

AMERICAN INTERNATIONAL GROUP INC  
Form DEF 14A  
June 05, 2009

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**WASHINGTON, D.C. 20549**

**SCHEDULE 14A**

**(Rule 14a-101)**

**INFORMATION REQUIRED IN PROXY STATEMENT**

**SCHEDULE 14A INFORMATION**

**Proxy Statement Pursuant to Section 14(a) of the Securities**

**Exchange Act of 1934 (Amendment No.    )**

Filed by the Registrant  x

Filed by a Party other than the Registrant  o

Check the appropriate box:

- o Preliminary Proxy Statement
- x Definitive Proxy Statement
- o Definitive Additional Materials
- o Soliciting Material Pursuant to §240.14a-12
- o Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

**American International Group, Inc.**

(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of filing fee (Check the appropriate box):

- No fee required.  
 Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

- (1) Title of each class of securities to which transaction applies:
- (2) Aggregate number of securities to which transaction applies:
- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
- (4) Proposed maximum aggregate value of transaction:
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- (1) Amount Previously Paid:
- (2) Form, Schedule or Registration Statement No.:
- (3) Filing Party:
- (4) Date Filed:



AMERICAN INTERNATIONAL GROUP, INC.  
70 Pine Street, New York, N.Y. 10270

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS  
TO BE HELD JUNE 30, 2009**

June 5, 2009

*To the Shareholders of*  
AMERICAN INTERNATIONAL GROUP, INC.:

The Annual Meeting of Shareholders of AMERICAN INTERNATIONAL GROUP, INC. (AIG) will be held at the offices of AIG at 72 Wall Street, Eighth Floor, New York, New York, on June 30, 2009, at 10:00 a.m., for the following purposes:

1. To elect the eleven nominees specified under Election of Directors as directors of AIG to hold office until the next annual election and until their successors are duly elected and qualified;
2. To vote upon a non-binding shareholder resolution to approve executive compensation;
3. To act upon a proposal to amend AIG's Restated Certificate of Incorporation to increase the authorized shares of common stock from 5,000,000,000 shares to 9,225,000,000 shares;
4. To act upon a proposal to amend AIG's Restated Certificate of Incorporation to effect a reverse stock split of AIG's outstanding common stock at a ratio of one-for-twenty;
5. To act upon a proposal to amend AIG's Restated Certificate of

- Incorporation to increase the authorized shares of preferred stock from 6,000,000 shares to 100,000,000 shares;
6. To act upon a proposal to amend AIG's Restated Certificate of Incorporation to (i) permit AIG's Board of Directors to issue series of preferred stock that are not of equal rank and (ii) cause the Series E Fixed Rate Non-Cumulative Perpetual Preferred Stock, the Series F Fixed Rate Non-Cumulative Perpetual Preferred Stock and any other series of preferred stock subsequently issued to the United States Department of the Treasury to rank senior to all other series of preferred stock;
  7. To act upon a proposal to amend AIG's Restated Certificate of Incorporation to eliminate any restriction on the pledging of all or substantially all of the property or assets of AIG;
  8. To act upon a proposal to ratify the selection of PricewaterhouseCoopers LLP as AIG's independent registered public accounting firm for 2009;
  9. To act upon a shareholder proposal relating to executive

compensation retention  
upon termination of  
employment;

10. To act upon a  
shareholder proposal  
relating to special  
meetings of shareholders;
11. To act upon a  
shareholder proposal  
relating to  
reincorporation of AIG  
in North Dakota; and
12. To transact any other  
business that may  
properly come before the  
meeting.

Shareholders of record at the close of business on May 22, 2009 will be entitled to vote at the meeting.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Shareholders to be held on June 30, 2009. The Proxy Statement, Annual Report to Shareholders and other Soliciting Material are available in the Investor Information section of AIG's corporate website at [www.aigcorporate.com](http://www.aigcorporate.com).

