PLAINTIFF'S EXHIBIT 176

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

February 6, 2002

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, 2001 and December 31, 2000 and for each of the three years in the period ended December 31, 2001 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 accounting principles generally accepted in the United States of America.

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 6, 2002, 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 PricewaterhouseCoopers summary of unadjusted differences summarized in the accompanying Schedule A are immaterial, both individually and in aggregate, to the financial statements taken as a whole.
3. We have made available to you all:

Confidential Treatment Requested by PricewaterhouseCoopers LLP PWCSEC 001940

a. Financial records and related data.

b. Minutes of the meetings of stockholders, directors, and committees of directors, action consents of directors and committees of directors. The most recent meetings held were: Annual Shareholders' meeting on May 15, 2001, Board of Directors' meeting on November 14, 2001, Executive Committee meeting on December 28, 2001, Stock Option and Compensation meeting on December 13, 2001, Finance Committee meeting on January 17, 2002, Audit Committee of the Board of Directors meeting on November 14, 2001.

4. There have been no communications from regulatory agencies 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 related to these examinations. We have reviewed with you all the proposed adjustments to the statutory financial statements arising from the examinations and your audit and concur with the disposition of those proposed adjustments in the statutory financial statements.

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

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 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.

8. 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 Financial Accounting Standards Board ("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.

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

10. 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.)

    d. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances, line of credit, or similar arrangements.

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

    f. Agreements to repurchase assets previously sold.

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

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

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

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

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

    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

Confidential Treatment Requested by PricewaterhouseCoopers LLP PWCSEC 001942

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.

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

12. 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.

13. We have reviewed long-lived assets, certain identifiable intangibles, and goodwill related to those assets to be held and used or to be disposed of for impairment in accordance with FASB Statement No. 121 *Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of*, and APB No. 17, *Intangible Assets*, whenever events or changes in circumstances have indicated that the carrying amount of assets might not be recoverable, and have appropriately recorded the adjustment.

14. 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, 2001.

15. We have adopted FASB Statement No. 140, *Accounting for Transfers and Servicing of Financial Assets and Extinguishment of Liabilities, a replacement of FASB Statement No. 125*. The Company has properly disclosed the methods and significant assumptions in the consolidated financial statements used to determine the fair values of retained interest, interest only strips, servicing assets and servicing liabilities.

16. We have evaluated all transfers of financial assets to determine that control over the transferred assets has been surrendered and that all of the conditions pursuant to paragraph 9 of FASB Statement No. 140 have been met.

17. We have evaluated all transactions involving qualified special purpose entities to determine that all of the conditions pursuant to paragraph 35 of FASB Statement No. 140 have been met. The comprehensive lists of special purpose entities provided to you, *AIG Special Purpose Vehicles Inventory 12/31/01* and *AIG Special Purpose Vehicles Inventory 12/31/01: Supplement*, is complete and accurate; all such entities have been properly accounted for under accounting principles generally accepted in the United States of America.

18. Debt securities classified as available for sale and debt securities classified as trading are carried at market value in the consolidated financial statements.

Confidential Treatment Requested by PricewaterhouseCoopers LLP PWCSEC 001943

19. 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 FASB Statement No. 115, *Accounting for Certain Investments in Debt and Equity Securities.* 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 such security 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.

20. 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, 2001. The allowance does not include an amount for loan losses expected to be incurred subsequent to December 31, 2001,

21. The methods and significant assumptions used 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.

22. Debt securities that have been classified as held-to-maturity have been so classified due to the Company's intent to hold such securities to maturity and the Company's ability to do so. On January 1, 2001, the Company elected to reclassify $11.53 billion (at amortized cost) held-to-maturity securities as available-for-sale resulting in a net cumulative-effect-type adjustment of $339 million gain recorded in accumulated other comprehensive income. We did not sell any of those reclassified securities before March 31, 2001, which would have required reclassification to trading and the resulting cumulative effect adjustment at January 1, 2001 to be recorded to earnings. All other debt securities have been classified as available-for-sale or trading.

23. We have adopted FASB Statement No. 133, *Accounting for Derivative Instruments and Hedging Activities as amended by FASB Statement No. 138* and interpreted by *Derivatives Implementation Group* issues (together, "FAS 133"), as of January 1, 2001.

    a. The methods and significant assumptions used to determine the fair values of financial instruments result in a measure of fair value appropriate for financial statement measurement and disclosure purposes in accordance with FAS 133.

    b. We have adequately disclosed each significant concentration of credit risk arising from all financial instruments whether from an individual

Confidential Treatment Requested by PricewaterhouseCoopers LLP PWCSEC 001944

counterparty or groups of counterparties in accordance with FASB Statement No. 107, as amended by FAS 133.

