

AMERICAN INTERNATIONAL GROUP INC

Form 424B2

January 20, 2011

Table of ContentsFiled Pursuant to Rule 424(b)(2)
Registration No. 333-160645**CALCULATION OF REGISTRATION FEE**

Title of Each Class of Securities Offered	Maximum Aggregate Offering Price	Amount of Registration Fee(1)
Common Stock, par value \$2.50 per share	\$ 3,374,899,965.00	\$ 391,825.89
Total	\$ 3,374,899,965.00	\$ 391,825.89

(1) Calculated in accordance with Rule 457(r) under the Securities Act of 1933, as amended.

**PROSPECTUS SUPPLEMENT
(To prospectus dated August 9, 2010)**American International Group, Inc.
74,997,777 Shares of Common Stock

This prospectus supplement is to be used by American International Group, Inc. (**AIG**) in connection with the delivery of up to 74,997,777 shares of **AIG** s common stock, par value \$2.50 per share (the **Common Stock**), upon the exercise of warrants issued by **AIG** on January 19, 2011 as a dividend to holders of the **Common Stock** (each, a **Warrant** and, collectively, the **Warrants**). This prospectus supplement relates to the shares of **Common Stock** to be issued by **AIG** upon exercise of the **Warrants** from time to time.

Our **Common Stock** is listed on the New York Stock Exchange (**NYSE**) under the symbol **AIG**. On January 18, 2011 the last reported sale price of our **Common Stock** on the **NYSE** was \$53.17 per share. This price reflected the right to receive the dividend of 0.533933 **Warrants** per share; the **Common Stock** is expected to trade regular way ex-dividend beginning January 20, 2011.

The **Warrants** may be exercised at any time in accordance with their terms until January 19, 2021, which is ten years after the date of the original issuance. Each **Warrant** entitles the holder to purchase from us one share of our **Common Stock** at an initial exercise price of \$45.00 per share. The **Warrants** have been issued by **AIG** pursuant to a warrant agreement between **AIG** and Wells Fargo Bank, N.A., as **Warrant Agent**. The **Warrants** are listed on the **NYSE** under the symbol **AIG WS** .

Investing in our Common Stock involves risks. Before investing in our Common Stock you should consider carefully the risk factors set forth in Risk Factors beginning on page S-2 of this prospectus supplement and in our most recent Annual Report on Form 10-K and subsequently filed Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS SUPPLEMENT IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

AIG will receive proceeds from the exercise of the Warrants. See Use of Proceeds in this prospectus supplement.

Prospectus Supplement dated January 19, 2011

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We have provided only the information contained in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference into the accompanying prospectus. AIG has not authorized anyone to provide you with information different from that included in or incorporated into this prospectus supplement and the accompanying prospectus. AIG is offering to sell the securities only under circumstances and in jurisdictions where it is lawful to do so.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document consists of two parts. The first part is the prospectus supplement, which describes the specific terms of the Warrants and the Common Stock issuable upon exercise. The second part is the prospectus, which describes more general information regarding AIG's securities, some of which do not apply to this offering. You should read both this prospectus supplement and the accompanying prospectus, together with additional information described under the heading "Where You Can Find More Information" in the accompanying prospectus.

Unless otherwise mentioned or unless the context requires otherwise, all references in this prospectus supplement to *the Company*, *AIG*, *we*, *us*, *our* or similar references mean American International Group, Inc. and its consolidated subsidiaries.

If the information set forth in this prospectus supplement differs in any way from the information set forth in the accompanying prospectus, you should rely on the information set forth in this prospectus supplement. The information contained in this prospectus supplement or the accompanying prospectus or in the documents incorporated by reference herein or therein is accurate only as of the date of the document containing such information.

**CAUTIONARY STATEMENT REGARDING PROJECTIONS
AND OTHER INFORMATION ABOUT FUTURE EVENTS**

This prospectus supplement, the accompanying prospectus and the documents incorporated by reference into the accompanying prospectus, may include, and AIG's officers and representatives may from time to time make, projections and statements which may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These projections and statements are not historical facts but instead represent only AIG's belief regarding future events, many of which, by their nature, are inherently uncertain and outside AIG's control. It is possible that AIG's actual results and financial condition will differ, possibly materially, from the anticipated results and financial condition indicated in these projections and statements.