By Order of the Board of Directors  
KATHLEEN E. SHANNON  
*Secretary*

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If you plan on attending the meeting, please remember to bring photo identification with you. In addition, if you hold shares in street name and would like to attend the meeting, you should bring an account statement or other acceptable evidence of ownership of AIG common stock as of the close of business on May 22, 2009. If you cannot be present at the meeting, please sign the enclosed proxy card or voting instruction card and return it at once in the accompanying postage prepaid envelope or vote your shares by telephone or through the Internet.

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AMERICAN INTERNATIONAL GROUP, INC.  
70 Pine Street, New York, N.Y. 10270

**PROXY STATEMENT**

June 5, 2009

**TIME AND DATE** 10:00 a.m. on Wednesday, June 30, 2009.

**PLACE** 72 Wall Street, Eighth Floor, New York, New York 10270.

**MAILING DATE** These materials are being mailed to shareholders of AIG commencing on or about June 5, 2009.

**ITEMS OF BUSINESS**

To elect the eleven nominees specified under Election of Directors as directors of AIG to hold office until the next annual election and until their successors are duly elected and qualified;

To vote upon a non-binding shareholder resolution to approve executive compensation;

To act upon a proposal to amend AIG's Restated Certificate of Incorporation to increase the authorized shares of common stock from 5,000,000,000 shares to 9,225,000,000 shares;

To act upon a proposal to amend AIG's Restated Certificate of Incorporation to effect a reverse stock split of AIG's outstanding common stock at a ratio of one-for-twenty;

To act upon a proposal to amend AIG's Restated Certificate of Incorporation to increase the authorized shares of preferred stock from 6,000,000 shares to 100,000,000 shares;

To act upon a proposal to amend AIG's Restated Certificate of Incorporation to (i) permit AIG's Board of Directors to issue series of preferred stock that are not of equal rank and (ii) cause the Series E Fixed Rate Non-Cumulative Perpetual Preferred Stock, the Series F Fixed Rate Non-Cumulative Perpetual Preferred Stock and any other series of preferred stock subsequently issued to the United States Department of the Treasury to rank senior to all other series of preferred stock;

To act upon a proposal to amend AIG's Restated Certificate of Incorporation to eliminate any restriction on the pledging of all or substantially all of the property or assets of AIG;

To act upon a proposal to ratify the selection of PricewaterhouseCoopers LLP as AIG's independent registered public accounting firm for 2009;

To act upon a shareholder proposal relating to executive compensation retention upon termination of employment;

To act upon a shareholder proposal relating to special meetings of shareholders;

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To act upon a shareholder proposal relating to reincorporation of  
AIG in North Dakota; and

To transact any other business that may properly come before  
the meeting.

RECORD DATE

You can vote if you were a shareholder of record at the close of  
business on May 22, 2009.

INSPECTION OF LIST OF  
SHAREHOLDERS OF RECORD

A list of the shareholders of record as of May 22, 2009 will be  
available for inspection during ordinary business hours during the  
ten days prior to the meeting at AIG's offices, 70 Pine Street, New  
York, New York 10270.

ADDITIONAL INFORMATION

Additional information regarding the matters to be acted on at the  
meeting is included in the accompanying proxy materials.

PROXY VOTING

PLEASE SUBMIT YOUR PROXY THROUGH THE INTERNET  
OR BY TELEPHONE OR MARK, SIGN, DATE AND RETURN  
YOUR PROXY IN THE ENCLOSED ENVELOPE.

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## VOTING INSTRUCTIONS AND INFORMATION

The enclosed proxy is solicited on behalf of the Board of Directors (Board of Directors or Board) of American International Group, Inc., a Delaware corporation (AIG), for use at the AIG Annual Meeting of Shareholders to be held on June 30, 2009, or at any adjournment thereof (Annual Meeting or 2009 Annual Meeting of Shareholders). These proxy materials are being mailed to shareholders of AIG commencing on or about June 5, 2009.

