AMERICAN INTERNATIONAL GROUP INC
Form 424B7
March 09, 2012
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CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities Offered	Amount to be Registered(1)(5)	Maximum Aggregate Offering Price(1)(5)	Amount of Registration Fee(2)(3)(5)
Common Stock, par value $2.50 per share, and associated Rights(4)	237,931,034 Shares	$6,899,999,986	$790,740

(1) Assuming exercise in full of the underwriters option to purchase additional shares of common stock, par value $2.50 per share.
(2) Calculated in accordance with Rule 457(r) under the Securities Act of 1933, as amended (the Securities Act).
(3) A registration fee of $790,740 has been paid with respect to this offering.
(4) Each share of common stock, par value $2.50 per share, has one share purchase right as described under Description of Common Stock The Tax Asset Protection Plan.
(5) There is no additional filing fee with respect to the share purchase rights, because no separate consideration for the shareholder protection rights will be received.

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Filed Pursuant to Rule 424(b)(7)
Registration No. 333-160645

Prospectus Supplement to Prospectus dated April 5, 2011.

206,896,552 Shares

American International Group, Inc.

Common Stock

The United States Department of the Treasury (the selling shareholder or Treasury) is offering 206,896,552 shares of the common stock, $2.50 par value per share (the common stock), of American International Group, Inc. (AIG). AIG will not receive any of the proceeds from the sale of the shares being sold by the selling shareholder.

Subject to the completion of this offering, AIG has agreed to purchase 103,448,276 shares, or $3 billion, of common stock in this offering at a price per share equal to the initial price to public.

The common stock is listed on the New York Stock Exchange (NYSE) under the symbol AIG . The last reported sale price of the common stock on March 7, 2012 was $29.45 per share.

See Risk Factors beginning on page S-4 of this prospectus supplement, and Item 1A. of Part I of AIG s Annual Report on Form 10-K for the year ended December 31, 2011 to read about risk factors you should consider before buying shares of the common stock.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

	Per Share	Total
Initial price to public	$ 29.00	$ 6,000,000,008

Underwriting discount to be paid by AIG with respect to the shares sold by the selling shareholder (excluding shares purchased by AIG in this offering) (1)	$ 0.10875	$ 11,250,000
Proceeds to the selling shareholder (1)(2)	$ 29.00	$ 6,000,000,008

(1) AIG has agreed to pay the underwriting discount with respect to the shares sold by the selling shareholder (excluding shares purchased by AIG in this offering), totaling $11,250,000 with respect to 103,448,276 shares (or $14,625,000 assuming full exercise of the underwriters over-allotment option to purchase additional shares from the selling shareholder). No underwriting discount will be paid to the underwriters with respect to the shares purchased by AIG in this offering.

(2) AIG will not receive any of the proceeds from the sale of the shares offered by the selling shareholder.

The underwriters have the option to purchase within 30 days of the date of this prospectus supplement up to an additional 31,034,482 shares from the selling shareholder to cover over-allotments, if any, at the initial price to the public. AIG has agreed to pay the underwriting discount with respect to any shares sold by the selling shareholder (excluding shares purchased by AIG in this offering).

The underwriters expect to deliver the shares against payment in New York, New York on or about March 13, 2012.

Joint Global Coordinators

Citigroup **Credit Suisse** **Morgan Stanley**

Co-Managers

CastleOak Securities, L.P. **Drexel Hamilton**

Lebenthal & Co. **Loop Capital Markets**

Mischler Financial Group **M.R. Beal & Company** **SL Hare Capital**

The Williams Capital Group, L.P. **Wm Smith & Co.**

Prospectus Supplement dated March 8, 2012.