c. We have evaluated the contracts into which we have entered to determine whether any such contracts are in effect hybrid instruments that contain embedded derivative instruments. For those embedded derivative instruments that (1) possess economic characteristics that are not clearly and closely related to the host contract and (2) meet the definition of a derivative instrument when considered on a stand-alone basis, we have bifurcated the embedded derivative instrument and accounted for it pursuant to the provisions of FAS 133.

d. We have identified, linked and documented the relationship between the derivative instrument and the hedged item (or transaction) for all transactions to which hedge accounting is applied.

e. Both at the hedge's inception and on an ongoing basis, we have formally assessed and documented whether the derivative instrument is highly effective in offsetting the changes in fair value or cash flows of the hedged item. We believe that all transactions currently accounted for as a hedge are and will be effective throughout the designated hedge period.

f. We have evaluated the expected timing of hedged forecasted transactions and believe that those forecasted transactions are probable of occurring in the period(s) specified in our hedge documentation or within an additional two-month period of time thereafter.

g. We have evaluated all contracts and financial instruments to determine whether these meet the definition of a derivative under FAS 133 paragraphs 6-11 and the related Derivatives Implementation Group Issues. We have designated certain contracts that meet the definition of a derivative as normal purchases and normal sales under paragraph 10b and as a result these are not required to be accounted as derivatives under FAS 133. We believe that (1) it is probable that these contracts will result in physical delivery, (2) the quantities in these contracts are expected to be used or sold over a reasonable period in the normal course of business, and (3) these contracts have prices that are based on underlyings that are clearly and closely related to the assets being sold or purchased and are denominated in currencies that meet the criteria in paragraph 15(a) or 15(b).

24. We agree with the findings of specialists in evaluating the benefit obligations related to the Company's employee benefits plan 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.

Confidential Treatment Requested by PricewaterhouseCoopers LLP PWCSEC 001945

25. Management has consistently reported the results of operations to the Chief Operating Decision Maker (i.e., the Chairman and Chief Executive Officer) based upon a products approach and determined existence of the following operating segments: general insurance, life insurance, financial services and asset management. Management has evaluated the economic characteristics and aggregation criteria of each segment and determined that the following operating segments: general insurance, life insurance, financial services and asset management exhibit similar long-term financial performance and are appropriately aggregated pursuant to FASB Statement No. 131, *Disclosures about Segments of an Enterprise and Related Information*, paragraph 17. External communications are consistent with those reportable segments.

26. The consolidated financial statements disclose all the relevant factors used to identify the Company's reportable segments.

27. The consolidated financial statements include a $1.36 billion restructuring and merger related accrual, which was recorded during the third quarter of 2001. The accrual represents costs recognized pursuant to EITF 94-3, *Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (Including Certain Costs Incurred in a Restructuring* and SAB 100, *Restructuring and Impairment Charges*. The Company has committed to a sufficiently detailed plan that identifies significant actions to be taken and the activities that will not be continued (including the method of disposition and location of such activities). The plan is expected to be completed in 2003 and significant changes to the plan are not likely. The accrual has been properly classified and disclosed in the consolidated financial statements.

    The accrued exit costs do not benefit activities that will be continued and are not associated with or incurred to generate revenues after the commitment date. The accrued exit costs include only those costs that the Company can reliably estimate and either:

    a. Are incremental to other costs incurred in the conduct of activities prior to the commitment date and will be incurred as a direct result of the exit plan and

    b. Represent amounts to be incurred under a contract that existed prior to the commitment date and will continue after the plan is completed with no future economic benefit.

    The involuntary and/or voluntary employee-termination plan establishes the benefits to be paid to employees and specifically identifies the number of employees to be terminated, their job classification or functions, and their location. All employees have been informed about the benefits in sufficient detail to enable them to determine the type and amount of benefits they will receive.

    The Company is continuing to execute its restructuring plan. The consolidated financial statements include a restructuring accrual for exit costs and involuntary termination benefits totaling $1.06 billion at December 31, 2001. The Company has evaluated this accrual and determined that it is not excessive. The restructuring

Confidential Treatment Requested by PricewaterhouseCoopers LLP PWCSEC 001946

accrual and all significant changes, if any, from the original restructuring plan have been properly recognized, classified and disclosed in accordance with EITF 94-3, *Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (Including Certain Costs Incurred in a Restructuring)* and SAB 100, *Restructuring and Impairment Charges.*

28. The Company is aware of the following restrictions in conjunction with the business combination of American International Group, Inc. and American General Corporation accounted for under the pooling of interests method:

    a. Post merger retirement or buy-back, *directly or indirectly,* of all or part of the common stock issued to effect the combination.

    b. Post merger arrangements for the benefit of the former stockholders of American International Group, Inc. and American General Corporation.

    c. Post merger disposals of a significant part of the assets of American International Group, Inc. and American General Corporation within two years after the combination other than disposals in the ordinary course of business of American International Group, Inc. and American General Corporation and to eliminate duplicate facilities or excess capacity or disposals to comply with an order of governmental authority or judicial body.

    d. Immediate disposition of voting common stock received by any affiliate of American General Corporation in the pooling transaction.