You should refer to our periodic and current reports filed with the Securities and Exchange Commission, or the SEC, for specific risks that could cause actual results to be significantly different from those expressed or implied by these projections and statements. See "Where You Can Find More Information" in the accompanying prospectus.

AIG is not under any obligation (and expressly disclaims any such obligations) to update or alter any projection or other statement, whether written or oral, that may be made from time to time, whether as a result of new information, future events or otherwise.

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THE OFFERING

Common Stock to be issued, assuming full exercise of all Warrants	74,997,777 shares of Common Stock
Net proceeds, assuming full exercise of all Warrants	Approximately \$3.372 billion (initial exercise price of \$45.00 per share) (calculated net of 67,650.196 Warrants retained due to tax withholding).
NYSE Listing for our Common Stock	AIG
NYSE Listing for our Warrants	AIG WS
Aggregate number of Warrants issued as a dividend to holders of Common Stock	74,997,777.598
Exercisability	Each Warrant is exercisable for one share of Common Stock, subject to adjustment.
Exercise Price	\$45.00 per share, subject to adjustment. The Warrants require the payment of cash consideration.
Exercise Period	The Warrants are generally exercisable at any time until 5:00 p.m., New York time, on January 19, 2021 (or, if that date is not a business day, the next business day), subject to the terms and conditions set forth in the Warrant Agreement. In particular, the Warrants will be exercisable only if a registration statement relating to the Common Stock issuable upon exercise is effective and current.

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RISK FACTORS

An investment in our Common Stock involves certain risks. You should carefully consider the following risk factors, together with all of the other information included in or incorporated into this prospectus supplement and the accompanying prospectus. You should also consider carefully each of the risk factors included in our most recently filed Annual Report on Form 10-K and subsequently filed Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

Risks Relating to the Common Stock

Our holding company structure and certain regulatory and other constraints could affect our ability to pay dividends and make other payments.

As a holding company, American International Group, Inc. depends on dividends, distributions and other payments from its subsidiaries to fund payments due on AIG's obligations, including its outstanding debt. Further, the majority of AIG's investments are held by its regulated subsidiaries. Certain of AIG's regulated subsidiaries currently are, have in the past been, and may in the future be, restricted from making dividend payments, or advancing funds, to AIG. These restrictions may hinder AIG's ability to access funds that American International Group, Inc. may need to make payments on its obligations, including those arising from day-to-day business activities, as well as access to the funds needed to make dividend payments.

In addition, we have agreed with the U.S. Department of the Treasury (the "Treasury Department") that, for so long as the Series G Cumulative Mandatory Convertible Preferred Stock that we issued to the Treasury Department on January 14, 2011 is outstanding, even if the liquidation preference is zero, neither we nor any of our subsidiaries will, without the consent of the Treasury Department, declare or pay any dividend or make any distribution on the Common Stock or redeem, purchase or acquire any shares of Common Stock or other capital stock or other equity securities of any kind of the Company, subject in each case to limited exceptions.

The price of our Common Stock may fluctuate significantly, which may make it difficult for you to resell shares of our Common Stock owned by you at times or at prices you find attractive.

The price of our Common Stock on the NYSE constantly changes. We expect that the market price of our Common Stock will continue to fluctuate.

Our stock price may fluctuate as a result of a variety of factors, many of which are beyond our control. These factors include:

periodic variations in our operating results or the quality of our assets,

operating results that vary from the expectations of securities analysts and investors,

changes in expectations as to our future financial performance,

announcements of innovations, new products, strategic developments, significant contracts, acquisitions, divestitures and other material events by us or our competitors,

the operating and securities price performance of other companies that investors believe are comparable to us,

future sales of our equity or equity-related securities, and

changes in global financial markets and global economies and general market conditions, such as interest or foreign exchange rates, stock, commodity or real estate valuations or volatility.

In addition, in recent years, the stock market in general has experienced extreme price and volume fluctuations. This volatility has had a significant effect on the market price of securities issued by many companies, including for reasons unrelated to their operating performance. These broad market fluctuations may adversely affect our stock price regardless of our operating results.

