

AMERICAN INTERNATIONAL GROUP INC

Form S-4

October 08, 2010

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**As filed with the Securities and Exchange Commission on October 8, 2010**

**Registration No. 333-**

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

**Form S-4**

**REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933**

**AMERICAN INTERNATIONAL GROUP, INC.**  
*(Exact name of Registrant as specified in its charter)*

**Delaware**

*(State or Other Jurisdiction of  
Incorporation or Organization)*

**6331**

*(Primary Standard Industrial  
Classification Code Number)*

**13-2592361**

*(I.R.S. Employer  
Identification No.)*

**70 Pine Street  
New York, New York 10270  
(212) 770-7000**

*(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)*

**Kathleen E. Shannon, Esq.  
Senior Vice President and Deputy General Counsel  
American International Group, Inc.  
70 Pine Street  
New York, New York 10270  
(212) 770-7000**

(Name, address, including zip code, and telephone number, including area code, of agent for service)

**Copies To:**

**Robert W. Reeder III, Esq.  
Ann Bailen Fisher, Esq.  
Glen T. Schleyer, Esq.  
Sullivan & Cromwell LLP  
125 Broad Street  
New York, New York 10004  
(212) 558-4000**

**Craig B. Brod, Esq.  
Jeffrey D. Karpf, Esq.  
Cleary Gottlieb Steen & Hamilton LLP  
One Liberty Plaza  
New York, New York 10006  
(212) 225-2000**

**Approximate date of commencement of proposed sale of the securities to the public:** The offering of the securities will commence promptly following the filing of the Registration Statement. No tendered securities will be accepted for exchange until after this registration statement has been declared effective.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and

## Signatures

By: Joanne K. Boyle as Agent for Michael A.  
Anderson

06/20/2005

\_\_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) Reflects additional shares purchased through dividend reinvestments based on most recent plan statement.

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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not check if a smaller reporting company)

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)

Exchange Act Rule 14d-1(d) (Cross-Border Third Party Tender Offer)

**CALCULATION OF THE REGISTRATION FEE**

<b>Title of Class of Securities to be Registered</b>	<b>Amount to be Registered(1)</b>	<b>Proposed Maximum Offering Price per Share</b>	<b>Proposed Maximum Aggregate Offering Price(2)</b>	<b>Amount of Registration Fee(3)</b>
Common Stock, par value \$2.50 per share	7,348,942	N/A	\$ 394,729,104	\$ 28,145

- (1) This Registration Statement registers the maximum number of shares of the Registrant's common stock, par value \$2.50 per share, that may be issued in connection with the exchange offer by the Registrant for up to 74,480,000 Corporate Units.
- (2) Estimated solely for the purpose of calculating the registration fee pursuant to Rules 457(f)(1) and (3) and 457(c) under the Securities Act of 1933, as amended. The proposed maximum aggregate offering price was calculated in accordance with Rule 457(c) under the Securities Act as follows: (a) the product of (i) \$8.57, the average of the high and low prices per Corporate Unit as reported on the New York Stock Exchange on October 6, 2010 and (ii) 74,480,000, the maximum number of Corporate Units that could be exchanged in the exchange offer, minus (b) \$243,564,496, which represents the maximum aggregate amount of cash to be paid by the Registrant in the exchange offer.
- (3) Computed in accordance with Section 6(b) of the Securities Act of 1933, as amended, by multiplying 0.00007130 by the proposed maximum aggregate offering price.

**The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.**



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The information in this Offer to Exchange may change. We may not complete the exchange offer and issue these securities until the registration statement filed with the Securities and Exchange Commission is effective. This Offer to Exchange is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or solicitation is not permitted.

