PLAINTIFF'S EXHIBIT 122

AMERICAN INTERNATIONAL GROUP, INC.
70 PINE STREET
NEW YORK, N.Y. 10270

February 7, 2001

PricewaterhouseCoopers LLP
1177 Avenue of the Americas
New York, NY 10036

We are providing this letter in connection with your audits of the consolidated financial statements of American International Group, Inc. and its subsidiaries (the "Company") as of December 31, 2000 and December 31, 1999 and for each of the three years in the period ended December 31, 2000 for the purpose of expressing an opinion as to whether such consolidated financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows of the Company in conformity with accounting principles generally accepted in the United States of America. We confirm that we are responsible for the fair presentation in the consolidated financial statements of financial position, results of operations, and cash flows in conformity with generally accepted accounting principles.

Certain representations in this letter are described as being limited to those matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would have been changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, as of February 7, 2001, the date of your report, the following representations made to you during your audits.

1. The consolidated financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America, and include all disclosures necessary for such fair presentation and disclosures otherwise required to be included therein by the laws and regulations to which the Company is subject.

2. The effects of the uncorrected financial statements misstatements summarized in the accompanying Schedule A are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

3. We have made available to you all:

a. Financial records and related data.

b. Minutes of the meetings of shareholders, directors, and committees of directors, and action consents of directors and committees of directors. The most recent meetings held were: Annual Shareholders' meeting on May 17, 2000, Board of Directors' meeting on November 15, 2000, Executive Committee meeting on September 19, 2000, Stock Option and Compensation Committee meeting on December 14, 2000, Finance Committee meeting on January 18, 2001, Audit Committee of the Board of Directors meeting on November 15, 2000. The most recent Board of Directors' action consent in lieu of meeting was dated February 6, 2001.

4. There has been no:

a. Fraud involving management or employees who have significant roles in the Company's internal control.

b. Fraud involving others that could have a material effect on the consolidated financial statements.

(We understand the term "fraud" to mean those matters described in Statement on Auditing Standards No. 82.)

c. Violations or possible violations of laws or regulations whose effects should be considered for disclosure in the consolidated financial statements or as a basis for recording a loss contingency.

5. The following, if material, have been properly recorded or disclosed in the consolidated financial statements:

a. Related-party transactions, including sales, purchases, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties. (We understand the term "related party" to include those entities described in Statement on Auditing Standards No. 45, footnote 1.)

b. Guarantees, whether written or oral, under which the Company is contingently liable.

c. Significant estimates and material concentrations known to management that are required to be disclosed in accordance with the AICPA's Statement of Position 94-6, *Disclosure of Certain Significant Risks and Uncertainties*. (Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.)

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d. Capital stock repurchase options or agreements or capital stock reserved for options, warrants, conversions, or other requirements.

e. Arrangements with financial institutions involving compensating balances, or other arrangements involving restrictions on cash balances and lines of credit, or similar arrangements.

f. Financial instruments with off-balance-sheet risk and financial instruments with concentrations of credit risk, including:

   (1) The extent, nature, and terms of financial instruments with off-balance-sheet risk.

   (2) The amount of credit risk of financial instruments with off-balance-sheet risk and information about the collateral supporting such financial instruments.

   (3) Significant concentrations of credit risk arising from all financial instruments and information about the collateral supporting such financial instruments.

g. Agreements to repurchase assets previously sold.

h. Commitments for future purchases of securities or loans at specified rates.

i. The liability for participating policyholders' interests which was determined based on the appropriate rules and regulations in effect in the various jurisdictions. No portion of earnings attributable to participating business, which will not ultimately accrue to the benefit of stockholders, has been included in income or capital funds. In particular, we confirm that estimated dividends to be paid for AIA Malaysia Branch and AIA - Singapore Branch will approximate the statutory required percentages over the net income of the life fund attributable to participating policies. We also anticipate that dividend will be paid to the Hong Kong policyholders of AIA(B) in amounts of the actual declared dividend for the year plus or minus the unrealized capital gains or losses averaged over the last three years.

6. There have been no:

   a. Material transactions requiring submission to, and approval from, insurance regulatory authorities that have not been so submitted and approved.

   b. Allocations of expenses within the companies that have not been ratified by any of the individual entities involved with such allocations.

   c. Significant changes in accounting principles.