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The U.S. Department of the Treasury is currently our controlling shareholder.

As of the date of this prospectus supplement, the Treasury Department holds a significant majority of our outstanding shares of Common Stock. For so long as the Treasury Department is our controlling shareholder, it will be able, to the extent permitted by law, to control a vote of AIG shareholders on substantially all matters, including approval of mergers or other business combinations, a sale of all or substantially all of AIG's assets, issuance of any additional shares of Common Stock or other equity securities, and other matters that might be favorable to the Treasury Department, but not to our other shareholders. Moreover, the Treasury Department's ability to cause or prevent a change in control of AIG could also have an adverse effect on the market price of our Common Stock. The Treasury Department may also, subject to applicable securities laws, transfer all, or a portion of, the Common Stock to another person or entity and, in the event of such a transfer, that person or entity could become our controlling shareholder.

Possible future sales of Common Stock by the Treasury Department could adversely affect the market for Common Stock.

We have granted the Treasury Department registration rights with respect to the Common Stock that it holds. Although we can make no prediction as to the effect, if any, that sales by the Treasury Department after the date of this prospectus supplement would have on the market price of Common Stock, sales of substantial amounts of Common Stock, or the perception that such sales could occur, could adversely affect the market price of Common Stock.

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DESCRIPTION OF THE WARRANTS

On January 19, 2011, AIG issued 74,997,777.598 Warrants as a dividend to holders of record of Common Stock as of the record date, January 13, 2011. AIG retained 67,650.196 of these Warrants due to tax withholding.

The Warrants have been issued by AIG pursuant to the Warrant Agreement, dated January 6, 2011 between AIG and Wells Fargo Bank, N.A., as Warrant Agent (the "Warrant Agreement"). The following description of the Warrants is a brief summary and is qualified in its entirety by reference to the complete description of the terms of the Warrants set forth in the Warrant Agreement, which has been filed as an exhibit to AIG's Current Report on Form 8-K, filed on January 7, 2011. The Warrants have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), because the issuance of a dividend in the form of Warrants is not a sale or disposition of a security or interest in a security for value pursuant to Section 2(a)(3) of the Securities Act. AIG has caused the Warrants to be listed on the NYSE for trading under the symbol "AIG WS".

Each Warrant represents the right to purchase from AIG one share of Common Stock at an initial exercise price of \$45.00 per share, payable in U.S. dollars (subject to adjustment as described under "Anti-dilution Adjustments" below). The Warrants will expire on January 19, 2021 (or, if that date is not a Business Day (as defined below), the next Business Day). AIG will issue the Warrants in uncertificated, direct registration form. Holders of Warrants will not be entitled to receive physical certificates. Registration of ownership will be maintained by the Warrant Agent. AIG will at all times reserve the aggregate number of shares of Common Stock for which the Warrants may be exercised. The Warrants will not be redeemable by AIG.

All or any part of the Warrants may be exercised prior to 5:00 p.m., New York time, on any Business Day (each day that is not a Saturday, a Sunday or a day on which banking institutions are not required to be open in the State of New York) through the expiration date by delivering a completed form of election to purchase Common Stock and payment of the then-current exercise price to the Warrant Agent. Any such delivery that occurs on a day that is not a Business Day or is received after 5:00 p.m. New York time on any given Business Day shall be deemed received and exercised on the next succeeding Business Day. Upon such delivery, AIG shall issue such whole number of shares of Common Stock as the holder is entitled to receive, together with cash in respect of any fractional share of Common Stock otherwise issuable in connection with the exercise. The shares of Common Stock issuable upon exercise will be issued by Wells Fargo Bank, N.A., AIG's transfer agent, through AIG's direct registration system for the account of the exercising Warrant holder.

