are not expected to materially affect the consolidated financial position or consolidated results of the company's operations in future periods. However, estimates of future costs are subject to change due to protracted cleanup periods and changing environmental remediation regulations.

As of December 31, 2019, the company was unable to estimate the range of settlement dates and the related probabilities for certain asbestos remediation AROs. These conditional AROs are primarily related to the encapsulated structural fireproofing that is not subject to abatement unless the buildings are demolished and non-encapsulated asbestos that the company would remediate only if it performed major renovations of certain existing buildings. Because these conditional obligations have indeterminate settlement dates, the company could not develop a reasonable estimate of their fair values. The company will continue to assess its ability to estimate fair values at each future reporting date. The related liability will be recognized once sufficient additional information becomes available. The total amounts accrued for ARO liabilities, including amounts classified as current in the Consolidated Balance Sheet were $150 million and $146 million at December 31, 2019 and 2018, respectively.

NOTE R. COMMITMENTS & CONTINGENCIES

Commitments

The company's extended lines of credit to third-party entities include unused amounts of $1.8 billion and $7.4 billion at December 31, 2019 and 2018, respectively. A portion of these amounts was available to the company's business partners to support their working capital needs. The decrease reflects the company's wind-down of its OEM IT commercial financing operations. In addition, the company has committed to provide future financing to its clients in connection with client purchase agreements for $6.3 billion and $4.4 billion at December 31, 2019 and 2018, respectively.

The company has applied the guidance requiring a guarantor to disclose certain types of guarantees, even if the likelihood of requiring the guarantor's performance is remote. The following is a description of arrangements in which the company is the guarantor.

The company is a party to a variety of agreements pursuant to which it may be obligated to indemnify the other party with respect to certain matters. Typically, these obligations arise in the context of contracts entered into by the company, under which the company customarily agrees to hold the other party harmless against losses arising from a breach of representations and covenants related to such matters as title to assets sold, certain IP rights, specified environmental matters, third-party performance of nonfinancial contractual obligations and certain income taxes. In each of these circumstances, payment by the company is conditioned on the other party making a claim pursuant to the procedures specified in the particular contract, the procedures of which typically allow the company to challenge the other party's claims. While typically indemnification provisions do not include a contractual maximum on the company's payment, the company's obligations under these agreements may be limited in terms of time and/or nature of claim, and in some instances, the company may have recourse against third parties for certain payments made by the company.

It is not possible to predict the maximum potential amount of future payments under these or similar agreements due to the conditional nature of the company's obligations and the unique facts and circumstances involved in each particular agreement. Historically, payments made by the company under these agreements have not had a material effect on the company's business, financial condition or results of operations.

In addition, the company guarantees certain loans and financial commitments. The maximum potential future payment under these financial guarantees was $20 million and $26 million at December 31, 2019 and 2018, respectively. The fair value of the guarantees recognized in the Consolidated Balance Sheet was immaterial.

Changes in the company's warranty liability for standard warranties, which are included in other accrued expenses and liabilities and other liabilities in the Consolidated Balance Sheet and in deferred income for extended warranty contracts, are presented in the following tables:

Standard Warranty Liability

($ in millions)

	2019	2018
Balance at January 1	$ 118	$ 152
Current period accruals	111	121
Accrual adjustments to reflect experience	(1)	(32)
Charges incurred	(115)	(123)
Balance at December 31	$ 113	$ 118

Extended Warranty Liability (Deferred Income)

($ in millions)

	2019	2018
Balance at January 1	$ 533	$ 566
Revenue deferred for new extended warranty contracts	198	220
Amortization of deferred revenue	(253)	(240)
Other*	(2)	(13)
Balance at December 31	$ 477	$ 533
Current portion	$ 227	$ 271
Noncurrent portion	$ 250	$ 262

* Other consists primarily of foreign currency translation adjustments.

Contingencies

As a company with a substantial employee population and with clients in more than 175 countries, IBM is involved, either as plaintiff or defendant, in a variety of ongoing claims, demands, suits, investigations, tax matters and proceedings that arise from time to time in the ordinary course of its business. The company is a leader in the information technology industry and, as such, has been and will continue to be subject to claims challenging its IP rights and associated products and offerings, including claims of copyright and patent infringement and violations of trade secrets and other IP rights. In addition, the company enforces its own IP against infringement, through license negotiations, lawsuits or otherwise. Also, as is typical