**Subject to Completion, Dated October 8, 2010.**

American International Group, Inc.  
Offer to Exchange

0.09867 Shares of Common Stock Plus \$3.2702 in Cash  
**for Each Outstanding Equity Unit consisting of a Corporate Unit**  
Up to an Aggregate of 74,480,000 Corporate Units  
(CUSIP No. 026874115)

We are offering to exchange 0.09867 shares of our common stock, par value \$2.50 per share, plus \$3.2702 in cash, for each validly tendered and accepted Equity Unit consisting of a Corporate Unit, up to an aggregate of 74,480,000 Corporate Units, which represents approximately 95% of the outstanding Corporate Units (as it may be adjusted, the Maximum Amount ), subject to the terms and conditions set forth in this document and in the related letter of transmittal. Each Corporate Unit has a stated amount of \$75.00 and consists of a stock purchase contract issued by us and a 1/40, or 2.5%, undivided beneficial ownership interest in (i) our Series B-1 Junior Subordinated Debentures initially due February 15, 2041, (ii) our Series B-2 Junior Subordinated Debentures initially due May 1, 2041 and (iii) our Series B-3 Junior Subordinated Debentures initially due August 1, 2041 (such series of Debentures, collectively, the Debentures ), each with a principal amount of \$1,000. On October 7, 2010, 78,400,000 Corporate Units were outstanding. The total compensation offered per Corporate Unit is described in the table below.

CUSIP No.	NYSE Ticker	Outstanding Corporate Units	Maximum Amount of Corporate Units to be Repurchased	Total Consideration per Corporate Unit		
				Cash	Shares of Common Stock	Common Stock CUSIP No.
026874115	AIG-PrA	78,400,000	74,480,000	\$ 3.2702	0.09867	026874784

Corporate Units validly tendered and not withdrawn will be subject to proration as described in The Exchange Offer Proration if more than the Maximum Amount of Corporate Units are validly tendered and not withdrawn prior to the expiration date of the exchange offer. The Maximum Amount is initially 74,480,000 Corporate Units. However, if we determine in our reasonable judgment, based on consultation with the New York Stock Exchange ( NYSE ), that the NYSE is likely to delist the Corporate Units as a result of the consummation of the exchange offer, then we will reduce the Maximum Amount to an amount that we determine, in our reasonable judgment, is not likely to result in a

delisting of the Corporate Units, as described in *The Exchange Offer* Proration.

A tendering holder will receive for each validly tendered and accepted Corporate Unit, the same number of shares and the same cumulative amount of cash per Corporate Unit that a holder would receive if the holder did not tender into the exchange offer and instead held Corporate Units through the final stock purchase date. The stock and cash so received will be the result of netting payments from two separate transactions a repurchase of the debentures and a cancellation of the stock purchase units as described later in this document.

**The exchange offer will expire at 11:59 p.m., New York City time, on November 10, 2010, unless we extend it or terminate it earlier. You may withdraw Corporate Units that you tender at any time before the exchange offer expires. In addition, you may withdraw any Corporate Units after December 7, 2010, which is 40 business days after the date of commencement of the exchange offer, if we have not accepted them for exchange.**

The exchange offer is subject to the conditions described in *The Exchange Offer* Conditions to the Exchange Offer, including, among other things, the effectiveness of the registration statement of which this document forms a part and the continued listing of the Corporate Units on the NYSE after the exchange offer. We reserve the right to terminate or extend the exchange offer if any condition of the exchange offer is not satisfied and otherwise to amend the exchange offer in any respect.

Our common stock is listed on the NYSE under the symbol *AIG*. On October 7, 2010, the day before commencement of the exchange offer, the last reported sale price of the Corporate Units on the NYSE was \$8.64 per Unit, and the last reported sale price of our common stock on the NYSE was \$40.47 per share. The shares of our common stock to be issued in the exchange offer are registered under the Securities Act of 1933 and are expected to be, before the settlement of the exchange offer, approved for listing on the NYSE.

You must make your own decision whether to tender any Corporate Units in the exchange offer and, if so, as to the number of Corporate Units to tender. None of us, the dealer managers, the exchange agent, the information agent or any other person makes any recommendation as to whether or not holders of outstanding Corporate Units should tender their Corporate Units for exchange in the exchange offer. **Prior to expiration of the exchange offer, AIG will file with the Securities and Exchange Commission its Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2010, which will contain financial and other information as of, and for the quarterly period ended, September 30, 2010.**