The Warrant Agreement may be amended without the consent of any holder of the Warrants for the purpose of curing any ambiguity or curing, correcting or supplementing any defective or inconsistent provision, or to add or change any other provisions as AIG and the Warrant Agent may deem necessary or advisable. The consent of a majority in interest of the then-outstanding Warrants is required for any amendment that materially and adversely affects the interests of the holders of the then-outstanding Warrants. The consent of each holder of a then-outstanding Warrant is required for certain amendments, including any amendment that would change the exercise price (other than pursuant to adjustment as described below), decrease the number of shares issuable upon exercise (other than pursuant to adjustment as described below) or shorten the time period during which the Warrants are exercisable.

A holder of unexercised Warrants, in his or her capacity as such, is not entitled to any rights of a holder of Common Stock, including, without limitation, the right to vote or to receive dividends or other distributions.

AIG has agreed in the Warrant Agreement to use commercially reasonable efforts to cause a shelf registration statement, filed pursuant to Rule 415 (or any successor provision) of the Securities Act, covering the issuance of

Common Stock to the holders upon exercise of the Warrants to remain effective until the earlier of (i) such time as all Warrants have been exercised and (ii) the expiration date. AIG may suspend the availability of the registration statement relating to the Warrants from time to time for a maximum of 90 days in a given 365-day period, if the board of directors of AIG determines that such a suspension would be necessary to comply with applicable laws and AIG provides notice to the holders of the Warrants. If the registration is so suspended in the 45 days prior to the expiration date of the Warrants, the expiration date of the Warrants will be delayed a number of days equal to the number of days during such 45-day period that the registration statement was suspended.

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The Warrants will be exercisable only if there is an effective shelf registration statement, filed pursuant to Rule 415 (or any successor provision) under the Securities Act, registering the issuance of Common Stock upon exercise, and only if the shares of Common Stock issuable upon exercise are qualified for sale or exempt from qualification under the applicable securities laws of the states or other jurisdictions in which the exercising Warrant holder resides.

All expenses related to the registration and approval of the Common Stock issuable upon exercise of the Warrants will be borne by AIG.

Anti-dilution Adjustments

The exercise price is subject to adjustment, without duplication, if certain events occur:

1. If AIG issues Common Stock as a dividend or distribution to all holders of Common Stock, or subdivides or combines Common Stock, then the exercise price will be adjusted based on the following formula:

$$EP_1 = EP_0 \times (OS_0 / OS_1)$$

where,

- EP₀ = the exercise price in effect at the close of business on the record date
- EP₁ = the exercise price in effect immediately after the record date
- OS₀ = the number of shares of Common Stock outstanding at the close of business on the record date prior to giving effect to such event
- OS₁ = the number of shares of Common Stock that would be outstanding immediately after, and solely as a result of, such event

2. If AIG issues to all holders of Common Stock certain rights, options or warrants entitling them for a period expiring 60 days or less from the date of issuance of such rights, options or warrants to purchase shares of Common Stock at less than the Current Market Price (as defined below) of the Common Stock as of the record date, then the exercise price will be adjusted based on the following formula:

$$EP_1 = EP_0 \times (OS_0 + Y) / (OS_0 + X)$$

where,

- EP₀ = the exercise price in effect at the close of business on the record date
- EP₁ = the exercise price in effect immediately after the record date
- OS₀ = the number of shares of Common Stock outstanding at the close of business on the record date
- X = the total number of shares of Common Stock issuable pursuant to such rights, options or warrants
- Y = the aggregate price payable to exercise such rights divided by the average of the VWAP (as defined below) per share of the Common Stock over each of the 10 consecutive trading days prior to the Business Day immediately preceding the announcement of the issuance of such rights, options or warrants

However, the exercise price will be readjusted to the extent that any such rights, options or warrants are not exercised prior to their expiration.

Current Market Price means, in respect of a share of Common Stock on any day of determination, the average of the VWAP per share of Common Stock over each of the 10 consecutive trading days ending on the earlier of the day in question and the day before the ex date with respect to the issuance or distribution requiring such computation. For purposes of this definition, the term ex date, when used with respect to any issuance or distribution, shall mean the first date on which the shares of Common Stock trade on the applicable exchange or in the applicable market, regular way, without the right to receive such issuance or distribution.