### Who can vote at the Annual Meeting?

You are entitled to vote or direct the voting of your shares of AIG common stock, par value \$2.50 per share (AIG Common Stock), if you were a shareholder of record or if you held AIG Common Stock in street name at the close of business on May 22, 2009. On that date, 2,691,865,452 shares of AIG Common Stock (exclusive of shares held by AIG and certain subsidiaries) were outstanding, held by 57,741 shareholders of record. You may cast one vote for each share of AIG Common Stock held by you on the record date.

Holders of Series C Perpetual, Convertible, Participating Preferred Stock (AIG Series C Preferred Stock) are also entitled to vote or direct the voting of their shares of AIG Series C Preferred Stock, if they were shareholders of record at the close of business on May 22, 2009. On that date, 100,000 shares of AIG Series C Preferred Stock were outstanding, held by one shareholder of record. Holders of AIG Series C Preferred Stock may cast approximately 106,422.58 votes for each share of AIG Series C Preferred Stock held by them on the record date (10,642,258,800 in the aggregate).

With respect to Proposal 5 and only with respect to Proposal 5, holders of the Series E Fixed Rate Non-Cumulative Perpetual Preferred Stock (AIG Series E Preferred Stock) and Series F Fixed Rate Non-Cumulative Perpetual Preferred Stock (AIG Series F Preferred Stock) are also entitled to vote or direct the voting of their shares of AIG Series E Preferred Stock or AIG Series F Preferred Stock, as applicable, if they were shareholders of record at the close of business on May 22, 2009. On that date, 400,000 shares of AIG Series E Preferred Stock were outstanding, held by one shareholder of record and 300,000 shares of AIG Series F Preferred Stock were outstanding, held by one shareholder of record. Holders of AIG Series E Preferred Stock may cast one vote for each share of AIG Series E Preferred Stock held by them on the record date. Holders of AIG Series F Preferred Stock may cast one vote for each share of AIG Series F Preferred Stock held by them on the record date.

### Who is a shareholder of record?

During the ten days prior to the Annual Meeting, a list of the shareholders will be available for inspection at the offices of AIG at 70 Pine Street, New York, New York 10270.

If you hold  
AIG  
Common  
Stock, AIG  
Series C  
Preferred  
Stock, AIG  
Series E  
Preferred  
Stock or  
AIG Series  
F Preferred  
Stock that is

registered in  
your name  
on the  
records of  
AIG  
maintained  
by AIG's  
transfer  
agent, Wells  
Fargo  
Shareowner  
Services,  
you are a  
shareholder  
of record.

If you hold  
AIG  
Common  
Stock  
indirectly  
through a  
broker, bank  
or similar  
institution,  
you are not  
a  
shareholder  
of record,  
but instead  
hold in  
street name.

If you are a shareholder of record, these proxy materials are being sent to you directly. If you hold shares in street name, these materials are being sent to you by the bank, broker or similar institution through which you hold your shares.

### **What proposals will be voted on at the Annual Meeting?**

There are eight proposals from AIG to be considered and voted on at the Annual Meeting:

1. To elect the  
eleven  
nominees  
specified under  
Election of  
Directors as  
directors of AIG  
to hold office  
until the next  
annual election

and until their successors are duly elected and qualified;

2. To vote upon a non-binding shareholder resolution to approve executive compensation;
3. To act upon a proposal to amend AIG's Restated Certificate of Incorporation to increase the authorized shares of AIG Common Stock from 5,000,000,000 shares to 9,225,000,000 shares;
4. To act upon a proposal to amend AIG's Restated Certificate of Incorporation to effect a reverse stock split of the outstanding AIG Common Stock at a ratio of one-for-twenty;

5. To act upon a proposal to amend AIG's Restated Certificate of Incorporation to increase the authorized shares of preferred stock of AIG (AIG Preferred Stock) from 6,000,000 shares to 100,000,000 shares.
6. To act upon a proposal to amend AIG's Restated Certificate of Incorporation to (i) permit the Board to issue series of AIG Preferred Stock that are not of equal rank and (ii) cause the AIG Series E Preferred Stock, the AIG Series F Preferred Stock and any other series of AIG Preferred Stock subsequently issued to the United States Department of the Treasury to rank senior to all other series of AIG Preferred Stock;
7. To act upon a proposal to amend AIG's Restated Certificate of Incorporation to eliminate any restriction on the pledging of all or substantially all of the property or assets of AIG; and
8. To act upon a proposal to ratify the selection of PricewaterhouseCoopers LLP as AIG's independent registered public accounting firm for 2009.