**Before tendering your Corporate Units, you should carefully consider the risk factors set forth in *Risk Factors* beginning on page 14, as well as the risk factors set forth in Item 1A of Part II of *AIG*'s Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2010, Item 1A of Part II of *AIG*'s Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2010 and in Item 1A of Part I of *AIG*'s Annual Report on Form 10-K for the year ended December 31, 2009, as amended, and the information set forth in *AIG*'s Current Report on Form 8-K filed on September 30, 2010. In addition, in determining whether to tender Corporate Units in the exchange offer, you should also carefully consider the risks relating to holding the Equity Units described under *Risk Factors* Risks Relating to the Equity Units in the prospectus supplement, dated May 12, 2008, to the prospectus, dated July 13, 2007.**

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

*The dealer managers for the exchange offer are:*

**BofA Merrill Lynch**

**Citi**

**Deutsche Bank Securities**

The date of this document is \_\_\_\_\_, 2010.

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

All of the Corporate Units were issued in book-entry form, and all of the Corporate Units are currently represented by one or more global certificates held for the account of The Depository Trust Company ( DTC ).

Should you have any questions as to the procedures for tendering your Corporate Units, please call your broker, dealer, commercial bank, trust company or other nominee, or call our information agent at its telephone number set forth on the back cover page of this document.

You may tender your Corporate Units by transferring them through DTC s Automated Tender Offer Program ( ATOP ) or following the other procedures described under The Exchange Offer Procedures for Tendering Corporate Units.

We are not providing for guaranteed delivery procedures and therefore you must allow sufficient time for the necessary tender procedures to be completed during normal business hours of DTC on or prior to the expiration date. If you hold your Corporate Units through a broker, dealer, commercial bank, trust company or other nominee, you should consider that such entity may require you to take action with respect to the exchange offer a number of days before the expiration date in order for such entity to tender Corporate Units on your behalf on or prior to the expiration

date. Tenders not received by Global Bondholder Services Corporation, the exchange agent for the exchange offer, on or prior to the expiration date will be disregarded and of no effect unless we exercise our right to extend the exchange offer or waive this condition to the exchange offer.

We are incorporating by reference into this document important business and financial information that is not included in or delivered with this document. This information is available without charge to you upon written or oral request. Requests should be directed to AIG's Investor Relations Department, 70 Pine Street, New York, New York 10270, telephone 212-770-6293. In order to obtain timely delivery, requests must be made no later than five business days before the expiration date. See [Where You Can Find More Information](#) for further information.

**We are responsible only for the information contained in this document or information contained in documents incorporated by reference in this document. We have not authorized anyone to provide you with information different from that contained in this document or any amendment or supplement hereto. This document is an offer to exchange only the Corporate Units as described herein and only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this document is accurate only as of its date.**

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

This document 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 regarding, financial information and statements concerning future economic performance and events, including plans and objectives relating to the recently completed and proposed transactions with the Federal Reserve Bank of New York (FRBNY) and the United States Department of the Treasury (the Department of the Treasury), asset dispositions, liquidity, collateral posting requirements, management, operations, products and services, and assumptions underlying these projections and statements. 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 FRBNY and the 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 1A. Risk Factors of AIG's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2010; 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 Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2010, and throughout 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, 2009 (including Amendment No. 1 on Form 10-K/A filed on March 31, 2010 and Amendment No. 2 on Form 10-K/A filed on

August 24, 2010, collectively, 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.

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**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 room. AIG's SEC filings are also available to the public through:

The SEC's website at [www.sec.gov](http://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-4 relating to the exchange offer. This document is part of the registration statement and does not contain all the information in the registration statement. Whenever a reference is made in this document 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 document. 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 after the time of initial filing of the registration statement (or post-effective amendment) and before effectiveness of the registration statement (or post-effective amendment), and after the date of this document and until the exchange offer is completed (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 (including the portions of our definitive proxy statement for the 2010 Annual Meeting of Shareholders incorporated by reference therein), Amendment No. 1 on Form 10-K/A, filed on March 31, 2010, and Amendment No. 2 on Form 10-K/A, filed on August 24, 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, August 6, 2010, August 11, 2010, September 27, 2010, September 30, 2010, October 4, 2010, October 4, 2010 and October 8, 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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Prior to expiration of the exchange offer, AIG will file with the SEC its Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2010, which will contain financial and other information as of, and for the quarterly period ended, September 30, 2010.

