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Nancy M. Morris
Secretary, Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

American International Group, Inc. (AIG) appreciates the opportunity to comment on the Securities and Exchange Commission's (the "Commission" or the "SEC") proposed rule, **"ACCEPTANCE FROM FOREIGN PRIVATE ISSUERS OF FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS WITHOUT RECONCILIATION TO U.S. GAAP."**

American International Group, Inc. (AIG), a Delaware corporation, is a holding company which, through its subsidiaries, is engaged in a broad range of insurance and insurance-related activities in the United States and more than 130 countries and jurisdictions. AIG's primary activities include both General Insurance and Life Insurance & Retirement Services operations. Other significant activities include Financial Services and Asset Management. AIG's common stock is listed on the New York Stock Exchange, as well as the stock exchanges in Paris and Tokyo.

We support the long-term strategic priority of the FASB and IASB to work toward the convergence of U.S. and international accounting standards through the development of a common set of high-quality global standards. We support the Commission's proposal to eliminate the current U.S. GAAP reconciliation requirement for foreign private issuers who file the English language version of IFRS as published by the IASB, as it represents a significant step toward furthering convergence.

Responses to the selected questions posed in the proposed rule are included in the attached Appendix. If members of the Commission's staff have any questions with regard to this letter, I can be reached at 212-770-6463 to discuss at your convenience.

Very Truly Yours,

/s/ Mr. Anthony Valoroso
Deputy Comptroller
Director, Accounting Policy

Cc: Steven J. Bensinger, Executive Vice President and Chief Financial Officer
David Herzog, Senior Vice President and Comptroller
Kathleen E. Shannon, Senior Vice President, Deputy General Counsel and Secretary

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1. *Do investors, issuers and other commenters agree that IFRS are widely used and have been issued through a robust process by a stand-alone standard setter resulting in high-quality accounting standards?*

   IFRS are becoming more and more widely-used throughout the world, outside of the U.S. In our opinion, issued standards, although more principles-based than U.S. GAAP, to date, have been developed through a process that we believe has resulted in high-quality accounting standards.

   With respect to a standard of particular importance to AIG, IFRS 4, "Insurance Contracts", it is important to note that it is an interim solution, given that it merely defines insurance contracts and provides disclosure and presentation guidance. IFRS 4 does not establish a standard for the recognition or measurement of insurance contract liabilities, but instead permits insurers to use their existing accounting practices. It is our understanding that for most entities reporting under IFRS, existing accounting practices currently include either U.S. or UK GAAP, both of which are considered high-quality accounting standards.

   This spring, the IASB issued a Discussion Paper that provides their preliminary views with respect to recognition and measurement for insurance contracts. The FASB has issued an invitation to comment, asking for feedback from U.S. constituents as to whether the FASB should place a joint project on its agenda with the IASB to address the recognition and measurement of insurance contracts, using the IASB's Discussion Paper as a starting point. A final standard is not expected to be implemented until after 2010.

   AIG, along with the global insurance industry, has some significant concerns with the IASB's Discussion Paper, which, particularly for non-life insurance contracts, is significantly different from current practice and is suggesting wholesale changes to an existing non-life insurance model that we, and many other in the U.S., believe is more reliable and comparable. However, we are hopeful, if the project becomes "joint", that both Boards will work together, along with their respective constituents, to strongly consider the input from analysts, investors, rating agencies, and preparers of insurance company financial statements while taking the necessary time to arrive at a high-quality accounting standard for insurance contracts that will result in decision-useful information that is both relevant to users and that can be reliably measured.

2. *Should convergence between U.S. GAAP and IFRS as published by the IASB be a consideration in our acceptance in foreign private issuer filings of financial statements prepared in accordance with IFRS as published by the IASB without a U.S. GAAP reconciliation? If so, has such convergence been adequate? What are commenters' views on the processes of the IASB and the FASB for convergence? Are investors and other market participants comfortable with the convergence to date, and the ongoing process for convergence?*

Yes, convergence between U.S. GAAP and IFRS should be a consideration, and we believe it is a goal that will one day be achieved. In the meantime, we agree with the Commission's view that a particular degree of convergence should not be a prerequisite, in and of itself, for the elimination of the U.S. GAAP reconciliation for foreign private issuers. This is based on our observation that that there is already a robust process in place driven by the commitment from the IASB and FASB to work toward convergence over time.

Even though the implementation of a global insurance standard may not occur until after the proposed elimination of the U.S. GAAP reconciliation, we believe that existing global practices (mainly U.S. and U.K. GAAP) are understandable, substantially equivalent and sufficiently robust to not require reconciliation given that assets and liabilities under both US and UK GAAP arguably are measured on a consistent basis. Furthermore, the U.K. Accounting Standards Board has a convergence project with IFRS, and to date has already adopted several IFRS standards which are similar to US GAAP (for example IFRS 2 *"Share based payments")*.

How will this global process, and, particularly, the work of the IASB and FASB, be impacted, if at all, if we accept financial statements prepared in accordance with IFRS as published by the IASB without a U.S. GAAP reconciliation?

We believe that removal of the U.S. GAAP reconciliation will put the onus on the IASB and the FASB to continue their convergence efforts in a more determined manner, conscious of the fact that if they do not converge, the U.S. GAAP reconciliation could possibly return. As more and more non-U.S. countries and markets require IFRS financial statements in the coming years, the impetus to achieve international convergence will be even stronger, as U.S. companies wishing to list their securities on non-U.S. exchanges will have the reciprocal desire to issue U.S. GAAP financial statements without reconciliation to IFRS.

