

AMERICAN INTERNATIONAL GROUP, INC.



December 23, 2013

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

Re: FASB File Reference No. EITF-13D, Proposed Accounting Standards Update, *Compensation—Stock Compensation (Topic 718), Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could be Achieved after the Requisite Service Period*

American International Group, Inc. (“AIG,” “we,” or “our”) appreciates the opportunity to comment on Proposed Accounting Standards Update, *Compensation—Stock Compensation (Topic 718), Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could be Achieved after the Requisite Service Period* (“Proposed ASU”).

We agree with the Board’s decision to clarify the accounting for performance conditions that are satisfied after the service period and we believe the Board’s conclusion reflects the current practice of most registrants. We agree with the Board’s original basis for conclusion when it developed Statement No. 123 (revised 2004), *Share-Based Payment*, both conceptually and with respect to the measurability of expected outcomes associated with performance conditions as discussed in paragraphs B176 to B180 of that Statement because they remain valid today.

* * * * *

Our responses to certain 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) 770-8997 if you have any questions.

Very truly yours,

/s/ G. Thomas Jones
Head of Corporate 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 that a performance target that could be achieved after the requisite service period should be treated as a performance condition that affects vesting? If not, please explain why.

We agree that a performance target that could be achieved after the requisite service period should be treated as a performance condition that affects vesting. We agree with the Board's original basis for conclusion when it developed Statement No. 123 (revised 2004), *Share-Based Payment*, both conceptually and with respect to the measurability of expected outcomes associated with performance conditions as discussed in paragraphs B176 to B180 of that Statement because they remain valid today.

Question 2: Are there circumstances in which a performance target that could be achieved after the requisite service period should be treated as a nonvesting condition? If yes, please explain why.

We are not aware of any circumstances in which a performance target that could be achieved after the requisite service period should be treated as a nonvesting condition.

Question 3: The amendments in the proposed Update do not require any incremental disclosures for share-based payments in which a performance target could be achieved after the requisite service period. Should incremental disclosures be required for those awards? If yes, please explain why.

We do not believe any incremental disclosures are necessary because existing disclosures require a description of the award "including those [conditions] related to vesting."

Question 4: Do you agree that the proposed amendments should be applied prospectively to all share-based payments granted or modified on or after the effective date? Should early adoption be permitted? Under the proposed Update, retrospective adoption would not be allowed. Should retrospective adoption be allowed? If yes, please explain why.

We agree with a prospective application of the proposed amendments in the Proposed ASU.

Question 6: What is the level of effort and time needed to implement the proposed amendments?

We do not believe the level of effort and time needed to implement the proposed amendments will be significant.