AIG will provide without charge to each person, including any beneficial owner, to whom this document 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 document excluding exhibits to those documents unless they are

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specifically incorporated by reference into those documents. You can request those documents from AIG's Investor Relations Department, 70 Pine Street, New York, New York 10270, telephone 212-770-6293, or you may obtain them from AIG's corporate website at *www.aigcorporate.com*. Except for the documents specifically incorporated by reference into this document, information contained on AIG's website or that can be accessed through its website does not constitute a part of this document. 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.

**In order to ensure timely delivery of the requested documents, requests should be made no later than November 3, 2010.** In the event that we extend the exchange offer, you must submit your request at least five business days before the expiration date, as it may be extended.

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**ABOUT AMERICAN INTERNATIONAL GROUP, INC.**

AIG, a Delaware corporation, is a holding company which, through its subsidiaries, is engaged in a broad range of insurance and insurance-related activities in the United States and abroad. AIG's principal executive offices are located at 70 Pine Street, New York, New York 10270, and its main telephone number is (212) 770-7000. The Internet address for AIG's corporate website is [www.aigcorporate.com](http://www.aigcorporate.com). Except for the documents referred to under "Where You Can Find More Information," which are specifically incorporated by reference into this document, information contained on AIG's website or that can be accessed through its website does not constitute a part of this document. 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.

On September 30, 2010, AIG entered into an agreement in principle with the Department of the Treasury, the FRBNY and the AIG Credit Facility Trust for a series of integrated transactions (the "Recapitalization") to recapitalize AIG. The transactions constituting the Recapitalization, all of which are to occur substantially simultaneously at the closing of the Recapitalization, involve three primary components. First, under the plan, AIG expects to repay and terminate its credit facility with the FRBNY in full, using proceeds from asset dispositions and other funds. Second, the plan calls for AIG to repurchase and retire a portion of the interests of the FRBNY and the Department of the Treasury in two special purpose vehicles that hold assets of AIG, using the proceeds of asset monetizations and an additional drawdown of funds available to AIG through the Department of the Treasury's Troubled Asset Relief Program ("TARP"). Third, under the plan, AIG expects to issue common stock to the Department of the Treasury in exchange for the outstanding TARP preferred shares and the Series C preferred shares held by the AIG Credit Facility Trust, and to issue up to 75 million warrants with a strike price of \$45.00 per share to existing common shareholders. Upon the exchange, the Department of the Treasury would own approximately 92.1% of the common stock of AIG. Generally, any of the parties may terminate the Recapitalization if it is not completed by March 15, 2011. For more information on the Recapitalization, including risk factors relating thereto, you should refer to AIG's Current Report on Form 8-K filed on September 30, 2010.



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**QUESTIONS AND ANSWERS ABOUT THE EXCHANGE OFFER**

*These answers to questions that you may have as a holder of Corporate Units, as well as the summary that follows, provide an overview of material information regarding the exchange offer that is included elsewhere or incorporated by reference in this document. To fully understand the exchange offer and the other considerations that may be important to your decision about whether to participate in the exchange offer, you should carefully read this document in its entirety, including Risk Factors, as well as the information incorporated by reference in this document. For further information regarding AIG, see Where You Can Find More Information.*

*Each settlement rate, the threshold appreciation price and the reference rate described in this document have been adjusted to reflect the one-for-twenty reverse common stock split that became effective June 30, 2009.*

**What is the purpose of the exchange offer?**

The purpose of this exchange offer is to reduce our overall indebtedness by retiring the Debentures that form a part of the Corporate Units exchanged, to reduce the principal amount of Debentures that we are required to remarket in 2011 and to mitigate the potential impact on our interest expense of any increase in the interest rate on the Debentures that may result from that remarketing.

**What are the key terms of the exchange offer?**

We are offering to exchange 0.09867 shares of our common stock, par value \$2.50 per share, plus \$3.2702 in cash for each validly tendered and accepted Corporate Unit, up to an aggregate of the Maximum Amount of our outstanding Corporate Units, subject to the terms and conditions set forth in this document and in the related letter of transmittal. The Maximum Amount is initially 74,480,000 Corporate Units. However, if we determine in our reasonable judgment, based on consultation with the NYSE, that the NYSE is likely to delist the Corporate Units as a result of the consummation of the exchange offer, then we will reduce the Maximum Amount to an amount that we determine, in our reasonable judgment, is not likely to result in a delisting of the Corporate Units.