7. There are no material transactions, agreements or accounts that have not been properly recorded in the accounting records underlying the consolidated financial statements.

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8. The Company has complied with all aspects of contractual agreements that would have a material effect on the consolidated financial statements in the event of noncompliance.

9. The Company has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral, except as disclosed in the consolidated financial statements.

10. All cash and bank accounts and all other properties and assets of the Company of which we are aware are included in the consolidated financial statements at December 31, 2000 and 1999.

11. Debt securities that have been classified as held-to-maturity ("HTM") have been so classified due to the Company's intent to hold such securities to maturity and the Company's ability to do so. All other debt securities have been classified as available-for-sale or trading. There have not been any dispositions from HTM category that would "taint" the HTM classification of the investments remaining in this portfolio.

12. Debt securities classified as held to maturity are carried at amortized cost in the consolidated financial statements. Debt securities classified as available for sale and debt securities classified as trading are carried at market value in the consolidated financial statements.

13. We believe that any decline in fair value below the cost or amortized cost of any security classified as available-for-sale or held-to-maturity is temporary, as that term is used in paragraph 16 of Financial Accounting Standards Board ("FASB") Statement No. 115. Also, the carrying value of any other invested asset has been accounted for in accordance with the authoritative pronouncements governing such investments if the carrying value is considered to be impaired. In addition, any loss on sales of securities classified as available-for-sale that arose from the sale of such securities after the end of the year was recognized in the period in which the decision to sell was made because, prior to the end of the year, we had not made the decision to sell such security and considered any decline at that time to be temporary.

14. Open interest rate and currency swaps, options and forward transactions are carried at estimated fair values, based on the use of valuation models that utilize, among other things, current interest, foreign exchange and volatility rates, as applicable (values are also reviewed by reference to the market levels at which the Company hedges its transactions and are adjusted as deemed appropriate by management) with the resulting gains/losses reflected in the current period's income.

15. The methods and significant assumptions used by the Company to determine fair values of financial instruments have been disclosed in the notes to the consolidated financial statements. The methods and significant assumptions used result in a measure of fair value appropriate for financial statement measurement and disclosure purposes.

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16. There are no open securities and futures contracts or open swaps and foreign currency forward exchange contracts which, in our judgment, might adversely affect the Company that have not been reflected in the financial statements.

17. We have evaluated the expected effect of adopting FASB Statement No. 133, *Accounting for Derivative Instruments and Hedging Activities as amended by FASB Statement No. 138,* as of January 1, 2001.

    a. We have evaluated all contracts and financial instruments to determine whether these meet the definition of a derivative under FASB Statement No. 133 paragraphs 6 – 11.
    b. We have evaluated all contracts and financial instruments entered into to determine whether any such contracts or financial instruments are in effect hybrid instruments that contain embedded derivative instruments that are required to be accounted for separately at fair value under FASB Statement No.133.

    c. We have determined our transition adjustment in accordance with paragraphs 49 – 56 of FASB Statement No. 133. The transition adjustment will result in a cumulative-effect-type adjustment of $17 million (gain) and $211 million (loss) to net income and accumulated other comprehensive income, respectively, as of January 1, 2001.

    d. The methods and significant assumptions used to determine the fair values of derivative instruments and the appropriate changes in fair values of the respective hedge items result in a measure of fair value appropriate for financial statement measurement and disclosure purposes in accordance with FASB Statement No. 133.

18. The aggregate of insurance balances receivable (including reinsurance recoverable on paid and unpaid losses) and other non-insurance receivable, recorded in the balance sheet at December 31, 2000, represent bonafide claims against debtors for premiums or other charges arising on or before that date. The provision for doubtful accounts is sufficient to provide for any losses that may be sustained on realization of such receivables.

19. We have reviewed loans receivable for impairment, and made appropriate allowances thereon if necessary, in accordance with FASB Statement No. 114, *Accounting by Creditors for Impairment of a Loan* and FASB Statement No. 118, *Accounting by Creditors for Impairment of a Loan – Income Recognition and Disclosures.* The allowance for loan losses encompasses probable credit losses related to specifically-identified loans as well as probable credit losses inherent in the remainder of the loan portfolio that have been incurred as of December 31, 2000. The allowance does not include an amount for loan losses expected to be incurred subsequent to December 31, 2000.