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Prospectus Supplement

Prospectus

We are responsible only for the information contained in this prospectus supplement, the accompanying prospectus, the documents incorporated by reference herein and therein and any related free writing prospectus issued or authorized by us. Neither we, the selling shareholder nor any underwriter has authorized anyone to provide you with any other information, and we, the selling shareholder and the underwriters take no responsibility for any other information that others may give you. The selling shareholder and the underwriters are offering to sell the common stock only in jurisdictions where offers and sales are permitted. The offer and sale of the common stock in certain jurisdictions is subject to the restrictions described herein under Underwriting Selling Restrictions. The information contained in this prospectus supplement, the accompanying prospectus and the documents incorporated herein and therein by reference is accurate only as of the date on the front of those documents, regardless of the time of delivery of those documents or any sale of our common stock.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document consists of two parts. The first part is this prospectus supplement, which describes the specific terms of this offering. The second part is the accompanying prospectus, which describes more general information regarding AIG s securities, some of which does not apply to this offering. This prospectus supplement and the accompanying prospectus are part of a registration statement, as amended (the registration statement), that we filed with the Securities and Exchange Commission (SEC) using the SEC s shelf registration rules. You should read both this prospectus supplement and the accompanying prospectus, together with additional information incorporated by reference herein and therein as described under the heading Where You Can Find More Information in this prospectus supplement and the accompanying prospectus.

Unless otherwise mentioned or unless the context requires otherwise, all references in this prospectus supplement to AIG, we, us, our or similar references mean American International Group, Inc. and not its 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 and therein is only accurate as of their respective dates.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This prospectus supplement and the accompanying prospectus and other publicly available documents, including the documents incorporated herein and therein by reference, may include, and AIG s officers and representatives may from time to time make, projections, goals, assumptions and statements that may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These projections, goals, assumptions 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, goals, assumptions and statements may address, among other things:

- the timing of the disposition of the ownership position of Treasury in AIG;
- the timing and method of repayment of the preferred interests in AIA Aurora LLC (AIA SPV) held by Treasury;
- the fair value of AIA Group Limited (AIA) and cash flow projections for AIG s economic interest in Maiden Lane II LLC and equity interest in Maiden Lane III LLC;
- the monetization of AIG s interests in International Lease Finance Corporation (ILFC);
- AIG s exposures to subprime mortgages, monoline insurers, the residential and commercial real estate markets, state and municipal bond issuers and sovereign bond issuers;
- AIG s exposure to European governments and European financial institutions;
- AIG s strategy for risk management;
- AIG s ability to retain and motivate its employees;

AIG s generation of deployable capital;

AIG s return on equity and earnings per share long-term aspirational goals;

AIG s strategy to grow net investment income, efficiently manage capital and reduce expenses;

AIG s strategy for customer retention, growth, product development, market position, financial results and reserves; and

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the revenues and combined ratios of AIG s subsidiaries.

It is possible that AIG s actual results and financial condition will differ, possibly materially, from the results and financial condition indicated in these projections, goals, assumptions and statements. Factors that could cause AIG s actual results to differ, possibly materially, from those in the specific projections, goals, assumptions and statements include:

- actions by credit rating agencies;
- changes in market conditions;
- the occurrence of catastrophic events;
- significant legal proceedings;
- concentrations in AIG s investment portfolios, including its municipal bond portfolio;
- judgments concerning casualty insurance underwriting and reserves;
- judgments concerning the recognition of deferred tax assets;
- judgments concerning deferred policy acquisition costs recoverability;
- judgments concerning the recoverability of aircraft values in ILFC s fleet; and
- such other factors as are discussed throughout the Risk Factors section of this prospectus supplement, and in Part II, Item 7. Management s Discussion and Analysis of Financial Condition and Results of Operations and in Part I, Item 1A. Risk Factors of AIG s Annual Report on Form 10-K for the year ended December 31, 2011.

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

Unless the context otherwise requires, the term AIG in this Cautionary Statement Regarding Forward-Looking Information section means American International Group, Inc. and its consolidated subsidiaries.

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 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. publicly 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 common stock. This prospectus supplement 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 supplement 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 supplement. 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, 2011 filed on February 23, 2012 and Amendment No. 1 on Form 10-K/A filed on February 27, 2012 (together, our Annual Report on Form 10-K).

(2) The definitive proxy statement on Schedule 14A filed on April 4, 2011, and the definitive additional materials on Schedule 14A filed on April 4, 2011.

(3) Current Reports on Form 8-K filed on April 1, 2011, May 12, 2011, January 11, 2012, February 23, 2012, March 5, 2012, March 6, 2012 and March 8, 2012.

(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.

