

## AMERICAN INTERNATIONAL GROUP, INC.



October 15, 2012

Technical Director  
Financial Accounting Standards Board  
401 Merritt 7  
PO Box 5116  
Norwalk, CT 06856- 5116  
[director@fasb.org](mailto:director@fasb.org)

**Re: File Reference No. 2012-240: Proposed Accounting Standards Update, Presentation of Items Reclassified Out of Accumulated Other Comprehensive Income**

American International Group, Inc. (“AIG”) appreciates the opportunity to comment on the Exposure Draft (“ED”), *Presentation of Items Reclassified Out of Accumulated Other Comprehensive Income*. We support the Financial Accounting Standard Board’s (“FASB” or “the Board”) objective in the ED to improve the presentation of reclassifications out of accumulated other comprehensive income.

We believe the ED will improve financial accounting standards because the proposed disclosures will provide useful information to investors, creditors, and other capital market participants and help them to make informed decisions.

We believe an effective date for annual and interim reporting periods ending after December 15, 2012 for public companies is appropriate as the new disclosures proposed in the ED are already disclosed elsewhere in our financial statements. As such we foresee a minimal operational impact of complying with the proposed requirements in the ED.

\* \* \* \* \*

Our responses to 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 or Tom Jones at (212) 770-8997 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

### Questions for Respondents

**Question 1: The proposed amendments would require an entity to provide enhanced disclosures to present separately by component reclassifications out of accumulated other comprehensive income. In addition, an entity would be required to provide a tabular disclosure of the effect of items reclassified out of accumulated other comprehensive income on the respective line items of net income, to the extent that the items reclassified are required under U.S. GAAP to be reclassified to net income in their entirety. In addition, for other items not required under U.S. GAAP to be reclassified in their entirety to net income, the tabular disclosure would require only a cross-reference to other disclosures providing additional detail about these reclassifications. Would the proposed disclosures provide useful information to users of financial statements? If not, please explain why.**

We agree with the Board that the objective of financial reporting is to provide information that is useful to present and potential investors, creditors, and other capital market participants in making informed decisions. As such, in our view, the guidance in the ED is an improvement over the proposal in Accounting Standards Update 2011-05, *Comprehensive Income (Topic 220): Presentation of Comprehensive Income*, that would have required presentation of reclassification adjustments on the face of the income statement. We commend the Board for carefully considering and properly weighing the costs and benefits of this requirement prior to concluding that this information is best presented in the notes to the financial statements.

In our view, a single, tabular presentation will allow users to easily locate all information about accumulated other comprehensive income (“AOCI”) reclassification items in one place and will provide the desired transparency, while at the same time, make the income statement less complex to read and understand.

As a part of the original joint FASB/IASB project to amend the presentation requirements for AOCI, the IASB issued similar guidance in June 2011. This amendment to IAS 1 provided preparers with the option to present reclassification adjustments in either the income statement or in the notes to the financial statements. As such, the guidance in the ED will provide convergence of the two standards.

**Question 2: Would an entity incur significant costs because of the proposed amendments in Question 1? If so, please explain the nature of those costs. The proposed amendments also would require an entity to provide the disclosures about the effect of reclassifications out of accumulated other comprehensive income by component both on an interim basis and on an annual basis. Would an entity incur significant costs because of the proposed requirement for interim-period disclosures? If so, please explain the nature of those costs.**

AIG believes significant costs will not be incurred to implement the proposed amendments. We currently have processes to capture our cash flow hedge, unrealized gains/losses and foreign exchange reclassification adjustments and provide the “roadmap” to the specific line items affected. Insignificant costs will be incurred to report the net periodic pension cost reclassification separately. Overall, we believe the benefits of providing the information required in the ED will justify any additional costs to aggregate this data in one footnote.

**Question 3: The proposed guidance would apply to both public entities and nonpublic entities (that is, private companies). Should any of the proposed amendments be different for nonpublic entities? If so, please identify those proposed amendments and describe how and why you think they should be different.**

We have no comment on this question.

**Question 4: The Board has discussed the possibility of making these proposed amendments effective for public entities as early as for annual reporting periods ending after December 15, 2012, and to delay the effective date for nonpublic entities by one year. Would those effective dates be practicable? If not, please explain why.**

We believe an effective date for annual and interim reporting periods ending after December 15, 2012 for public companies is appropriate as the new disclosures required in the ASU are already disclosed elsewhere in our financial statements. As such, we foresee a minimal operational impact of complying with the ED.