AMERICAN INTERNATIONAL GROUP INC
Form 4
December 09, 2008

FORM 4

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

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

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

OMB APPROVAL

OMB Number:	3235-0287
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(Print or Type Responses)

1. Name and Address of Reporting Person *
C V STARR & CO INC

(Last) (First) (Middle)

399 PARK AVENUE, 17TH FLOOR

(Street)

NEW YORK, NY 10022

(City) (State) (Zip)

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

3. Date of Earliest Transaction (Month/Day/Year)
12/05/2008

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director __X__ 10% Owner
_____ Officer (give title below) _____ Other (specify below)

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

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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	12/05/2008		J (1) (2) (3) (4)		2,917,916	D	$ 0 (1) (2) (3) (4)	10,507,832	D	
Common Stock								8,580,850	I	See Footnote (5)

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)

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 Amo Underlying Secu (Instr. 3 and 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	An Nu Sha
Variable Prepaid Forward Contract	$ 0 (1) (2) (3) (4)	12/05/2008		J (1)(2)(3)(4)			2,917,916	(1)(2)(3)(4)	(1)(2)(3)(4)	Common Stock	2, (1)

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
C V STARR & CO INC 399 PARK AVENUE 17TH FLOOR NEW YORK, NY 10022		X		

Signatures

/s/Bertil P-H Lundqvist, Attorney-In-Fact	12/09/2008
**Signature of Reporting Person	Date
/s/Mike F. Huang, Attorney-In-Fact	12/09/2008
**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) On November 21, 2005, C. V. Starr & Co., Inc. (?CV Starr?) entered into a variable prepaid forward sale contract (the ?Citi Contract?) for up to 2,917,916 shares (the ?Maximum Number?) of American International Group, Inc. common stock (the ?Common Stock?) pursuant to a Master Terms and Conditions for Pre-Paid Forward Contracts, dated as of November 15, 2005, by and between CV Starr and Citibank, N.A. (?Citibank?).

(2) The Citi Contract provided that the number of shares of Common Stock deliverable to Citibank by CV Starr at settlement would be based upon the Relevant Price (as defined in the Citi Contract) for each of the 10 Scheduled Trading Days (as defined in the Citi Contract) prior to and including December 5, 2008 (the ?Valuation Dates?) as follows: (a) if the Relevant Price of the Common Stock (the ?Settlement Price?) were less than or equal to $66.8540 (the ?Forward Floor Price?), a delivery of 1/10 of the Maximum Number of shares of Common Stock, subject to rounding; -- CONTINUES ONTO THE NEXT FOOTNOTE

(3) CONTINUED FROM THE PREVIOUS FOOTNOTE -- (b) if the Settlement Price were greater than the Forward Floor Price but less than or equal to $86.9102 (the ?Forward Cap Price?), a delivery of shares equal to (i) the Forward Floor Price divided by the Settlement Price times (ii) 1/10 of the Maximum Number of shares of Common Stock, subject to rounding; and (c) if the Settlement Price is greater than the Forward Cap Price, a delivery of shares equal to (i) (A) the Forward Floor Price plus (B) the Settlement Price minus the Forward Cap Price, divided by (ii) the Settlement Price, times (iii) 1/10 of the Maximum Number of shares of Common Stock, subject to rounding.

(4) The Settlement Price on each of the Valuation Dates ranged from a high of $1.98 to a low of $1.56, resulting in CV Starr delivering to Citibank the Maximum Number of shares of Common Stock

(5) CV Starr may be deemed to be the beneficial owner of, and to have a pecuniary interest in, the shares of Common Stock held by the C.V. Starr & Co., Inc. Trust, of which CV Starr is a beneficiary.

Remarks:

CV Starr may be deemed to beneficially own more than 10% of the Common Stock under Rule 16a-1(a)(1) under the Securitie

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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