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

30. 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.

31. 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.

32. 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.

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

Confidential Treatment Requested by PricewaterhouseCoopers LLP PWCSEC 001947

34. 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 form examinations already made or from those to be made by the IRS and other taxing authorities.

35. 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.

36. 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.

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

38. 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.

39. At December 31, 2001, 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.

40. 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.

41. 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 to any other liabilities of the debtor company.

42. The Company is not in violation of any debt covenants during the year ended and as of December 31, 2001, which could lead to acceleration of or full repayment of the outstanding debt.

43. 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, 2001 (the end of the most recent fiscal period), but before February 6, 2002 (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 has occurred prior to the end of the period.

Confidential Treatment Requested by PricewaterhouseCoopers LLP PWCSEC 001948

44. 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.

45. 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, 2001. In addition, management has appropriately utilized an actuarial specialist in the determination of the amounts recorded which require actuarial certification, or which represent actuarially determined liabilities.

46. The Company has deferred only those expenses 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

Confidential Treatment Requested by PricewaterhouseCoopers LLP PWCSEC 001949

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.

47. 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].

48. 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.

49. 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.

50. 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, 2001, 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.

51. 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 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.

Confidential Treatment Requested by PricewaterhouseCoopers LLP PWCSEC 001950

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.

52. 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.

53. 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.

54. 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, which is effective January 1, 2001. The Company does not expect the effect of this adoption on the statutory financial statements to be material.

55. 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, 2001 also has been prepared on a basis consistent with the corresponding interim periods in the year ended December 31, 2000 and, to the degree appropriate, with the consolidated financial statements for the years ended December 31, 2001 and December 31, 2000. The unaudited interim financial information for the three months ended December 31, 2001 and December 31, 2000 does not 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.

56. At December 31, 2001, the Company has overcome the presumption of consolidation under FASB Statement No. 94, *Consolidation of All Majority-Owned Subsidiaries*, for several majority voting interest investees, in the consolidated financial statements in accordance with the criteria specified in EITF 96-16, *Investor's Accounting for an Investee When the Investor Has a Majority of the Voting Interest but the Minority Shareholder or Shareholders Have Certain Approval or Veto Rights*.

57. There are no amounts in other comprehensive income that should be classified to earnings as a result of forecasted transactions becoming probable of not occurring.

Confidential Treatment Requested by PricewaterhouseCoopers LLP PWCSEC 001951

58. There are no circumstances in which the Company continues to record a loss in accumulated other comprehensive income that is expected to lead to recognizing a net loss in one or more future periods on the combination of the hedging instrument and the hedged transaction (and related asset acquired or liability incurred).

59. There are no circumstances in which there has been an impairment under generally accepted accounting principles in which an offsetting net gain related to that transaction in accumulated other comprehensive income should be recognized immediately in earnings.

60. For any financial instruments that can be settled in cash or in the Company's shares at the Company's option, the Company has a stated policy as to the means of settlement, and has appropriately applied EITF Topic D-72, *Effect of Contracts That May Be Settled in Stock or Cash on the Computation of Diluted Earnings Per Share,* based on that policy.

61. We have reviewed the criteria for revenue recognition included in SAB 101, *Revenue Recognition*, namely, collectibility, delivery, evidence of arrangement and fixed price and are recognizing revenue in accordance with SAB 101.

62. We have considered the sources of prescribed statutory accounting practices as discussed in paragraph 6 of the 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.

63. 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.

64. The beneficial owner of the AIG shares held by Starr International Company, Inc. ("SICO") is a charitable trust.

65. If the expenses of the SICO plan had been reflected by the Company, the pre-tax amounts accrued would have been \$56.9 million, \$78.3 million and \$88.1 million for 2001, 2000 and 1999, respectively. Management does not believe that this compensation charge represents an expense of the Company.

66. The Company has not consolidated several partnership investments based on the fact that their ownership interests and control is deemed "likely to be temporary" as permitted by FASB Statement No. 94, paragraph 13.

67. We have not completed the process of evaluating the impact that will result from adopting FASB Statement No. 143, *Accounting for Asset Retirement Obligations,* and FASB Statement No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets.* The Company is therefore unable to disclose the impact that adopting FASB Statements No. 143 and No. 144 will have on its financial position and results of operations.

Confidential Treatment Requested by PricewaterhouseCoopers LLP PWCSEC 001952

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.

Maurice R. Greenberg
Chairman and Chief Executive Officer

Howard I. Smith
Executive Vice President and Chief Financial Officer

Michael J. Castelli
Vice President and Comptroller (Principal Accounting Officer)

Confidential Treatment Requested by PricewaterhouseCoopers LLP PWCSEC 001953