

AIG Tax Liability Insurance



Cut through the crowded insurance marketplace and get what you need with this guide to Why AIG:

- Connecting you with world-class Tax Liability leadership
- Highlighting AIG Financial Lines' key areas of differentiated value
- Providing examples of AIG Financial Lines' advantages working for brokers and clients
- Showcasing why AIG is an industry leading Financial Lines insurer

North America Leadership



Anna Rozin
North America
Head of M&A

anna.rozin@aig.com
212.458.1112



Mary Duffy
Global Head of M&A

mary.duffy@aig.com
+44 (0)20 7954 8104



Rita Perez
Head of Financial Lines Claims

rita.perez@aig.com
212.458.8713

The AIG Advantage

Prompt Solutions to Tax Issues

- Employs former lawyers and tax experts empowered to provide tailored client solutions quickly and strategically
- Helps address certain tax liabilities arising from inaccurate tax representations and re-thought tax treatments
- Enables clients to reduce or eliminate a contingent tax exposure arising from tax treatment of a transaction, investment or other tax position that may be challenged by U.S. or foreign tax authorities

WHY IS THIS IMPORTANT?

AIG's proven tax liability insurance experts help clients with timely solutions.

Underwriting and Claims Expertise

- Leverages decades of proven experience to provide clients with creative, high-quality solutions to certain potential tax exposures
- Employs dedicated, in-house claims professionals who collaborate with underwriters to handle clients' complex transactional claims
- Customizes solutions utilizing our broad underwriting and claims expertise across various tax risks, geographies, and sectors

WHY IS THIS IMPORTANT?

AIG's underwriting and claims professionals manage one of the industry's largest, most varied claims portfolios to deliver tailored solutions and expert claims counsel.

Multinational Capabilities

- Leverages expertise of tax liability teams strategically located in the U.S., U.K., Europe, and Asia Pacific to help support clients' needs across the globe
- Enables dedicated regional underwriters with local tax expertise to be creative problem solvers and provide client-specific solutions
- Provides consistent, seamless service and solutions across the globe

WHY IS THIS IMPORTANT?

AIG tax liability experts provide solutions for clients around the globe.

**Dedicated
underwriters
with legal and
tax expertise**

**Prompt
solutions from
experienced
carrier**

**Expertise
and solutions
around the
globe**

Learn more: www.aig.com/whyaig

Why AIG

Prompt Solutions to Tax Issues	Underwriting and Claims Expertise	Multinational Capabilities
<p>CHALLENGE: A developer of a renewable energy project sought investment from a tax equity investor. At the last minute, the investor required a credit-worthy party to provide a 10-year indemnity for certain risks relating to the tax credits to which it was entitled.</p> <p>SOLUTION: Decades of experience underwriting complex tax risks positioned AIG to quickly provide a tailored coverage solution.</p> <p>BENEFIT: The developer secured the critical equity investment allowing them to complete the project.</p>	<p>CHALLENGE: A target company was contemplating an internal reorganization in anticipation of a divestiture. This reorganization resulted in a potential tax liability issue that created an impasse as to who should bear that transactional risk.</p> <p>SOLUTION: With a deep understanding of complex tax exposures, AIG tailored a coverage solution that bridged the gap in negotiations and transferred a portion of the financial risk associated with the potential tax liability to AIG.</p> <p>BENEFIT: The parties proceeded with the acquisition knowing they had some financial protection should the acquired business's tax position be successfully challenged by the taxing authority.</p>	<p>CHALLENGE: A buyer of an overseas target company discovered a potential complex tax issue that could have a materially negative impact on the investment rationale.</p> <p>SOLUTION: AIG underwrote the tax risk and bound a local policy, leveraging the expertise and capabilities of its global network.</p> <p>BENEFIT: The buyer proceeded with the overseas acquisition knowing they had some protection from the financial risk of an adverse tax determination.</p>
<p>WHY IS THIS IMPORTANT? Multi-decade experience enabled AIG to expediently tailor a tax liability solution for the client.</p>	<p>WHY IS THIS IMPORTANT? AIG's proven experience and deep underwriting of tax liabilities helps clients secure the right coverages, allowing buyers and sellers to transfer some of the financial risk associated with certain tax risks that could otherwise hamper negotiations.</p>	<p>WHY IS THIS IMPORTANT? AIG's multinational and local tax liability expertise helps clients address risk across the globe.</p>

What is Tax Liability Insurance?

Tax Liability insurance enables insureds to reduce or eliminate certain financial loss arising from a tax authority's successful challenge of tax treatment during a transaction. AIG tax liability insurance can support several key areas of tax coverage:

1. Renewable energy tax credits (solar, wind, fuel cell, carbon capture): investment tax credits (ITCs), production tax credits (PTCs) and carbon sequestration (Sec. 45Q).
 - a. AIG products facilitate investment in renewable projects by shifting some of the financial risk associated with the potential loss of credits from tax equity investors.
2. U.S. M&A related issues including but not limited to S Corporation status, REIT qualification, tax-free reorganizations, international tax (CFCs, FTCs, Sec. 367), dividend treatment, partnership distributions, compensation, and state tax.
3. Canadian tax issues including taxable Canadian property, capital loss, partnership treatment, Canadian GST, GAAR, and Canadian land transfer tax.

FOR AGENT/BROKER USE ONLY. NOT FOR PUBLIC DISTRIBUTION OR SOLICITATION.

The scenarios described herein are offered only as examples. Coverage depends on the actual facts of each case and the terms, conditions and exclusions of each individual policy. Anyone interested in the above product(s) should request a copy of the standard form of policy for a description of the scope and limitations of coverage.

AIG is a marketing name for the worldwide property-casualty, life and retirement, and general insurance operations of American International Group, Inc. For additional information, please visit our website at www.aig.com. All products and services are written or provided by subsidiaries or affiliates of American International Group, Inc. Products or services may not be available in all countries, and coverage is subject to actual policy language. Non-insurance products and services may be provided by independent third parties. Certain property-casualty coverages may be provided by a surplus lines insurer. Surplus lines insurers do not generally participate in state guaranty funds, and insureds are therefore not protected by such funds.

© American International Group, Inc. All rights reserved.