20. Receivables recorded in the consolidated financial statements represent bonafide claims against debtors for sales or other charges arising on or before the balance sheet dates and

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are not subject to discount except for normal cash discounts. All receivables have been appropriately reduced to their estimated net realizable value.

21. All material costs that have been deferred to future periods will be recoverable.

22. The Company has deferred only those expenses related to its general insurance business that vary with and are primarily related to the acquisition of new and renewal insurance contracts and which are recoverable from the related unearned premiums considering the expected claim costs and claim adjustment expenses, expected dividends to policyholders, maintenance costs, and interest (if applicable) and has provided for expected losses in excess of the unearned premiums on insurance policies currently in force, where necessary. Acquisition costs that do not vary with or are not primarily related to the acquisition of new and renewal insurance contracts have been expensed. Capitalized acquisition costs have been amortized in proportion to premium revenue.

23. The Company has deferred only those expenses related to its life insurance business that vary with and are primarily related to the acquisition of new and renewal long-duration insurance contracts (as defined in Statement of Financial Accounting Standards No. 60) and investment contracts (as defined in Statement of Financial Accounting Standards No. 97) and has expensed, as incurred, acquisition costs that do not vary in a constant relationship to premiums or insurance in force or are level or recurring in nature. Capitalized acquisition costs have been amortized as follows:

    a) For traditional long-duration insurance contracts, in proportion to premium revenue using the same assumptions used in estimating the liability for future policy benefits;

    b) For non-traditional, universal life type insurance contracts and for investment contracts that include significant surrender charges or that yield significant revenues from sources other than the investment of contract holders' funds, at a constant rate based on the present value of the estimated gross profits using appropriate assumptions for policyholder assessments and investment earnings, without provision for adverse deviation;

    c) For investment contracts that do not meet the significant other revenue criteria in (b), at a constant rate applied to net policy liabilities that is consistent with the interest method under Statement of Financial Accounting Standards No. 91; and

    d) For certain participating contracts accounted for under Statement of Position No. 95-1, at a constant rate, based on the present value of the estimated gross margin amounts expected to be realized over the life of the book of contracts. These assumptions have been evaluated against actual experience and it has been determined that the existing contract liabilities, together with the present value of future gross profits, will be sufficient to cover the present value of future benefits to be paid and settlement and maintenance costs and to recover unamortized acquisition costs.

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24. We have reviewed long-lived assets and certain identifiable intangibles for impairment, whenever events or changes in circumstances have indicated that the carrying amount of assets might not be recoverable, and have appropriately recorded the adjustment.

25. The Company has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.

26. The Company is not party to, and has not accounted for, any reinsurance funding arrangements (i.e., contracts which do not involve the transfer of risk (we understand the term "transfer of risk" as defined by FASB Statement No. 113) but under which recovery is limited to those amounts previously paid to be repaid in the future, adjusted for the cost of funds) as if it were a reinsurance contract involving the transfer of risk.

27. Descriptions of the insurance and reinsurance contracts that are not transferring insurance risk and that qualify to be accounted for as deposits have been properly disclosed. In addition, the separate amounts of total deposit assets and total deposit liabilities have been reported in the statement of financial position.

28. The appropriate disclosures have been made of the following information regarding the changes in the recorded amount of the deposit arising from an insurance or reinsurance contract that transfers only significant underwriting risk:

    a. The present values of initial expected recoveries that will be reimbursed under the insurance or reinsurance contracts that have been recorded as an adjustment to incurred losses.

    b. Any adjustment of amounts initially recognized for expected recoveries (the individual components of the adjustment (meaning, interest accrual, the present value of additional expected recoveries, and the present value of reductions in expected recoveries) have been disclosed separately).

    c. The amortization expense attributable to the expiration of coverage provided under the contract.

29. The Company has properly recorded, classified and disclosed financial asset transfers, servicing of financial assets and liabilities, and extinguishments of liabilities in the consolidated financial statements pursuant to FASB Statement No. 125, *Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities,* and FASB Statement No. 140, *Accounting for Transfers and Servicing of Financial Assets and Extinguishment of Liabilities, a replacement of FASB Statement No. 125* as to the recognition and reclassification of collateral and disclosures relating to securitization transactions and collateral for fiscal years ending after December 15, 2000.

