

Machon Monika M  
 Form 4  
 September 01, 2010

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549**

OMB APPROVAL

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**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
 Machon Monika M

2. Issuer Name and Ticker or Trading Symbol  
 AMERICAN INTERNATIONAL GROUP INC [AIG]

5. Relationship of Reporting Person(s) to Issuer  
 (Check all applicable)  
 \_\_\_ Director \_\_\_ 10% Owner  
 Officer (give title below) \_\_\_ Other (specify below)  
 Senior Vice President

(Last) (First) (Middle)  
 AMERICAN INTERNATIONAL GROUP, INC., 70 PINE STREET, 13TH FLOOR

3. Date of Earliest Transaction (Month/Day/Year)  
 08/30/2010

(Street)  
 NEW YORK, NY 10270

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 \_\_\_ Form filed by More than One Reporting Person

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)		
				(A) or (D)	Code	V	Amount	(D)	Price

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

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1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount Number Shares
Long-Term Performance Units	\$ 34 <sup>(1)</sup>	08/30/2010		A	57.4305 <u>(2)</u>	<u>(2)</u>	<u>(3)</u>	Common Stock	57.43
Long-Term Performance Units	\$ 34 <sup>(1)</sup>	08/30/2010		A	165.1127 <u>(5)</u>	<u>(5)</u>	<u>(3)</u>	Common Stock	165.1

## Reporting Owners

### Reporting Owner Name / Address

### Relationships

Director    10% Owner    Officer    Other

Machon Monika M  
 AMERICAN INTERNATIONAL GROUP, INC.  
 70 PINE STREET, 13TH FLOOR  
 NEW YORK, NY 10270

Senior Vice President

## Signatures

Kathleen E. Shannon, by POA for Monika M.  
 Machon

09/01/2010

\*\*Signature of Reporting Person

Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Represents AIG's share price on the date of grant; these securities do not carry a conversion or exercise price.

(2) This award represents the portion of a grant of fully vested LPTUs that is based on the value of common stock, net of the value of 1.3931 shares withheld for taxes. The LPTUs are based on a mix of common stock and AIG's 8.175% Series A-6 Junior Subordinated Debentures (the "Hybrid Securities"), and represent 20 percent common stock and 80 percent Hybrid Securities, by value, on the date of grant. This award will be payable in cash based on the values of the underlying securities on the first anniversary of the grant date. The Reporting Person disclaims that the reported portion of the LPTUs is a "derivative security" required to be reported under Section 16 of the Securities Exchange Act of 1934.

(3) These securities do not have an exercisable date or expiration date.

(4) These securities do not carry a conversion or exercise price.

(5) This award represents the portion of a grant of fully vested LPTUs that is based on the value of common stock, net of the value of 4.0049 shares withheld for taxes. The LPTUs are based on a mix of common stock and AIG's 8.175% Series A-6 Junior Subordinated Debentures (the "Hybrid Securities"), and represent 20 percent common stock and 80 percent Hybrid Securities, by value, on the date of grant. This award will be payable in cash based on the values of the underlying securities on the third anniversary of the grant date. The Reporting Person disclaims that the reported portion of the LPTUs is a "derivative security" required to be reported under Section 16 of the Securities Exchange Act of 1934.

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Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.  
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