In addition, there are three proposals from shareholders to be considered and voted on at the Annual Meeting:

9. To act upon a shareholder proposal relating to executive compensation retention upon termination of employment;
10. To act upon a shareholder proposal relating to special meetings of shareholders; and
11. To act upon a shareholder proposal relating to reincorporation of AIG in North Dakota.

You may also vote on any other business that properly comes before the Annual Meeting.

**How does the Board of Directors recommend I vote?**

AIG's Board of Directors unanimously recommends that you vote:

1. **FOR** each of the nominees to the Board of Directors.
2. **FOR** the approval of the non-binding shareholder resolution on executive compensation.
3. **FOR** the proposal to amend AIG's Restated Certificate of Incorporation to increase the authorized shares of AIG Common Stock from 5,000,000,000 shares to 9,225,000,000 shares.



4. **FOR** the proposal to amend AIG's Restated Certificate of Incorporation to effect a reverse stock split of the outstanding AIG Common Stock at a ratio of one-for-twenty.
5. **FOR** the proposal to amend AIG's Restated Certificate of Incorporation to increase the authorized shares of AIG Preferred Stock from 6,000,000 shares to 100,000,000 shares.
6. **FOR** the proposal to amend AIG's Restated Certificate of Incorporation to (i) permit the Board to issue series of AIG Preferred Stock that are not of equal rank and (ii) cause the AIG Series E Preferred Stock, the AIG Series F Preferred Stock and any other series of AIG Preferred Stock subsequently issued to the United States Department of the Treasury to rank senior to all other series of AIG Preferred Stock.
7. **FOR** the proposal to amend AIG's Restated Certificate of Incorporation to eliminate any restriction on the pledging of all or substantially all of the property or assets of AIG.
8. **FOR** the proposal to ratify the selection of

PricewaterhouseCoopers  
LLP as AIG's  
independent registered  
public accounting firm  
for 2009.

9. **AGAINST** the  
shareholder proposal  
relating to executive  
compensation retention  
upon termination of  
employment.
10. **AGAINST** the  
shareholder proposal  
relating to special  
meetings of shareholders.
11. **AGAINST** the  
shareholder proposal  
relating to  
reincorporation of AIG  
in North Dakota.

The Board of Directors is required by the terms of the Series C Perpetual, Convertible, Participating Preferred Stock Purchase Agreement, dated as of March 1, 2009 (the Series C Stock Purchase Agreement), entered into by AIG with the AIG Credit Facility Trust, to recommend that shareholders vote for proposals 6 and 7 and to solicit proxies in favor of those proposals. See Relationships with the Federal Reserve Bank of New York, the AIG Credit Facility Trust and the United States Department of the Treasury for more information on AIG's relationship with the U.S. government.

### **What do I need to attend the Annual Meeting?**

If you plan on attending the Annual Meeting, please remember to bring photo identification with you, such as a driver's license. In addition, if you hold shares in street name and would like to attend the Annual Meeting, you should bring an account statement or other acceptable evidence of ownership of AIG Common Stock as of the close of business on May 22, 2009, the record date for voting. In order to vote at the Annual Meeting, you will also need a valid legal proxy, which you can obtain by contacting your account representative at the broker, bank or similar institution through which you hold your shares. See [How do I vote?](#) for four ways to cast your vote.

### **How do I vote?**

You may cast your vote in one of four ways:

***By Submitting a Proxy by Internet.*** Go to the following website:

[www.eproxy.com/aig](http://www.eproxy.com/aig).

