

Machon Monika M
Form 4
September 01, 2010

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

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(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)

(Last) (First) (Middle)

AMERICAN INTERNATIONAL
GROUP, INC., 70 PINE STREET,
13TH FLOOR

(Street)

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

08/30/2010

____ Director ____ 10% Owner
____X____ Officer (give title below) ____ Other (specify below)

Senior Vice President

NEW YORK, NY 10270

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

6. Individual or Joint/Group Filing(Check
Applicable Line)
____X____ 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 Indirect Beneficial Ownership (Instr. 4)
			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 ⁽¹⁾	08/30/2010		A		57.4305 <u>(2)</u>		<u>(2)</u>	<u>(3)</u>	Common Stock	57.43
Long-Term Performance Units	\$ 34 ⁽¹⁾	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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