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VWAP per share of the Common Stock on any trading day means the per share volume weighted average price as displayed on Bloomberg (or any successor service) page AIG US <Equity> AQR in respect of the period from 9:30 a.m. to 4:00 p.m., New York City time, on the relevant trading day; or, if such volume weighted average price is unavailable, VWAP means the market value per share of Common Stock on such trading day as determined by a nationally recognized independent investment banking firm retained for this purpose by AIG.

3. If AIG makes a dividend or other distribution to all holders of Common Stock of shares of AIG's capital stock (other than Common Stock), rights to acquire AIG's capital stock or evidences of AIG's indebtedness or assets (excluding any dividend, distribution or issuance covered by paragraphs (1) or (2) above or (4) or (5) below), then the exercise price will be adjusted based on the following formula:

$$EP_1 = EP_0 \times (SP_0 - FMV) / SP_0$$

where,

- EP_0 = the exercise price in effect at the close of business on the record date
 EP_1 = the exercise price in effect immediately after the record date
 SP_0 = the Current Market Price as of the record date
 FMV = the Fair Market Value (as defined below), on the record date, of the shares of capital stock of AIG, rights to acquire capital stock, evidences of indebtedness or assets so distributed, expressed as an amount per share of Common Stock

Fair Market Value of any property or assets means the fair market value of such property or assets as determined in good faith by AIG's board of directors (which good faith determination shall be conclusive and binding).

However, if the transaction that gives rise to an adjustment pursuant to this paragraph (3) is one pursuant to which the payment of a dividend or other distribution on the Common Stock consists of shares of capital stock of, or similar equity interests in, a subsidiary or other business unit (i.e., a spin-off) that are, or, when issued, will be, traded on a U.S. securities exchange, then the exercise price will instead be adjusted based on the following formula:

$$EP_1 = EP_0 \times MP_0 / (FMV_0 + MP_0)$$

where,

- EP_0 = the exercise price in effect at the close of business on the record date
 EP_1 = the exercise price in effect immediately after the record date
 FMV_0 = the average of the VWAP (as defined below) of the capital stock or similar equity interests distributed to holders of Common Stock applicable to one share of Common Stock over each of the 10 consecutive trading days commencing on and including the third trading day after the date on which ex-distribution trading commences for such dividend or distribution with respect to Common Stock on the NYSE or such other national or regional exchange or market that is at that time the principal market for the Common Stock
 MP_0 = the average of the VWAP per share of the Common Stock over each of the 10 consecutive trading days commencing on and including the third trading day after the date on which ex-distribution trading commences for such dividend or distribution with

respect to Common Stock on the NYSE or such other national or regional exchange or market that is at that time the principal market for the Common Stock

VWAP per share of such capital stock or similar equity interests on any trading day means the per share volume weighted average price as displayed on Bloomberg (or any successor service) in respect of the period from 9:30 a.m. to 4:00 p.m., New York City time, on the relevant trading day or, if such volume weighted average price is unavailable, VWAP means the market value per share of such capital stock or similar equity interests on such trading day as determined by a nationally recognized independent investment banking firm retained for this purpose by AIG.

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4. If AIG makes a cash distribution to all holders of Common Stock, excluding (a) any cash dividend on Common Stock to the extent that the aggregate cash dividend per share of Common Stock does not exceed \$0.675 per share of Common Stock in the aggregate in any twelve-month period (the Dividend Threshold Amount), (b) any cash that is distributed as part of a distribution referred to in paragraph (3) above, and (c) any consideration payable in connection with a tender offer referred to in paragraph (5) below, then the exercise price will be adjusted based on the following formula:

$$SR_1 = SR_0 \times (SP_0 - C) / SP_0$$

where,

- SR₀ = the exercise price in effect at the close of business on the record date
- SR₁ = the exercise price in effect immediately after the record date
- SP₀ = the Current Market Price as of the record date
- C = the excess of the amount in cash per share of Common Stock that AIG distributes to holders over the Dividend Threshold Amount

The Dividend Threshold Amount is subject to adjustment on a proportional basis whenever the exercise price is adjusted, provided that no adjustment will be made to the Dividend Threshold Amount for any adjustment made to the exercise price pursuant to this paragraph (4).