The consideration a tendering holder will receive for each validly tendered and accepted Corporate Unit 0.09867 shares of common stock and \$3.2702 in cash is the same number of shares and the same cumulative amount of cash per Corporate Unit that a holder would receive if the holder did not tender into the exchange offer and instead held Corporate Units through the final stock purchase date. That number of shares and amount of cash is the result of netting the consideration payable in two separate transactions the repurchase of the debentures underlying the Corporate Units for shares and cash and the cancellation of the stock purchase contracts underlying the Corporate Units for cash. The consideration payable in each of those netting transactions is as follows:

The consideration payable by the Company to repurchase the Debentures underlying each exchanged Corporate Unit will be 0.09867 shares of common stock plus an amount of cash that the Company will calculate so that the fair market value of those shares and that cash will equal the principal amount of and accrued interest on those Debentures to but excluding the settlement date.

The consideration payable by a tendering holder to cancel the stock purchase contract underlying each exchanged Corporate Unit will be an amount equal to the cash component of the repurchase price for the Debentures underlying such Corporate Unit (calculated as described in the preceding sentence) minus \$3.2702.

As mentioned above, the consideration payable in those two transactions will be netted so that tendering holders will receive 0.09867 shares of common stock and \$3.2702 in cash for each exchanged Corporate Unit and will not be required to make any cash payment to the Company.

Because each Corporate Unit represents a 1/40 undivided beneficial ownership interest in three Debentures having a principal amount of \$1,000 each, you may exchange the Corporate Units in the exchange offer only in integral multiples of 40 Corporate Units.

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**What amount of Corporate Units is being sought in the exchange offer? Will all validly tendered Corporate Units be accepted?**

We are offering to exchange up to an aggregate of the Maximum Amount (as described above) of our outstanding Corporate Units. If more than the Maximum Amount of Corporate Units are validly tendered and not withdrawn prior to the expiration date of the exchange offer, we will prorate the Corporate Units that we accept in the exchange offer. For more information regarding the proration, see the section of this document entitled "The Exchange Offer Proration." Any Corporate Units tendered but not accepted because of proration will be returned to the tendering holder.

**What is a Corporate Unit and how does it differ from a Treasury Unit?**

Each Corporate Unit consists of a stock purchase contract to purchase our common stock on three stock purchase dates and a 1/40 undivided beneficial ownership interest in each of (i) our Series B-1 Junior Subordinated Debentures initially due February 15, 2041, (ii) our Series B-2 Junior Subordinated Debentures initially due May 1, 2041 and (iii) our Series B-3 Junior Subordinated Debentures initially due August 1, 2041, each with a principal amount of \$1,000, or after a successful remarketing of the applicable series of Debentures, in a portfolio of U.S. Treasury securities, which we refer to as the Treasury portfolio. The interest in the Debentures or the Treasury portfolio, as applicable, is pledged to secure the obligation of the holder of the Corporate Unit to purchase our common stock on the relevant stock purchase date.

Equity Units may also consist of Treasury Units. Each Treasury Unit consists of a stock purchase contract issued by us and a 1/40, or 2.5%, beneficial ownership interest in zero-coupon U.S. Treasury securities. On October 7, 2010, no Treasury Units were outstanding.

A holder of Corporate Units may create Treasury Units by substituting interests in the applicable qualifying treasury securities for such holder's ownership interests in each series of Debentures then forming part of their Corporate Units. For more information on Corporate Units, Treasury Units, how to create Treasury Units and how to recreate Corporate Units, see "Description of the Equity Units."

**Can I tender the Treasury Units instead of the Corporate Units in the exchange offer?**

No. This exchange offer is only for Corporate Units, so you will not be able to tender, and we will not accept, Treasury Units in this exchange offer. If you hold Treasury Units and want to participate in this exchange offer, you may recreate Corporate Units from Treasury Units as explained below and in more detail under "Description of the Equity Units - Recreating Corporate Units."