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10. *The Commission has gathered certain information from representatives of issuers, investors, underwriters, exchanges and other market participants at its public roundtable on IFRS. We are interested in receiving information from a broader audience. Is the development of a single set of high-quality globally accepted standards important to investors?*

    Yes, the development of a single set of high-quality globally accepted standards is critical to achieving and promoting competition through global investment opportunities.

    To what degree are investors and other market participants able to understand and use financial statements prepared in accordance with IFRS as published by the IASB without a U.S. GAAP reconciliation?

    With regard to the insurance industry, because most non-U.S. companies following IFRS 4 use either U.K. or U.S. GAAP as their existing accounting practices, it is our understanding that investors and other market participants are able to understand the differences between these two accounting standards.

    We also encourage commenters to discuss ways in which the Commission may be able to assist investors and other market participants in improving their ability to understand and use financial statements prepared in accordance with IFRS.

    With respect to insurance contracts, we would recommend that the SEC consider continuing to require a narrative description of the significant differences between IFRS and U.S. GAAP for the particular insurer's products. It is important to note in the insurance industry that analysts and other market participants generally receive detailed supplemental information from the insurance company (beyond the current financial statement disclosure requirements) in order to more completely understand and use the financial statements, regardless of the basis of accounting under which they have been prepared.

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13. *Should we put any limitations on the eligibility of a foreign private issuer that uses IFRS as published by the IASB to file financial statements without a U.S. GAAP reconciliation? If so, what type of limitations? For example, should the option of allowing IFRS financial statements without reconciliation be phased in? If so, what should be the criteria for the phase-in? Should only foreign private issuers that are well-known seasoned issuers, or large accelerated filers, or accelerated filers, and that file IFRS financial statements be permitted to omit the U.S. GAAP reconciliation?*

    We believe the Commission should consider requiring insurers to provide a narrative statement that describes, in detail, the basis of accounting for insurance contracts, including how it might differ from U.S. GAAP and the process by which the amounts recorded would be reconciled to U.S. GAAP. This requirement would hopefully reduce the financial statement user's effort to understand IFRS statements from insurance companies. In light of the above, if assets and liabilities are measured on a consistent basis under different bases of accounting and significant differences are qualitatively described and understood by users, we would not see the need for a quantitative reconciliation. Disclosure, as suggested, will also allow the SEC to monitor convergence efforts in the area of insurance contracts.

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24. *Are there accounting subject matter areas that should be addressed by the IASB before we should accept IFRS financial statements without a U.S. GAAP reconciliation?*

    The accounting for insurance contracts was specifically identified by the Commission as a concern, as the IASB is in the midst of a project to provide recognition and measurement guidance that today is non-existent in IFRS. For the reasons cited in our responses above, we do not deem this to be an impediment to eliminating the reconciliation.

25. *Can investors understand and use financial statements prepared using IFRS as published by the IASB in those specific areas or other areas that IFRS does not address?*

    Statements prepared under IFRS 4 can generally be used if the underlying basis of accounting for insurance contracts is one that is understood and accessible to analysts (e.g. U.S. GAAP or UK GAAP or variations thereof). Difficulties could arise for newer, unfamiliar methods of accounting.

    If IFRS do not require comparability between companies in these areas, how should we address those areas, if at all? Would it be appropriate for the Commission to require other disclosures in these areas not inconsistent with IFRS published by the IASB?

    Yes. Refer to our response to Question 13, above.

IV. GENERAL REQUEST FOR COMMENTS

We request and encourage any interested persons to submit comments regarding:

- *the proposed changes that are the subject of this release,*
- *additional or different changes, or*
- *other matters that may have an effect on the proposals contained in this release.*

In addition to providing comments on these matters, we encourage interested parties to provide comment on broader matters related to the development of a single set of globally accepted accounting standards, for example:

44. *If progress does not continue towards implementing a single set of high- quality globally accepted accounting standards, will investors and issuers be served by the absence of a U.S. GAAP reconciliation for financial statements prepared using IFRS as published by the IASB?*

    We believe that progress toward implementing a single set of high-quality globally accepted accounting standards will continue. In the meantime, we do not believe that investors and issuers will be ill-served by the absence of a U.S. GAAP reconciliation, as long as those differences are qualitatively understood, where significant, and continue to decrease in number.

45. *Where will the incentives for continued convergence lie for standard setters, issuers, investors and other users of financial statements if the reconciliation to U.S. GAAP is eliminated for issuers whose financial statements are prepared using IFRS as published by the IASB?*

Please refer to our response to Question 2.

46. *Are there additional interim measures, beyond the proposed elimination of the U.S. GAAP reconciliation from IFRS financial statements, that would advance the adoption of a single set of high-quality globally accepted accounting standards? If so, what are they? Who should undertake them?*

The Commission should stay involved to monitor the convergence process to ensure that the needs of investors and other financial statement users (including management) are heard, and that the process and commitment of the FASB and IASB toward convergence to an optimal standard (be it U.S. GAAP, IFRS or a new joint effort) remains robust and not driven to convergence for the sake of convergence.