

AMERICAN INTERNATIONAL GROUP, INC.



January 15, 2015

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

Re: FASB File Reference No. EITF-14B, Proposed Accounting Standards Update, *Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities that Calculate Net Asset Value per Share (or Its Equivalent)* (a consensus of the FASB Emerging Issues Task Force)

American International Group, Inc. (“AIG,” “we,” or “our”) appreciates the opportunity to comment on Proposed Accounting Standards Update, *Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities that Calculate Net Asset Value per Share (or Its Equivalent)* (a consensus of the FASB Emerging Issues Task Force) (“Proposed ASU” or “Proposal”). AIG supports the efforts of the Financial Accounting Standards Board (“FASB”) to develop guidance that would resolve the diversity related to how certain investments measured at net asset value (“NAV”) with redemption dates in the future (including periodic redemption dates) are categorized within the fair value measurement hierarchy. We believe the Proposal achieves the Board’s stated objective of these amendments.

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Our responses to certain questions raised by the FASB 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) 770-8997 if you have any questions.

Very truly yours,

/s/

Tom Jones

Head of Corporate Accounting Policy
American International Group, Inc.

cc: Paul Karr

Deputy Corporate Controller, Global Financial Reporting and Accounting Policy
American International Group, Inc.

APPENDIX

RESPONSES TO FASB QUESTIONS ON PROPOSED ASU

Question 1: Should investments for which fair values are measured at net asset value (or its equivalent) using the practical expedient be excluded from categorization within the fair value hierarchy? If not, why not and how should those investments be categorized?

We agree with the proposed amendments to exclude investments for which fair values are measured at NAV (or its equivalent) using the practical expedient from categorization within the fair value measurement hierarchy. Not only would the Proposal eliminate existing diversity in practice in how those investments with future redemption dates are classified, but it would also provide more decision-useful information to financial statements users because the revised guidance would ensure all investments disclosed in the fair value hierarchy table would be categorized using a consistent approach that is based on the relative observability of inputs to valuation techniques used to derive their fair value measurements.

Question 2: Should the scope of the disclosures required in paragraph 820-10-50-6A be limited to only investments measured at net asset value (or its equivalent) using the practical expedient rather than all investments that are eligible to be measured at net asset value (or its equivalent) using the practical expedient? If not, why not?

We agree that the proposed scope of the disclosures should be limited to only investments measured at NAV (or its equivalent) as the practical expedient rather than all investments eligible to be measured at NAV (or its equivalent), as currently required. Consistent with the views expressed in the basis for conclusions of Proposed ASU, we believe investments not valued using the practical expedient should be subject to other fair value measurement disclosure requirements in Topic 820.

Question 3: Should any other disclosures be required for investments for which fair values are measured at net asset value (or its equivalent) using the practical expedient?

We do not believe that any additional disclosures should be required for investments for which fair values are measured at NAV (or its equivalent) using the practical expedient. We believe existing disclosure requirements in paragraph 820-10-50-6A provide sufficient decision-useful information about these investments to financial statement users.

Question 4: Should the proposed amendments be applied retrospectively? If not, why not?

We agree with the Proposal requiring retrospective application because such disclosure would provide consistent presentation for all periods included in the financial statements and would allow for better comparability. We believe retrospective application would not result in significant cost.

Question 5: How much time would be needed to implement the proposed amendments? Should early adoption be permitted?

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We would need three-to-six months to implement the guidance as proposed. We believe early adoption of the proposed amendments should be permitted.

Question 6: Do entities other than public business entities (that is, private companies and not-for-profit entities) need additional time to apply the proposed amendments? Why or why not?

To promote comparability among entities, we believe the effective date of the final standard should be aligned for public business entities and nonpublic entities (that is, private companies and not-for-profit entities).