AIG will provide without charge to each person, including any beneficial owner, to whom this prospectus supplement 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 supplement 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, 180 Maiden Lane, New York, New York 10038, telephone 212-770-6293, or you may obtain them from AIG s corporate website at *www.aig.com*. Except for the documents specifically incorporated by reference into this prospectus supplement, information contained on AIG s website or that can be accessed through its website does not constitute a part of this prospectus supplement. AIG has included its website address only as an inactive textual reference and does not intend it to be an active link to its website.

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SUMMARY

This summary highlights information contained elsewhere in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein. As a result, it does not contain all of the information that may be important to you or that you should consider before investing in our common stock. You should read carefully this entire prospectus supplement and the accompanying prospectus, including the Risk Factors section of this prospectus supplement, Part I, Item 1A. Risk Factors of our Annual Report on Form 10-K for the year ended December 31, 2011, and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus, which are described under Where You Can Find More Information in this prospectus supplement and the accompanying prospectus. Unless otherwise indicated, the information contained in this summary assumes no exercise by the underwriters of their over-allotment option to purchase additional shares from the selling shareholder.

American International Group, Inc.

AIG, a Delaware corporation, is a leading international insurance organization serving customers in more than 130 countries. AIG companies serve commercial, institutional and individual customers through one of the most extensive worldwide property-casualty networks of any insurer. In addition, AIG companies are leading providers of life insurance and retirement services in the United States. AIG s principal executive offices are located at 180 Maiden Lane, New York, New York 10038, and its main telephone number is (212) 770-7000. AIG s internet address for its corporate website is www.aig.com. Except for the documents referred to under Where You Can Find More Information in this prospectus supplement and the accompanying prospectus which are specifically incorporated by reference into this prospectus supplement and the accompanying prospectus, information contained on AIG s website or that can be accessed through its website does not constitute a part of this prospectus supplement or the accompanying prospectus. AIG has included its website address only as an inactive textual reference and does not intend it to be an active link to its website.

Recent Developments

Sale of AIA Shares

On March 5, 2012, AIG priced the sale of 1.72 billion ordinary shares of AIA by means of a placing to certain institutional investors. Upon the closing of the placing on March 8, 2012, AIG received gross proceeds of approximately US$6.0 billion. AIG used approximately $5.6 billion of the net proceeds from the placing of AIA ordinary shares to reduce the balance due to the Treasury on Treasury s preferred interest in the AIA SPV, the special purpose vehicle through which AIG holds the AIA ordinary shares.

Amendment to Master Transaction Agreement

On March 7, 2012, AIG entered into an Agreement to Amend Master Transaction Agreement, Guarantee, Pledge and Proceeds Application Agreement and LLC Agreements (the Amendment), with AM Holdings LLC (formerly known as ALICO Holdings LLC) (the ALICO SPV), the AIA SPV and the Treasury. The Amendment amends the Master Transaction Agreement, dated as of December 8, 2010 (the Master Transaction Agreement), among AIG, the ALICO SPV, the AIA SPV, the Federal Reserve Bank of New York (the FRBNY), the Treasury and the AIG Credit Facility Trust (the Trust), the related Guarantee, Pledge and Proceeds Application Agreement of AIG, dated as of January 14, 2011 (the GPPA), and the limited liability company agreements of the AIA SPV and the ALICO SPV.

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The Amendment provides for the repayment of Treasury s remaining $8.5 billion preferred interests in the AIA SPV, the special purpose vehicle through which AIG holds the AIA ordinary shares. The AIA SPV was created in December 2009 in exchange for a reduction in the debt that AIG owed the FRBNY at the time. Under the terms of the Amendment, AIG is expected to pay down the remaining $8.5 billion liquidation preference, including accrued preferred return, of the AIA SPV from the following sources:

- $5.6 billion in expected proceeds from AIG s sale of ordinary shares of AIA described under the heading Sale of AIA Shares above (the AIA Sale) (pursuant to the Amendment, the AIA SPV will be entitled to retain and distribute to AIG the net proceeds from the AIA Sale in excess of $5.6 billion);

- $1.6 billion in expected proceeds from the FRBNY s final disposition of Maiden Lane II LLC securities announced on February 28, 2012, which AIG expects to distribute to Treasury the week of March 19, 2012; and

- $1.6 billion in escrowed cash proceeds from AIG s sale of its American Life Insurance Company (ALICO) subsidiary to MetLife, Inc. that is expected to be released in two tranches: approximately $1.0 billion, subject to certain reserve amounts, by November 2012 and the remainder no later than May 2013.