You may submit a proxy by Internet 24 hours a day. Enter the information requested on your computer screen and follow the simple instructions. If you choose to submit a proxy by Internet, then you do not need to return the proxy card. To be valid, your proxy by Internet must be received by 11:59 a.m., Eastern Daylight Saving Time, on June 29, 2009. Please have your proxy card and the last four digits of your Social Security number or tax identification number available.

***By Submitting a Proxy by Telephone.***

To submit a proxy using the telephone (within the United States and Canada), call toll free

1-800-560-1965 in the United States or Canada any time on a touch tone telephone. You may submit a proxy by telephone 24 hours a day, 7 days a week. There is NO CHARGE to you for the call. Follow the simple instructions provided by the recorded message. If you choose to submit a proxy by telephone, then you do not need to return the proxy card. To be valid, your proxy by telephone must be received by 11:59 a.m., Eastern Daylight Saving Time, on June 29, 2009.

***By Submitting a Proxy by Mail.*** Mark the enclosed proxy card, sign and date it, and return it in the pre-paid envelope that has been provided. To be valid, your proxy by mail must be received by 9:00 a.m., Eastern Daylight Saving Time, on June 30, 2009.

***At the Annual Meeting.*** You can vote your shares in person at the Annual Meeting (see [What do I need to attend the Annual Meeting?](#) ). If you are a shareholder of record, in order to vote at the Annual Meeting, you must present an acceptable

form of identification,  
such as a driver's  
license. If you hold  
your shares in street  
name, you must  
obtain a legal proxy,  
as described above,  
under "What do I need  
to attend the Annual  
Meeting?", and bring  
that proxy to the  
Annual Meeting.

**How can I revoke my proxy or substitute a new proxy or change my vote?**

You can revoke your proxy or substitute a new proxy by:

***For a Proxy Submitted by Internet or Telephone***

Subsequently  
submitting in  
a timely  
manner a new  
proxy through  
the Internet or  
by telephone;  
or

Executing  
and mailing a  
later-dated  
proxy card  
that is  
received by  
AIG prior to  
9:00 a.m.,  
Eastern  
Daylight  
Saving Time,  
on June 30,  
2009; or

Voting in  
person at the  
Annual  
Meeting.

***For a Proxy Submitted by Mail***

Subsequently  
executing and

mailing  
another proxy  
card bearing a  
later date; or

Giving  
written notice  
of revocation  
to AIG's  
Secretary at  
70 Pine  
Street, New  
York, New  
York 10270  
that is  
received by  
AIG prior to  
9:00 a.m.,  
Eastern  
Daylight  
Saving Time,  
on June 30,  
2009; or

Voting in  
person at the  
Annual  
Meeting.

**If I submit a proxy by Internet, telephone or mail, how will my shares be voted?**

If you properly submit your proxy by one of these methods, and you do not subsequently revoke your proxy, your shares will be voted in accordance with your instructions.

If you sign, date and return your proxy card but do not give voting instructions, your shares will be voted as follows: FOR the election of AIG's director nominees; FOR the approval of the non-binding shareholder resolution on executive compensation; FOR the amendment of AIG's Restated Certificate of Incorporation to increase the

authorized shares of AIG Common Stock from 5,000,000,000 shares to 9,225,000,000 shares; FOR the amendment of AIG's Restated Certificate of Incorporation to effect a reverse stock split of the outstanding AIG Common Stock at a ratio of one-for-twenty; FOR the amendment of AIG's Restated Certificate of Incorporation to increase the authorized shares of AIG Preferred Stock from 6,000,000 shares to 100,000,000 shares; FOR the amendment of AIG's Restated Certificate of Incorporation to (i) permit the Board to issue series of AIG Preferred Stock that are not of equal rank and (ii) cause the AIG Series E Preferred Stock, the AIG Series F Preferred Stock and any other series of AIG Preferred Stock subsequently issued to the United States Department of the Treasury to rank senior to all other series of AIG Preferred Stock; FOR the amendment of AIG's Restated Certificate of Incorporation to eliminate any restriction on the pledging of all or substantially all of the property or assets of AIG; FOR the ratification of the appointment of PricewaterhouseCoopers LLP as AIG's independent registered public accounting firm for 2009; AGAINST each of the shareholder proposals; and otherwise in accordance with the judgment of the persons voting the proxy on any other matter properly brought before the Annual Meeting.