**If I participate by tendering my Corporate Units, will I receive the quarterly interest payments and contract adjustment payments that are payable on November 1, 2010, February 1, 2011, May 1, 2011 and August 1, 2011?**

The quarterly interest payments and contract adjustment payments that are payable on November 1, 2010 will not be affected by this exchange offer. You will receive those payments whether or not you tender your Corporate Units.

If your Corporate Units are accepted in this exchange offer, you will not receive the quarterly distributions that are payable on the Corporate Units on February 1, 2011, May 1, 2011 and August 1, 2011, but you will not be losing the value represented by those distributions because the cash payment you will receive in exchange for each Corporate Unit validly tendered and accepted for exchange will equal the cumulative amount of those distributions.

**How does the amount of common stock I will receive if I tender my Corporate Units compare to the amount I would receive on the Corporate Units if I do not tender?**

The 0.09867 shares of our common stock that you will receive in the exchange offer for each Corporate Unit validly tendered and accepted for exchange is the same number that you would receive for each of your Corporate Units that is not tendered and accepted (assuming our stock price stays near current levels), and in any event is the maximum number of shares of our common stock deliverable under the terms of each Corporate Unit.

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**Will fractional shares be issued in the exchange offer?**

We will not issue fractional shares of our common stock in the exchange offer. Instead, the number of shares of our common stock you receive in the exchange offer will be rounded up or down to the nearest whole number, with any fractional share of 0.5 or greater being rounded up and any fractional share of less than 0.5 being rounded down, and we will not make payments of cash in lieu of any fractional share that would otherwise have been issued.

**How does the cash I will receive if I tender my Corporate Units compare to the payments I would receive if I do not tender?**

The \$3.2702 cash payment for each Corporate Unit you validly tender and that we accept for exchange is exactly equal to the cumulative amount of cash per Corporate Unit that a holder would receive if the holder did not tender into the exchange offer and instead held Corporate Units through the final stock purchase date. See Description of the Equity Units Current Payments for more information regarding the scheduled payments under the Corporate Units.

**When does the exchange offer expire? Can AIG extend, amend or terminate the exchange offer?**

The exchange offer will expire at 11:59 p.m., New York City time, on November 10, 2010 (unless we extend it or terminate it early). Subject to applicable law, we reserve the right to (1) extend the exchange offer; (2) waive any and all conditions to or amend the exchange offer in any respect; or (3) terminate the exchange offer. Any extension, waiver, amendment or termination will be followed as promptly as practicable by a public announcement thereof, such announcement in the case of an extension to be issued no later than 9:00 a.m., New York City time, on the next business day after the last previously scheduled expiration date. See The Exchange Offer Expiration Date; Extension; Termination; Amendment.

**May I withdraw Corporate Units that I have previously tendered?**

You may withdraw any Corporate Units that you previously tendered in the exchange offer at any time prior to 11:59 p.m., New York City time, on the expiration date (currently scheduled for November 10, 2010), by following the procedures described under the caption The Exchange Offer Withdrawals of Tenders. In addition, you may withdraw any Corporate Units after December 7, 2010, which is 40 business days after the date of the commencement of the exchange offer, if we have not accepted them for exchange.

**Will AIG be filing its Third Quarter Form 10-Q before the exchange offer expires?**

Prior to expiration of the exchange offer, we will file with the SEC our Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2010, which will contain financial and other information as of, and for the quarterly period ended, September 30, 2010. In determining whether to tender Corporate Units in the exchange offer, you should carefully consider such information to be included in our Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2010.

**May I tender only a portion of the Corporate Units that I hold?**

Yes. You do not have to tender all of your Corporate Units to participate in the exchange offer. However, only integral multiples of 40 Corporate Units can be exchanged in the exchange offer.

**If the exchange offer is consummated and I do not participate in the exchange offer or exchange all my Corporate Units in the exchange offer, how will my rights and obligations under my unexchanged Corporate Units be affected?**

The terms of your Corporate Units, if any, that remain outstanding after the consummation of the exchange offer will not change as a result of the exchange offer, and the Debentures forming part of your Corporate Units will therefore remain subject to remarketing. For a further description of the terms of the Corporate Units and the stock purchase contracts and Debentures underlying them, see Description of the Equity Units, Description of the Stock Purchase Contracts and Description of the Debentures.