Pursuant to the Amendment, the liens created by the GPPA on the equity interests in ILFC, the ordinary shares of AIA held subsequent to the closing of the AIA Sale, and the common equity interests in the AIA SPV will be released and such interests and the AIA ordinary shares will no longer support the repayment of the liquidation preference of the Treasury s preferred interests in the AIA SPV. The release of these liens is subject to various conditions, including that (a) a portion of the net proceeds received by AIG in respect of its interest in Maiden Lane II LLC is used by AIG to partially repay the intercompany loan extended by the AIA SPV to AIG and then used by the AIA SPV to partially pay down the liquidation preference of the Treasury s preferred interests in the AIA SPV, and (b) at least $5.6 billion of the net proceeds from the AIA Sale is used by the AIA SPV to partially pay down such liquidation preference. AIG s interests in Maiden Lane III LLC and in the escrow holding the remaining proceeds from AIG s sale of ALICO to MetLife, Inc. will continue to support repayment of Treasury s preferred interests in the AIA SPV until they are fully repaid, which AIG has committed to repay no later than May 2013.

Stock Repurchase

On March 6, 2012, AIG s board of directors authorized the repurchase of shares of its common stock with an aggregate purchase amount of up to $3 billion from time to time in the open market, private purchases, through derivative or automatic purchase contracts or otherwise, all or a portion of which purchases can be made in connection with this offering. This authorization replaces all prior common stock repurchase authorizations. The timing of such purchases will depend on market conditions, AIG s financial condition, results of operations, liquidity, rating agency considerations and other factors.

Subject to the completion of this offering, AIG has agreed to purchase 103,448,276 shares, or $3 billion, of common stock in this offering at a price per share equal to the initial price to public set forth on the cover of this prospectus supplement. No underwriting discount will be paid to the underwriters with respect to the shares purchased by AIG in this offering.

Summary of the Offering

Common stock the selling shareholder is offering	206,896,552 Shares
Underwriters over-allotment option to purchase additional shares from the selling shareholder	31,034,482 Shares
Common stock outstanding as of January 31, 2012	1,896,865,688 Shares
Use of proceeds	We will not receive any of the proceeds from the sale of the shares offered by the selling shareholder. We will pay the underwriting discount with respect to the shares sold by the selling shareholder, but no underwriting discount will be paid to the underwriters with respect to the shares purchased by AIG in this offering. We will pay our share of the offering expenses, including the fees and expenses of counsel for the selling shareholder.
Treasury ownership after completion of this offering	1,248,141,410 shares (approximately 70% of the outstanding shares as of January 31, 2012, as adjusted for AIG s repurchase of shares in this offering), assuming no exercise of the underwriters over-allotment option to purchase additional shares from the selling shareholder.
New York Stock Exchange, or *NYSE*, Listing Ticker Symbol	AIG

The offer and sale of the common stock in certain jurisdictions is subject to the restrictions described herein under Underwriting Selling Restrictions.

RISK FACTORS

An investment in our common stock involves certain risks. You should carefully consider the risks described below and in Part I, Item 1A. Risk Factors of our Annual Report on Form 10-K for the year ended December 31, 2011, as well as the other information included in this prospectus supplement and the accompanying prospectus, or incorporated by reference into this prospectus supplement and the accompanying prospectus, before purchasing shares of our common stock.

We may be unable to pay dividends or repurchase shares of our common stock and we currently do not pay cash dividends and do not expect to pay cash dividends in the foreseeable future.

We have not paid any cash dividends since September 2008, and we do not anticipate paying cash dividends in the foreseeable future. No assurance can be given that we will begin paying cash dividends.