30. The consolidated financial statements disclose all information about the Company's operating segments, their products and services, the geographic areas in which they

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operate and their major customers as required by FASB Statement No. 131, *Disclosures about Segments of an Enterprise and Related Information.*

31. All liabilities of the Company of which we are aware are included in the consolidated financial statements at the balance sheet dates. There are no other liabilities or gain or loss contingencies that are required to be accrued or disclosed by FASB Statement No. 5, *Accounting for Contingencies*, and no unasserted claims or assessments that our legal counsel has advised us are probable of assertion and required to be disclosed in accordance with that Statement.

32. The financial statements reflect accumulated reserves and related liabilities that, together with expected future gross premiums and expected future investment earnings, will be sufficient to cover expected future promised benefits, settlements, and maintenance expenses under reasonable assumptions as to future experience. In addition, the related master files and valuation listings and summaries represent a materially complete and accurate record of all contracts in force at December 31, 2000. In addition, management has appropriately utilized actuarial specialists in the determination of the amounts recorded, which require actuarial certification, or which represent actuarially determined liabilities.

33. The liability for unpaid claims and claim adjustment expenses, including amounts for incurred but not reported claims and estimated recoveries for salvage and subrogation, has been determined using appropriate estimated ultimate costs of settling the claims (including the effects of inflation and other societal and economic factors), using past experience adjusted for current trends and any other factors that would modify past experience. In addition, management has appropriately utilized a loss reserve specialist in the determination of the amounts recorded which require actuarial certification, or which represent actuarially determined liabilities.

34. The Company, pursuant to EITF 98-9, *Accounting for Contingent Rent*, has recorded contingent rent expense under leases for which the achievement of the specified target that triggers the contingent rent is considered probable.

35. At December 31, 2000, the Company had no purchase commitments for aircraft and related parts, in excess of normal requirements or at prices that were in excess of market at that date, and no sales or lease commitments that it is unable to fulfill or that were at prices less than cost or expected cost to purchase.

36. Except as disclosed in the financial statements, there are no concentrations that make the entity vulnerable to the risk of a near-term severe impact and for which it is at least reasonably possible that the events, except for natural disasters, that could cause the severe impact will occur in the near term. For the purpose of this letter, a "severe impact" is a significant financially disruptive effect on the normal functioning of the entity.

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37. Except as reflected in the balance sheet, there were no agreements under which any of the liabilities of the Company have been subordinated to any other of its liabilities nor were any receivables owned by the Company subordinate to any other liabilities of the debtor company.

38. The Company is not in violation of any debt covenants during the year ended and as of December 31, 2000, which could lead to acceleration of or full repayment of the outstanding debt.

39. All the pertinent rights and privileges of the Company's outstanding equity securities have been properly disclosed. There are no transactions that occurred after December 31, 2000 (the end of the most recent fiscal period), but before February 7, 2001 (the date of your report), that would have materially changed the number of common shares or potential common shares outstanding at the end of the period if the transaction had occurred prior to the end of the period.

40. We have evaluated the disclosure requirements of SEC Staff Accounting Bulletin No. 60 regarding financial guarantees and concluded, financial guarantees other than as disclosed in the notes to the financial statements as the aggregate amounts guaranteed, per SEC definition, are not material to consolidated equity and there is no material effect on consolidated results of operations.

41. The company's life insurance contracts, annuity contracts and long term care contracts comply with requirements under the applicable provisions of the Internal Revenue Code of 1986 [as amended].

42. The Company's consolidated federal income tax returns have been examined and reported upon by the Internal Revenue Services ("IRS") as disclosed in the notes to the consolidated financial statements. The provision for unpaid income taxes reflected in the balance sheet is believed to be adequate to cover any additional assessments resulting from examinations already made or from those to be made by the IRS and other taxing authorities.

43. A valuation allowance against the deferred tax asset at the balance sheet date is not considered necessary because it is more likely than not that the deferred tax asset will be fully realized.

44. The Company has the ability to implement the tax strategies identified to support realization of the deferred tax asset, and intends to implement them unless the need to do so is eliminated in future years.