5. If AIG or one or more of its wholly owned subsidiaries purchases Common Stock in a tender offer subject to Rule 13e-4 under the Securities Exchange Act of 1934, as amended (but not including any exchange offer pursuant to Section 3(a)(9) of the Securities Act), where (a) the number of shares purchased in such tender offer exceeds 30% of the number of shares of Common Stock outstanding on the last date on which tenders may be made pursuant to such tender offer (the offer expiration date) and (b) the cash and value of any other consideration included in the payment per share of Common Stock validly tendered exceeds the VWAP per share of Common Stock on the trading day next succeeding the offer expiration date, then the Exercise Price will be adjusted based on the following formula:

$$EP_1 = EP_0 \times (SP_1 \times OS_0) / (FMV + (SP_1 \times OS_1))$$

where,

- EP₀ = the exercise price in effect at the close of business on the offer expiration date
- EP₁ = the exercise price in effect immediately after the offer expiration date
- FMV = the Fair Market Value, on the offer expiration date, of the aggregate value of all cash and any other consideration paid or payable for shares validly tendered and not withdrawn as of the offer expiration date (the Purchased Shares)
- OS₁ = the number of shares of Common Stock outstanding at the last time tenders may be made pursuant to such tender offer (the Expiration Time) less any Purchased Shares
- OS₀ = the number of shares of Common Stock outstanding at the Expiration Time, including any Purchased Shares
- SP₁ = the average of the VWAP per share of the Common Stock over each of the 10 consecutive trading days commencing with the trading day immediately after the Expiration Time

In addition, AIG may, but will not be required to, decrease the exercise price if the board of directors deems it advisable to avoid or diminish any income tax to holders of Common Stock resulting from any dividend or distribution of shares (or rights to acquire shares) or from any event treated as a dividend or distribution for income tax purposes or for any other reason.

Upon any adjustment in the exercise price, each Warrant will evidence the right to purchase the number of shares of Common Stock obtained by multiplying the number of shares of Common Stock purchasable immediately prior to the adjustment by the exercise price in effect immediately prior to the adjustment and dividing that product by the exercise price in effect after the adjustment. All anti-dilution adjustment calculations will be made to the nearest hundredth of a cent or 1/1,000th of a share, as applicable. No adjustment will be required if the calculation

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results in a change to the exercise price of less than ten cents; however, any such amount will be carried forward and applied in any subsequent adjustment of the exercise price.

No adjustment will be made to the exercise price that would reduce the exercise price below the par value per share of Common Stock. In addition, the exercise price will not be adjusted in any of the following events:

upon the issuance of shares of Common Stock or securities convertible into, or exercisable or exchangeable for, Common Stock in public or private transactions at any price deemed appropriate by AIG in its sole discretion;

upon the issuance of any shares of Common Stock pursuant to any present or future plan providing for the reinvestment of dividends or interest payable on AIG's securities and the investment of additional optional amounts in shares of Common Stock under any plan of that type;

upon the issuance of any shares of Common Stock or options or rights to purchase those shares or any other award that relates to or has a value derived from the value of Common Stock or other securities of AIG, in each case issued pursuant to any present or future employee, director or consultant benefit plan or program of or assumed by AIG or any of its subsidiaries;

upon the issuance of any shares of Common Stock pursuant to any option, warrant or right or other security exercisable for, or exchangeable or convertible into, shares of Common Stock in public or private transactions at any price deemed appropriate by AIG in its sole discretion;

for a change in the par value or no par value of the Common Stock;

for accumulated and unpaid dividends; or

upon the issuance of any shares of Common Stock pursuant to any option, warrant, right or other security exercisable for, or exchangeable or convertible into, shares of Common Stock that was outstanding as of the date the Warrants were first issued.

In addition, an issuance of rights pursuant to a shareholder rights plan or tax asset protection plan (i.e., a poison pill) that has been adopted by AIG will not trigger an adjustment to the exercise price, nor will the distribution, exercise, redemption, termination or invalidation of any rights pursuant to a shareholder rights plan or tax asset protection plan. In the event that a shareholder rights plan or tax asset protection plan is in effect on the date of exercise, holders will receive upon exercise of the Warrants, in addition to the shares of Common Stock, the rights under the shareholder rights plan or under the tax asset protection plan, unless prior to exercise, the rights under the plan have separated from the shares of Common Stock, in which case the exercise price will be adjusted at the time of separation as if AIG had distributed, to all holders of Common Stock, the shares of Common Stock or other assets issuable upon exercise of the rights, subject to readjustment in the event of the expiration, termination or redemption of such rights.