Our regulatory status will affect our ability to pay dividends. The regulatory framework that will apply to us will be dependent, among other things, on whether we are treated as either a systemically important financial institution (SIFI) or as a savings and loan holding company under the Dodd-Frank Wall Street Reform and Consumer Protection Act. The level of Treasury s shareholdings in us may affect our regulatory status. AIG expects that when the Treasury ceases to own at least 50 percent of the outstanding shares of our common stock, we will be regulated by the Board of Governors of the Federal Reserve System as a savings and loan holding company. The regulatory regime that will ultimately be applicable to us will affect our ability to pay dividends or repurchase shares of our common stock. For example, if we were subject to the same regulation as a bank holding company, our payment of dividends and repurchase of shares of common stock would depend, among other things, on whether we were well capitalized and whether we had demonstrated profitability. Thus, we are unable to predict if or when we will be able to pay dividends on our common stock consistent with future regulatory restrictions.

Even if regulatory approval of a payment of dividend on our common stock is received, the payment of any dividend or repurchase of any shares of common stock will be subject to the approval of our board of directors. In considering whether to pay a dividend or repurchase shares of common stock, our board of directors will take into account such matters as our financial position, the performance of our businesses, our consolidated financial condition, results of operations and liquidity, available capital, the existence of investment opportunities, contractual, legal and regulatory restrictions on the payment of dividends by our subsidiaries to us, rating agency considerations, including the potential effect on our debt ratings, and such other factors as our board of directors may deem relevant.

In 2011, we repurchased approximately $70 million of shares of our common stock. Our board of directors currently authorizes the repurchase of additional shares of our common stock with an aggregate purchase amount of up to $3 billion from time to time in the open market, private purchases, through derivative or automatic purchase contracts or otherwise, all or a portion of which purchases can be made in connection with this offering. Subject to the completion of this offering, we have agreed to purchase $3 billion of common stock in this offering at a price per share equal to the initial price to public. The timing of additional purchases, if any, will depend on market conditions, our financial condition, results of operations, liquidity, rating agency considerations and other factors. There is no assurance that we will repurchase any additional shares.

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

We are a holding company and we conduct substantially all of our operations through subsidiaries. We depend on dividends, distributions and other payments from our subsidiaries to fund payments on our obligations, including debt obligations. Further, the majority of our investments are held by our regulated subsidiaries. Our subsidiaries may be limited in their ability to make dividend payments or advance funds to us in the future because of the need to support their own capital levels.

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Treasury is our controlling shareholder and may have interests inconsistent with other holders of our common stock.

Treasury holds a controlling interest in us and currently has approximately 77 percent of the voting power of our common stock before this offering. The voting power of our common stock held by Treasury would be reduced to approximately 70 percent of our outstanding common stock after the completion of this offering, assuming no exercise of the underwriters over-allotment option to purchase additional shares from the selling shareholder. The interests of Treasury (as a government entity) may not be the same as those of other holders of our common stock.

Treasury is able, to the extent permitted by law, to control a vote of our shareholders on substantially all matters, including:

- approval of mergers or other business combinations;
- a sale of all or substantially all of our assets;
- amendments to our restated certificate of incorporation; and
- other matters that might be favorable to Treasury, but not to our other shareholders.

Moreover, Treasury s ability to cause or prevent a change in control of us could also have an adverse effect on the market price of our common stock. Treasury may also, subject to applicable securities laws and except as described under Underwriting , transfer all, or a portion of, our common stock to another person or entity and, in the event of such a transfer, that person or entity could become our controlling shareholder. Treasury s rights under a registration rights agreement, dated as of January 14, 2011, between us and Treasury (the Registration Rights Agreement), may be assigned to any person purchasing over $500 million of our common stock.

We granted Treasury certain registration rights and, subject to certain exceptions, the ability to control the terms, conditions and pricing of any offering in which it participates, including any primary offering by us.

Under the Registration Rights Agreement, we have granted Treasury registration rights with respect to the shares of our common stock issued in connection with a series of integrated transactions with the Treasury, the FRBNY and the Trust that closed on January 14, 2011 to recapitalize AIG (the Recapitalization), including:

- the right to participate in any registered offering of our common stock by us;
- the right to demand no more than twice in any 12-month period that we effect a registered fully marketed offering of its shares;
- the right to engage in at-the-market offerings; and
- subject to certain exceptions, the right to approve the terms, conditions and pricing of any registered offering in which it participates until its ownership falls below 33 percent of our voting securities then outstanding.

Possible future sales of our common stock by Treasury, or the perception that such sales could occur, could adversely affect the market for our common stock.

