

Mergers & Acquisitions: Tax Liability Appetite Guide

Coverage Availability

- Enables insureds to reduce or eliminate a contingent tax exposure arising from tax treatment of a transaction, investment, or other tax position where the underlying legal conclusions may be subject to future challenge by the IRS or state or foreign tax authorities
- Up to \$50M capacity for any single risk
- Coverage available for risks on a 100%, shared, layered, or excess basis from AIG’s non-admitted carriers only
- Written advice or guidance from legal or other tax advisers obtained by the client is preferred, but not required
- Transactions that demonstrate a clear business purpose other than to achieve a particular tax result are preferred; whether the jurisdiction has GAAR (General Anti-Avoidance Rules) in place will be taken into consideration
- Prefer to cover risks in jurisdictions that are politically stable, have a developed legal system, and a tax authority or tribunal with a recognized, accepted route of appeal and a reputation for competence, probity, sophistication, and fairness

Tax Exposures Considered

- Federal, state, local, or foreign taxes considered (policy period tracks applicable statutes of limitations)
- Expenses of legal or other tax advisors incurred in resolving disputes with the IRS and/or other taxing authorities in respect of the covered tax liability
- Gross-up of taxes payable with respect to insurance proceeds in the event of a loss and insurance recovery
- Interest and insurable non-criminal fines or penalties related to a covered tax liability

AIG Market Differentiators



Claims

- Dedicated and experienced claims team specialized in disputes surrounding complex transactions and in processing customer claims in an expedient manner with proven claims paying ability



Underwriting Expertise

- Underwriting and industry expertise to craft the tailored programs required for each structured transaction



Multinational

- Committed to delivering world-class multinational expertise, solutions, and service to clients in a globally consistent and seamless fashion through one of the largest global networks in the industry, spanning 215+ countries and jurisdictions

American International Group, Inc. (AIG) is a leading global insurance organization. Building on 100 years of experience, today AIG member companies provide a wide range of property casualty insurance, life insurance, retirement products, and other financial services to customers in more than 80 countries and jurisdictions. These diverse offerings include products and services that help businesses and individuals protect their assets, manage risks and provide for retirement security. AIG common stock is listed on the New York Stock Exchange.

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