

AMERICAN INTERNATIONAL GROUP INC
 Form 4
 March 19, 2010

FORM 4

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

OMB APPROVAL

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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 *
 STARR INTERNATIONAL 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)
 101 BAARERSTRASSE
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 03/17/2010

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

CH 6300 ZUG, V8 41
 (City) (State) (Zip)

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

6. Individual or Joint/Group Filing(Check Applicable Line)
 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 Ownership (Instr. 4)
				(A) or (D) Code V Amount (D) Price			
Common Stock					13,979,470	D	

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 Security (Instr. 3 and 4)
Contract	(1) (2) (3) (4)	03/17/2010		J(1)(2)(3)(4)	10,000,000 (1) (2) (3) (4)	(1)(2)(3)(4) (1)(2)(3)(4)	Common Stock

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
STARR INTERNATIONAL CO INC 101 BAARERSTRASSE CH 6300 ZUG, V8 41			X	

Signatures

By: /s/ Stuart Osborne, Vice President, on behalf of Starr International Company, Inc. 03/19/2010

__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) On March 17, 2010, Starr International Company, Inc. ("Starr International") entered into a final agreement for the variable pre-paid forward sale (the "VPF Transaction") of up to 10,000,000 shares (the "Base Amount") of American International Group, Inc. common stock (the "Common Stock") pursuant to four stock purchase agreements, each with respect to 2,500,000 shares of Common Stock, by and between Starr International and UBS Securities LLC ("UBS") and four pledge agreements, each with respect to 2,500,000 shares of Common Stock, among Starr International, UBS and UBS AG, Stamford Branch, as collateral agent, each dated as of March 15, 2010 (collectively, the "VPF Contracts"). -- CONTINUES ONTO THE NEXT FOOTNOTE

(2) CONTINUED FROM PREVIOUS FOOTNOTE -- The final terms of the VPF Transaction, including the Base Amount of shares deliverable by Starr International upon settlement, were determined in unsolicited brokerage transactions by UBS (or its affiliate), over a specified execution period beginning on March 15, 2010, in accordance with the Securities and Exchange Commission's interpretative letter to Goldman, Sachs & Co., dated December 20, 1999. Starr International will receive aggregate proceeds of \$278,150,032.61 under the VPF Transaction.

(3) The VPF Transaction provides that on the third Business Day (as defined in the VPF Contracts) after each of the 34.5-month, 35.5-month, 36.5-month and 37.5-month anniversaries of March 17, 2010 (the "Settlement Dates"), Starr International will deliver a number of shares of Common Stock to UBS (or, at the election of Starr International, the cash equivalent of such shares) equal to the product of one-quarter of the Base Amount and a ratio (the "Settlement Ratio") determined as follows: (a) if the daily volume weighted average price per share of the Common Stock over the 5 Business Day period ending on, and including, the date three Business Days before the corresponding Settlement Date (the "Settlement Price") is less than or equal to \$31.2216 (the "Floor Level"), the Settlement Ratio shall be 1; -- CONTINUES ONTO THE NEXT FOOTNOTE

(4) CONTINUED FROM PREVIOUS FOOTNOTE -- (b) if the Settlement Price is greater than the Floor Level but less than or equal to \$46.8324 per share (the "Cap Level"), the Settlement Ratio shall be the Floor Level divided by the Settlement Price; and (c) if the Settlement Price is greater than the Cap Level, the Settlement Ratio shall be the quotient of (i) the sum of the Floor Level and the excess of the Settlement Price over the Cap Level, divided by (ii) the Settlement Price.

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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. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.