Under the Registration Rights Agreement, we have granted Treasury the registration rights described above. Although we can make no prediction as to the effect, if any, that sales by Treasury would have on the market price of our common stock, sales of substantial amounts of our common stock, or the perception that such sales could occur, could adversely affect the market price of our common stock.

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Possible future sales or other dilution of our equity by us, or the perception of any such possible future sales, may adversely affect the market price of our common stock.

Except as described under Underwriting, and subject to Treasury s rights under, and the restrictions contained in, the Registration Rights Agreement, we are not restricted from issuing additional shares of our common stock, including any securities that are convertible into or exchangeable for, or that represent the right to receive, our common stock, such as various warrants issued by us. The issuance of the additional shares of our common stock or such other securities will dilute the ownership interest of the existing holders of our common stock. The market price of our common stock could decline as a result of sales of shares of our common stock or sales of such other securities made after this offering or the perception that such sales could occur.

The price of our common stock has fluctuated and may continue to 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 and has been highly volatile. 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:

- sales of common stock, including any securities that are convertible into or exchangeable for, or that represent the right to receive, our common stock, or the perception that such sales could occur, or other actions by Treasury;
- 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;
- the operating and securities price performance of other companies that investors believe are comparable to us;
- actions by credit rating agencies;
- developments in respect of repayment of the preferred interests held by the Treasury in the AIA SPV;
- factors as noted or referenced in this prospectus supplement under Risk Factors and Cautionary Statement Regarding Forward-Looking Information and under comparable headings in the documents incorporated by reference in this prospectus supplement and the accompanying prospectus; 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, adverse European economic and financial conditions related to sovereign debt issues in certain countries, concerns regarding the European Union or geopolitical or military crises.

In addition, in recent years, the stock market in general has experienced extreme price and volume fluctuations. This volatility has significantly affected the market prices 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.

Our common stock is an equity security and is subordinate to our existing and future indebtedness and our preferred stock.

Shares of our common stock are equity interests in us and do not constitute indebtedness. This means that shares of our common stock will rank junior to all of our indebtedness and to other non-equity claims against us

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and our assets available to satisfy claims against us, including in our liquidation. Additionally, the holders of our common stock are subject to the prior dividend and liquidation rights of holders of our preferred stock or the depositary shares representing such preferred stock then outstanding. Our board of directors is authorized to issue additional classes or series of preferred stock without any action on the part of the holders of our common stock.

The amendment to our previously amended and restated certificate of incorporation (the Protective Amendment) and our Tax Asset Protection Plan (the Plan) could have an anti-takeover effect.

Although the reason our board of directors approved the Protective Amendment (which has been included in our restated certificate of incorporation) and adopted the Plan is to protect the long-term value of certain tax attributes that may reduce future income taxes, the Protective Amendment could be deemed to have an anti-takeover effect because, among other things, it will restrict the ability of a person, entity or group to accumulate 4.99 percent or more of our common stock. Similarly, while the Plan is not intended to prevent a takeover, it does have a potential anti-takeover effect because an acquiring person may be diluted upon the occurrence of a triggering event. Accordingly, the overall effects of the Protective Amendment and the Plan may be to render more difficult, or discourage, a merger, tender offer, proxy contest or assumption of control by a substantial holder of our securities. See Description of Common Stock Protective Amendment and Description of Common Stock The Tax Asset Protection Plan of this prospectus supplement for a more detailed discussion about the Protective Amendment and the Plan.

Our ability to utilize tax losses and credits carryforwards to offset future taxable income may be significantly limited if we experience an ownership change under the Internal Revenue Code.

As of December 31, 2011, we had substantial net operating loss carryforwards, capital loss carryforwards and foreign tax credits carryforwards to reduce future income taxes (tax assets). Our ability to utilize such tax assets to offset future taxable income may be significantly limited if we experience an ownership change as defined in Section 382 of the Internal Revenue Code of 1986, as amended (the Code). While the Treasury owns more than 50 percent of our common stock, under guidance issued by the Internal Revenue Service, we will not be treated as having experienced an ownership change. However, once the Treasury s ownership of our outstanding common stock falls below 50 percent, it is possible for us to experience an ownership change. If we were to experience an ownership change , it is possible that a significant portion of our tax assets could expire before we would be able to use them to offset future taxable income.