45. Tax-exempt bonds issued have retained their tax-exempt status.

46. Deferred tax liabilities have not been recognized for outside basis differences (including undistributed earnings) relating to foreign subsidiaries and foreign corporate joint ventures disclosed in the consolidated financial statements because such amounts have

been indefinitely reinvested. Unremitted earnings of domestic subsidiaries and domestic corporate joint ventures disclosed in the consolidated financial statements that arose in fiscal years beginning on or before the balance sheet date have been indefinitely reinvested. All other outside basis differences relating to domestic subsidiaries are not taxable temporary differences because management expects that (a) the company will ultimately recover the reported amount of its investment in the domestic subsidiary through a tax-free means currently provided by the tax law and (b) such recovery will be achieved without incurring a significant cost.

47. Except as disclosed in the financial statements, there are no estimates for which both (a) it is reasonably possible that the estimate will change in the near future (i.e., not to exceed one year from the date of the financial statements) due to one or more future confirming events, and (b) the effect of the change would be material to the financial statements.

48. The actuarial assumptions and methods used to measure liabilities and costs for financial accounting purposes for pension and other postretirement benefits are appropriate in the circumstances.

49. The Company does not plan to make frequent amendments to the pension or other postretirement benefit plans.

50. We agree with the findings of specialists in evaluating the benefit obligations related to the Company's employee benefits plans and have adequately considered the qualifications of the specialists in determining the amounts and disclosures used in the consolidated financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.

51. We acknowledge that all matters of significant judgment involved in the calculation of the fair value of stock options and warrants, including the assumptions related to dividend yield, expected life of the options / warrants, and volatility, were determined or approved by the Company. Further, the results of the valuation services performed by PricewaterhouseCoopers LLP are appropriate to serve as a basis for recording transactions or providing disclosures that are required to be stated at fair value in the financial statements.

52. The unaudited interim financial information has been prepared and presented in conformity with accounting principles generally accepted in the United States of America applicable to interim financial information and with Item 302(a) of Regulation S-K. The unaudited quarterly financial information for the year ended December 31, 2000 also has been prepared on a basis consistent with the corresponding interim periods in the year ended December 31, 1999 and, to the degree appropriate, with the consolidated financial statements for the years ended December 31, 2000 and 1999. The unaudited interim financial information for the three months ended December 31, 2000 and 1999 does not

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include any material amount of year-end adjustments that have not been disclosed or any material amounts that should have been included in earlier interim periods of the respective fiscal years.

53. We have considered the sources of prescribed statutory accounting practices as discussed in paragraph 6 of AICPA's Statement of Position 94-1 as a basis for identifying and confirming those accounting practices with the insurance departments of the states of domicile of the Company's insurance subsidiaries, which are considered "permitted accounting practices". In addition, where appropriate, we have disclosed all material permitted accounting practices in the footnotes to the financial statements.

54. There have been no communications from regulatory agencies, including the departments of insurance of the states of domicile of the Company's insurance subsidiaries, concerning noncompliance with or deficiencies in financial reporting practices. We have informed you of all regulatory financial and market conduct examinations that have been completed in the past year or that are currently in process and have provided you with access to all examination reports and correspondence from state departments of insurance related to these examinations. We have reviewed with you all the proposed adjustments to the statutory financial statements arising from the examinations by these state departments of insurance and your audit and concur with the disposition of those proposed adjustments in the statutory financial statements.

55. The Company's insurance subsidiaries are not presently operating under any formal or informal restraints of the insurance departments of any jurisdiction in which they are licensed.

56. The insurance departments of the states of domicile of the Company's insurance subsidiaries have adopted the NAIC's Codification of Statutory Accounting Principles guidance (except the New York Insurance Department that did not adopt several key provisions of the guidance and the Insurance Department of the State of Florida that did not adopt the guidance), which is effective January 1, 2001. The Company has not completed the calculation of the cumulative effect of adoption on its surplus and is therefore unable to disclose the impact of adoption but expects that the statutory surplus after adoption will continue to be in excess of the regulatory risk-based capital requirements.

To the best of our knowledge and belief, no events have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned consolidated financial statements.

M.R. Greenberg

Maurice R. Greenberg
Chairman and Chief Executive Officer

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Howard I. Smith
Executive Vice President and Chief Financial Officer