Written notice of adjustments will be provided to the holders of Warrants within thirty days after any adjustment.

In the event of certain capital reorganizations, consolidations or mergers of AIG, holders of Warrants that have not been exercised or otherwise expired, terminated or cancelled, will have the right to receive, upon exercise, the kind and amount of securities, cash and other property receivable by a holder of shares of Common Stock immediately prior to such reorganization, consolidation or merger.

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USE OF PROCEEDS

In the event that all of the Warrants (less 67,650.196 Warrants retained due to tax withholding) are exercised by the holders thereof, AIG would receive proceeds of approximately \$3.372 billion. The Warrants might never be exercised and there is no guarantee that AIG will receive some or all of these proceeds. AIG expects that it will use the proceeds from the exercise of the Warrants, if any, for working capital and general corporate purposes.

EXPERTS

The consolidated financial statements and the financial statement schedules incorporated into this document by reference to AIG's Current Report on Form 8-K dated November 5, 2010 and management's assessment of the effectiveness of internal control over financial reporting incorporated into this document by reference to AIG's Annual Report on Form 10-K for the year ended December 31, 2009 have been so incorporated in reliance upon the report (which report contains an explanatory paragraph relating to AIG's dependence upon the continued financial support of the U.S. government) of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

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PROSPECTUS

American International Group, Inc.

**Debt Securities
Common Stock
Preferred Stock
Depository Shares**

American International Group, Inc. (AIG) may offer to sell senior debt securities, common stock or preferred stock, either separately or represented, in the case of preferred stock, by depository shares. Any series of debt securities or preferred stock may be convertible into or exercisable or exchangeable for common stock or another series of preferred stock or other securities of AIG or debt or equity securities of one or more other entities. AIG may offer and sell debt securities, common stock or preferred stock, or in the case of the preferred stock, depository shares from time to time in amounts, at prices and on terms that will be determined at the time of the applicable offering. AIG's common stock is listed on the New York Stock Exchange and trades under the symbol AIG.

AIG may issue all or a portion of the debt securities in the form of one or more permanent global certificates. The common stock and preferred stock will be issued in direct registration form on the books and records of AIG.

This prospectus describes some of the general terms that may apply to these securities and the general manner in which they may be offered. The specific terms of any securities to be offered, and the specific manner in which they may be offered, will be described in a supplement to this prospectus. This prospectus may not be used to sell securities unless accompanied by a prospectus supplement.

Investing in the securities involves certain risks. See Risk Factors referred to on page 1 to read about certain factors you should consider before buying the securities.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

AIG may offer and sell these securities directly to or through one or more underwriters, dealers and agents, or directly to purchasers, on an immediate, continuous or delayed basis.

The date of this prospectus is August 9, 2010.

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Unless otherwise mentioned or unless the context requires otherwise, all references in this prospectus to the Company, AIG, we, our, us and similar references mean American International Group, Inc. and its subsidiaries.

You should rely only on the information contained in this prospectus or any prospectus supplement, including information contained in documents incorporated by reference in this prospectus. AIG has not authorized anyone to provide you with information different from that contained in this prospectus or any prospectus supplement. AIG is offering to sell the securities only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus or any prospectus supplement is accurate only as of its date.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This prospectus and other publicly available documents, including the documents incorporated herein by reference, may include, and AIG's officers and representatives may from time to time make projections and statements which may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These projections and statements are not historical facts but instead represent only AIG's belief regarding future events, many of which, by their nature, are inherently uncertain and outside AIG's control. These projections and statements may address, among other things, the outcome of the transactions with the Federal Reserve Bank of New York and the United States Department of the Treasury, the number, size, terms, cost, proceeds and timing of dispositions and their potential effect on AIG's businesses, financial condition, results of operations, cash flows and liquidity (and AIG at any time and from time to time may change its plans with respect to the sale of one or more businesses), AIG's long-term business mix which will depend on the outcome of AIG's asset disposition program, AIG's exposures to subprime mortgages, monoline insurers and the residential and commercial real estate markets, the separation of AIG's businesses from AIG parent company, AIG's ability to retain and motivate its employees and AIG's strategy for customer retention, growth, product development, market position, financial results and reserves. It is possible that AIG's actual results and financial condition will differ, possibly materially, from the anticipated results and financial condition indicated in these projections and statements. Factors that could cause AIG's actual results to differ, possibly materially, from those in the specific projections and statements include a failure to close transactions