On March 9, 2011, our board of directors adopted the Plan to help protect our ability to recognize tax benefits from certain tax attributes in order to reduce our potential future income tax liability. At our 2011 Annual Meeting of Shareholders, shareholders ratified the Plan and also adopted the Protective Amendment, which is designed to prevent certain transfers of our common stock that could result in an ownership change . While the Plan and the Protective Amendment are intended to deter and prevent acquisitions of our common stock that may result in an ownership change , such acquisitions may still occur. See Description of Common Stock Protective Amendment and Description of Common Stock The Tax Asset Protection Plan of this prospectus supplement for a more detailed discussion about the Protective Amendment and the Plan.

The selling shareholder is a federal agency, and your ability to bring a claim against the selling shareholder under the federal securities laws may be limited.

The doctrine of sovereign immunity, as limited by the Federal Tort Claims Act (the FTCA), provides that claims may not be brought against the United States of America or any agency or instrumentality thereof unless specifically permitted by an act of Congress. The FTCA bars claims for fraud or misrepresentation. At least one federal court, in a case involving a federal agency, has held that the United States may assert its sovereign immunity to claims brought under the federal securities laws. In addition, Section 3(c) of the Exchange Act, provides that the selling shareholder and its officers, agents and employees are exempt from liability for any violation or alleged violation of any provision of the Exchange Act, including the anti-fraud provisions of

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Section 10(b) of the Exchange Act. Accordingly, any attempt to assert such a claim against the officers, agents or employees of the selling shareholder for a violation of the Securities Act of 1933, as amended (the Securities Act), or the Exchange Act, resulting from an alleged material misstatement in or material omission from this prospectus supplement, the accompanying prospectus, the documents incorporated by reference herein and therein or the registration statement, or resulting from any other act or omission in connection with the offering by the selling shareholder, would likely be barred.

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USE OF PROCEEDS

The shares of our common stock offered by this prospectus supplement are being sold for the account of the selling shareholder. Any proceeds from the sale of the shares will be received by the selling shareholder for its own account, and we will not receive any such proceeds. We will pay the underwriting discount with respect to the shares sold by the selling shareholder, but no underwriting discount will be paid to the underwriters with respect to the shares purchased by us in this offering. We will pay our share of the offering expenses, which include the fees and expenses of counsel for the selling shareholder.

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PRICE RANGE OF COMMON STOCK AND DIVIDENDS

Our common stock is listed on the NYSE under the symbol AIG and is also listed on the Tokyo stock exchange. The following table sets forth the high and low closing sale prices per share of our common stock on the NYSE during the periods shown.

	Low Closing Sale Price	High Closing Sale Price
2012:		
First Quarter (through March 7, 2012)	$ 23.54	$ 30.39
2011:		
Fourth Quarter	20.07	26.34
Third Quarter	21.61	30.21
Second Quarter	27.23	35.00
First Quarter	34.95	61.18*
2010:		
Fourth Quarter	38.86	59.38
Third Quarter	33.10	41.64
Second Quarter	34.05	44.51
First Quarter	22.16	36.24

* Includes the effect of our common stock trading with due bills for the dividend paid in the form of warrants.

During the periods shown above, no cash dividends were declared or paid. In January 2011, as part of the Recapitalization, we declared a dividend of 0.533933 warrants for each share of our common stock owned by the common shareholders of record as of January 13, 2011. Each of such 10-year warrants entitles the holder to purchase one share of our common stock at an exercise price of $45.00 per share, subject to anti-dilution adjustments for certain events. On January 19, 2011, 74,997,777.598 warrants were issued to our common shareholders, of which 67,650.196 warrants were retained by us to satisfy tax withholding. In addition, in connection with the adoption of the Plan, on March 9, 2011, our board of directors declared a dividend of one right for each outstanding share of our common stock, held of record as of the close of business on March 18, 2011 or issued thereafter. See Description of Common Stock The Tax Asset Protection Plan for a description of the rights.

As of January 31, 2012, there were 1,896,865,688 shares of common stock outstanding, held by approximately 45,000 record holders. On March 7, 2012, the last reported sale price of our common stock on the NYSE was $29.45 per share.

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