontinued operation, an exit from a major geographical area of operations may be considered a discontinued operation. Cash flow information specific to this major geographical area may not be maintained because cash flow information typically is maintained for individual legal entities whose operations may cover multiple geographical areas of operations. Additionally, the impact of shared services, internal allocations and intercompany arrangements for these geographical areas may present a challenge to identify specific cash flows. We support the option within current practice where the presentation of cash flow information by major class of cash flows for discontinued operations is voluntary.

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Our responses to certain questions raised by the Board of importance to AIG 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.

Tom Jones
Head of Corporate Accounting Policy
American International Group, Inc.

APPENDIX

Question 1: Do you agree with the proposed definition of discontinued operations? Is it understandable and operable?

We agree with the proposed definition of discontinued operations. The previous definition was too broad and sometimes resulted in the presentation as discontinued operations of activities that were not significant to the reporting entity overall. The proposed definition narrows the scope of what could qualify for discontinued operations presentation to major lines of business, major geographical areas of operations or an acquired business. This will result in the presentation of discontinued operations consisting of only significant strategic shifts in a reporting entity's operations and, as a result, will be more decision-useful to users of the financial statements and will enhance convergence of GAAP and IFRS.

Question 2: Do you agree that the continuing involvement criterion in the existing definition should be eliminated? Why or why not?

We agree that the continuing involvement criterion should be eliminated. The assessment of continuing involvement was overly complex and did not always result in the presentation of decision-useful information about whether a reporting entity had ceased significant strategic involvement with the disposed entity. Under the current guidance, certain routine transition and other insignificant activities or involvement at times precluded discontinued operations treatment even though the disposing entity did not maintain any significant strategic influence over or benefit from the disposed entity.

Question 3: Do you agree with the scope of the amendments in this proposed Update? Do you agree that disposals of equity method investments and oil and gas properties that are accounted for using the full-cost method of accounting should be eligible for discontinued operations presentation if they meet the criteria to be reported in discontinued operations?

We do not object to the removal of the discontinued-operations-presentation scope exception for equity method investments that is provided in Accounting Standards Codification paragraph 360-10-15-5, *Impairment or Disposal of Long-Lived Assets*. However, we believe that requiring qualifying equity method investments to be presented as discontinued operations would not result in a significant number of disposals of such investments qualifying for discontinued operations presentation under the Proposal. This is because the nature of equity method investments likely would not often represent the disposal of a significant strategic major line of business or geographical area of operations. Furthermore, removal of the scope exception for equity method investments will more closely align the guidance for discontinued operations within GAAP and IFRS.

Question 4: U.S. GAAP and the amendments in this proposed Update do not specify whether an entity should reclassify the assets and liabilities of a discontinued operation classified as held for sale in the statement of financial position for periods before reclassification. Should an entity be required to reclassify the assets and liabilities of a discontinued operation classified as held for sale in the statement of financial position for periods before reclassification? Why or why not?

We do not support a requirement to reclassify the assets and liabilities of a discontinued operation classified as held for sale in the statement of financial position for comparative periods before reclassification. Such a requirement could present complex operational challenges involving the assessment of prior-period internal asset allocations that may affect the held for sale assets and liabilities in prior periods and the related prior period disclosures. Additionally, the information may not be available to support reclassification of such amounts in the prior periods presented. The objective of the statement of financial position is to capture amounts as of a point in time and, as such, we believe classifying the assets and liabilities of a disposal group as held for sale prior to the initial period in which the held-for-sale criteria were met would not be decision-useful information.

Question 5: Do you agree with the disclosures required for disposals of individually material components of an entity? If not, which disclosure or disclosures would you eliminate or add and why?

We support the proposed disclosures for disposals of individually material components of an entity that do not qualify for discontinued operations presentation (e.g., operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the entity, such as a reportable segment or an operating segment, a reporting unit, a subsidiary, or an asset group). The effect on the company's operating results from disposals of individually material components of an entity on the results of the reporting entity generally are disclosed in the MD&A. As such, requiring specific disclosures in the footnotes to the financial statements on these disposals would not involve an incrementally significant amount of effort. However, we suggest the Board provide guidance about what would be considered an individually material component of an entity. For example, would the disposal of a block of business in southern Europe that did not represent a separate major line of business or major geographic area of operations require these additional disclosures? Providing examples that would be applicable to various industries would be beneficial for constituents to make the assessment about what types of disposals would be considered individually material components of an entity and therefore would be subject to these additional disclosure requirements.

Question 6: Do you agree that businesses held for sale on acquisition should be excluded from certain disclosure requirements? Why or why not?

We agree that businesses held for sale on acquisition should be excluded from certain disclosure requirements. Because these businesses are to be disposed of (i.e., they qualify as held for sale) upon acquisition, the effect of the acquired business on a company's results of operations would not be significant to the reporting entity and, therefore, presenting detailed disclosures about these businesses would not provide meaningful information to financial statement users.

Additionally, these businesses would not affect the historical results of the reporting entity and the users of the financial statements would be more interested in understanding the effect of these businesses on the continuing entity, such as the potential monetization from the sale of the assets held for sale upon acquisition.

Question 7: Do you agree with the prospective application transition method? Why or why not?

We agree with the prospective application transition method.

Question 8: How much time do you think will be needed to prepare for and implement the amendments in this proposed Update?

We believe implementing the proposals in the Proposed ASU would not require a significant amount of time or incremental effort to adopt. Because the amendments in the Proposed ASU will apply only to prospective qualifying disposals, we believe the Proposal can be adopted shortly after the release of a final Update (e.g., if a final Update is released in 2013, the amended guidance could be applied for annual and interim periods beginning on or after January 1, 2014).