**If I hold my shares in street name and do not provide voting instructions, can my broker still vote my shares?**

Under the rules of the New York Stock Exchange (NYSE), brokers that have not received voting instructions from their customers ten days prior to the Annual Meeting date may vote their customers' shares in the brokers' discretion on the proposals regarding the election of directors, the non-binding shareholder vote on executive compensation and the ratification of the appointment of independent auditors because these are considered discretionary under NYSE rules. If your broker is an affiliate of AIG, NYSE policy specifies that, in the absence of your specific voting instructions, your shares may only be voted in the same proportion as all other shares are voted with respect to each proposal.

Under NYSE rules, each other proposal is a non-discretionary item, which means that member brokers who have not received instructions from the beneficial owners of AIG Common Stock do not have discretion to vote the shares of AIG Common Stock held by those beneficial owners on any of those proposals.

**How are votes counted?**

**Proposal 1 Election of Directors.** AIG's By-laws provide that in uncontested elections, directors must receive a majority of the votes cast by the shareholders of AIG Common Stock and AIG Series C Preferred Stock, voting together as a single class. In other words, directors in an uncontested election must receive more votes for their election than against their election. Pursuant to AIG's Corporate Governance Guidelines, each nominee who is currently a director has submitted to the Board an irrevocable resignation from the Board that would become effective upon (1) the failure of such nominee to receive the required vote at the Annual Meeting and (2) Board acceptance of such resignation. In the event that a nominee who is currently a director fails to receive the required vote at the Annual Meeting, the Nominating and Corporate Governance Committee will then make a recommendation to the Board on the action to be taken with respect to the resignation. The Board will accept such resignation unless the Committee recommends and the Board determines that the best interests of AIG and its shareholders would not be served by doing so.

**Proposal 2 Non-binding Shareholder Vote to Approve Executive Compensation.** Adoption of the resolution of the non-binding shareholder vote to approve executive compensation requires a for vote of a majority of the voting power represented by the votes cast by the shareholders of AIG Common Stock and AIG Series C Preferred Stock, voting together as a single class, which votes cast are either for or against the resolution.

**Proposal 3 Amendment of AIG's Restated Certificate of Incorporation to Increase the Authorized Shares of AIG Common Stock.** This amendment of the Restated Certificate of Incorporation requires a for vote of a majority of the voting power of the outstanding shares of AIG Common Stock and AIG Series C Preferred Stock, voting together as a single class, plus a for vote of a majority of the outstanding shares of AIG Common Stock, voting as a separate class.

***Proposal 4 Amendment of AIG's Restated Certificate of Incorporation to Effect a Reverse Stock Split of AIG's Outstanding Common Stock at a Ratio of One-for-Twenty.*** This amendment of the Restated Certificate of Incorporation requires a for vote of a majority of the voting power of the outstanding shares of AIG Common Stock and AIG Series C Preferred Stock, voting together as a single class.



***Proposal 5 Amendment of AIG's Restated Certificate of Incorporation to increase the authorized shares of AIG Preferred Stock.*** This amendment of the Restated Certificate of Incorporation requires:

A for vote  
of a  
majority of  
the voting  
power of  
the  
outstanding  
shares of  
AIG  
Common  
Stock and  
AIG Series  
C Preferred  
Stock,  
voting  
together as  
a single  
class; plus

A for vote  
of a  
majority of  
the voting  
power of  
AIG Series  
C Preferred  
Stock,  
voting as a  
separate  
class; plus

A for vote  
of at least  
 $66\frac{2}{3}$   
percent of  
the  
outstanding  
shares of  
each of the  
AIG Series  
E Preferred  
Stock and  
the AIG  
Series F  
Preferred  
Stock,  
voting as

separate  
classes.