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**How will the exchange offer affect the trading market for the Corporate Units that are not exchanged?**

Depending on the number of Corporate Units that are accepted for exchange in the exchange offer, the trading market for the Corporate Units that remain outstanding after the exchange offer is expected to be more limited and may cease to exist. Such reduction in the trading market may decrease the price and increase the volatility of the Corporate Units that remain outstanding following the completion of the exchange offer, which price and volatility may fluctuate significantly depending on the volume of trading in the Corporate Units.

Although we do not currently intend to do so, we may, to the extent permitted by applicable law, after the settlement date of the exchange offer, purchase Corporate Units in the open market, in privately negotiated transactions, through subsequent tender or exchange offers or otherwise. Any other purchases may be made on the same terms or on terms that are more or less favorable to holders than the terms of this exchange offer. In addition, following completion of the exchange offer, we may repurchase Debentures in a remarketing, in the open market, in privately negotiated transactions or otherwise.

**What does AIG intend to do with the Corporate Units that are tendered in the exchange offer?**

Corporate Units accepted for exchange by us in the exchange offer will be retired and cancelled.

**Are AIG, the dealer managers, the exchange agent or the information agent making a recommendation regarding whether holders should tender in the exchange offer?**

Neither we, the dealer managers, the exchange agent nor the information agent are making any recommendation regarding whether you should tender or refrain from tendering your Corporate Units in the exchange offer.

Accordingly, you must make your own determination as to whether to tender your Corporate Units in the exchange offer and, if so, the number of Corporate Units to tender. Before making your decision, we urge you to carefully read this document in its entirety, including the information set forth under Risk Factors, and the other documents incorporated by reference in this document. See Where You Can Find More Information.

**What expenses will AIG incur to effect the exchange offer?**

If the maximum of 74,480,000 Corporate Units are validly tendered and accepted, we expect to incur an aggregate of approximately \$265 million in cash expenses, including the cash portion of the exchange offer consideration and dealer managers' compensation.

**Will I receive a physical certificate for the shares of AIG common stock that are delivered in the exchange offer?**

No. We have adopted direct company registration of our common stock. If your Corporate Units are accepted for exchange in the exchange offer, you will not receive stock certificates evidencing your ownership of the common stock issued in the exchange offer. Instead, if you are the holder of those shares of common stock, you will be provided with a statement reflecting the number of shares registered in your account. Your common stock will be held in an account maintained by Wells Fargo Bank, N.A., our transfer agent.

**Will the common stock to be issued in the exchange offer be listed for trading?**

Yes. The shares of our common stock to be issued in the exchange offer are expected to be approved for listing on the NYSE before the settlement of the exchange offer. Generally, the common stock you receive in the exchange offer

will be freely tradable, unless you are considered an affiliate of ours, as that term is defined for purposes of the Securities Act of 1933.

**Is the exchange offer subject to any minimum tender or other conditions?**

You may exchange Corporate Units in the exchange offer only in integral multiples of 40 Corporate Units. Otherwise, the exchange offer is not subject to any minimum tender condition. Our obligation to exchange common stock for the Corporate Units in the exchange offer is, however, subject to a number of conditions that must be satisfied or waived by us, including, among others, that:



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there has not been any change or development that in our reasonable judgment materially reduces the anticipated benefits to us of the exchange offer or that has had, or could reasonably be expected to have, a material adverse effect on us, our businesses, condition (financial or otherwise) or prospects;

the registration statement of which this document forms a part has become and remains effective;

we have obtained all governmental approvals and third party consents which we, in our reasonable judgment, consider necessary for the completion of the exchange offer as contemplated by this document; and

we have determined, in our reasonable judgment, based on consultation with the NYSE, that the NYSE is not likely to delist the Corporate Units as a result of the consummation of the exchange offer.

For more information regarding the conditions to the exchange offer (including conditions we cannot waive), see the section of this document entitled "The Exchange Offer - Conditions to the Exchange Offer."

**How do I participate in the exchange offer?**