

AMERICAN INTERNATIONAL GROUP INC
 Form 4
 November 19, 2008

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549

OMB APPROVAL
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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

(Print or Type Responses)

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

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)
 399 PARK AVENUE, 17TH FLOOR
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 11/17/2008

___ Director ___X___ 10% Owner
 ___ Officer (give title below) ___ Other (specify below)

NEW YORK, NY 10022

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)
Common Stock	11/17/2008		J(1)(2)(3)(4)	4,423,116 D	(1) (2) 13,425,748 (3) (4)	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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(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 Amount of Underlying Security (Instr. 3 and 4)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount
Variable Prepaid Forward Contract	\$ 0 ⁽¹⁾ ₍₃₎ ⁽²⁾ ₍₄₎	11/17/2008		J ⁽¹⁾ ₍₂₎ ⁽³⁾ ₍₄₎	4,423,116	⁽¹⁾ ₍₂₎ ⁽³⁾ ₍₄₎	⁽¹⁾ ₍₂₎ ⁽³⁾ ₍₄₎	Common Stock	4,423,116

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

11/19/2008

__Signature of Reporting Person

Date

/s/Mike F. Huang,
Attorney-In-Fact

11/19/2008

__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 15, 2005, C. V. Starr & Co., Inc. ("CV Starr") entered into a variable prepaid forward sale contract (the "CS Contract") for up to 4,423,116 shares (the "Maximum Number") of American International Group, Inc. common stock (the "Common Stock") pursuant to a letter agreement by and among CV Starr, Credit Suisse First Boston LLC and Credit Suisse First Boston Capital LLC ("Credit Suisse"). This Form 4 is being filed in connection with the settlement of the CS Contract.

(2) The CS Contract provided that the number of shares of Common Stock deliverable to Credit Suisse by CV Starr at settlement would be based upon the VWAP Price (as defined in the CS Contract) for each of the 10 Scheduled Trading Days (as defined in the CS Contract) prior to and including November 17, 2008 (the "Valuation Dates") as follows: (a) if the VWAP Price (as defined in the CS Contract)

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per share of the Common Stock (the "Settlement Price") were less than or equal to \$65.85 (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

- CONTINUED FROM THE PREVIOUS FOOTNOTE -- (b) if the Settlement Price were greater than the Forward Floor Price but less than or equal to \$85.61 (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 were 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.
- (3)
 - (4) The Settlement Price on each of the Valuation Dates ranged from a high of \$2.48 to a low of \$1.87, resulting in CV Starr delivering to Credit Suisse 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:

C. V. Starr & Co., Inc. ("CV Starr") may be deemed to beneficially own more than 10% of the common stock of American Int

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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