contemplated in AIG's restructuring plan, developments in global credit markets and such other factors as discussed throughout Part I, Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations and in Part II, Item 1.A. Risk Factors of AIG's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2010; throughout Part I, Item 2.

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Management's Discussion and Analysis of Financial Condition and Results of Operations and in Part II, Item 1.A. Risk Factors of AIG's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2010, and throughout Part I, Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations and in Part II, Item 1A. Risk Factors of AIG's Annual Report on Form 10-K for the year ended December 31, 2009 (including Amendment No. 1 on Form 10-K/A filed on March 31, 2010, the 2009 Annual Report on Form 10-K). AIG is not under any obligation (and expressly disclaims any obligation) to update or alter any projection or other statement, whether written or oral, that may be made from time to time, whether as a result of new information, future events or otherwise.

WHERE YOU CAN FIND MORE INFORMATION

AIG is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the Exchange Act), and files with the Securities and Exchange Commission (the SEC) proxy statements, Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, as required of a U.S. listed company. You may read and copy any document AIG files at the SEC's public reference room in Washington, D.C. at 100 F Street, NE, Room 1580, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. AIG's SEC filings are also available to the public through:

The SEC's website at www.sec.gov

The New York Stock Exchange, 20 Broad Street, New York, New York 10005

AIG's common stock is listed on the NYSE and trades under the symbol AIG.

AIG has filed with the SEC a registration statement on Form S-3 relating to the securities. This prospectus is part of the registration statement and does not contain all the information in the registration statement. Whenever a reference is made in this prospectus to a contract or other document, please be aware that the reference is not necessarily complete and that you should refer to the exhibits that are part of the registration statement for a copy of the contract or other document. You may review a copy of the registration statement at the SEC's public reference room in Washington, D.C. as well as through the SEC's internet site noted above.

The SEC allows AIG to incorporate by reference the information AIG files with the SEC (other than information that is deemed furnished to the SEC) which means that AIG can disclose important information to you by referring to those documents, and later information that AIG files with the SEC will automatically update and supersede that information as well as the information contained in this prospectus. AIG incorporates by reference the documents listed below and any filings made with the SEC under Section 13(a), 13(c), 14, or 15(d) of the Exchange Act until all the securities are sold (except for information in these documents or filings that is deemed furnished to the SEC):

(1) Annual Report on Form 10-K for the year ended December 31, 2009 and Amendment No. 1 on Form 10-K/A, filed on March 31, 2010.

(2) Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2010 and Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2010.

(3) Current Reports on Form 8-K filed on January 25, 2010, January 29, 2010, January 29, 2010, February 5, 2010, February 8, 2010, February 26, 2010, March 5, 2010, March 11, 2010, April 1, 2010, April 2, 2010, April 8, 2010, April 12, 2010, May 7, 2010, May 13, 2010, May 14, 2010, May 17, 2010, May 17, 2010, May 28, 2010, June 3, 2010, July 15, 2010, July 16, 2010, August 2, 2010, August 6, 2010 and August 6, 2010.

(4) The description of common stock in the registration statement on Form 8-A, dated September 20, 1984, filed pursuant to Section 12(b) of the Exchange Act.

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AIG will provide without charge to each person, including any beneficial owner, to whom this prospectus is delivered, upon his or her written or oral request, a copy of any or all of the reports or documents referred to above that have been incorporated by reference into this prospectus excluding exhibits to those documents unless they are specifically incorporated by reference into those documents. You can request those documents from AIG's Investor Relations Department, 70 Pine Stre