**Proposal 6 Amendment of AIG's Restated Certificate of Incorporation to (i) Permit AIG's Board of Directors to Issue Series of AIG Preferred Stock that Are Not of Equal Rank and (ii) Cause the AIG Series E Preferred Stock, the AIG Series F Preferred Stock and Any Other Series of AIG Preferred Stock Subsequently Issued to the United States Department of the Treasury to Rank Senior to All Other Series of AIG Preferred Stock.** This amendment of the Restated Certificate of Incorporation requires:

A for vote  
of a  
majority of  
the voting  
power of  
the  
outstanding  
shares of  
AIG  
Common  
Stock and  
AIG Series  
C Preferred  
Stock,  
voting  
together as  
a single  
class; plus

A for vote  
of at least  
 $66\frac{2}{3}$   
percent of  
the  
outstanding  
shares of  
AIG Series  
C Preferred  
Stock,  
voting as a  
separate  
class.

**Proposal 7 Amendment of AIG's Restated Certificate of Incorporation to Eliminate Any Restriction on the Pledging of All or Substantially All of the Property or Assets of AIG.** This amendment of the Restated Certificate of Incorporation requires a for vote of a majority of the voting power of the outstanding shares of AIG Common Stock and AIG Series C Preferred Stock, voting together as a single class.

**Proposal 8 Ratification of the Selection of PricewaterhouseCoopers LLP as AIG's Independent Registered Public Accounting Firm.** Ratification of the selection of accountants requires a for vote of a majority of the voting power represented by the votes cast by the shareholders of AIG Common Stock and AIG Series C Preferred Stock, voting together as a single class, which votes are cast for or against the ratification. Neither AIG's Restated Certificate of Incorporation nor AIG's By-laws require that the shareholders ratify the selection of PricewaterhouseCoopers LLP as

its independent registered public accounting firm. AIG's Board is requesting shareholder ratification as a matter of good corporate practice. If the shareholders do not ratify the selection, the Audit Committee will reconsider whether or not to retain PricewaterhouseCoopers LLP, but may still retain PricewaterhouseCoopers LLP. Even if the selection is ratified, the Audit Committee in its discretion may change the appointment at any time during the year if it determines that such change would be in the best interests of AIG and its shareholders.

**Shareholder Proposals 9-11.** Approval of each shareholder proposal requires a for vote by a majority of the voting power of the outstanding shares of AIG Common Stock and AIG Series C Preferred Stock, voting together as a single class.

**Broker Non-Votes and Abstentions.** Because directors are elected by a majority of the votes cast, an abstention or broker non-vote will have no effect on the election, although a director who receives more votes against than for his or her election will be required to resign, subject to the process described above under Proposal 1 Election of Directors.

In the case of the adoption of the non-binding resolution on executive compensation and ratification of the appointment of PricewaterhouseCoopers LLP, only votes cast for or against the ratification will be considered; abstentions, broker non-votes and withheld votes will not be treated as a vote for or against these proposals and therefore will have no effect on the vote. With respect to each other proposal, an abstention, broker non-vote or withheld vote will have the effect of a vote against such proposals.

#### **How many votes are required to transact business at the Annual Meeting?**

A quorum is required to transact business at the Annual Meeting. The holders of a majority of the combined voting power of AIG Common Stock and AIG Series C Preferred Stock, treated as a single class, will constitute a quorum.

Proxies marked as abstaining, and any proxies returned by brokers as non-votes on behalf of shares held in street name because beneficial owners' discretion has been withheld as to one or more matters on the agenda for the Annual Meeting, will be treated as present for purposes of determining a quorum for the Annual Meeting.

**How do I obtain more information about AIG?**

A copy of AIG's 2008 Annual Report to Shareholders, which includes AIG's Annual Report on Form 10-K for the year ended December 31, 2008 (AIG's 2008 Annual Report on Form 10-K) filed with the U.S. Securities and Exchange Commission (SEC), has been previously delivered to shareholders. **You also may obtain, free of charge, a copy of the 2008 Annual Report to Shareholders and AIG's 2008 Annual Report on Form 10-K by writing to American International Group, Inc., 70 Pine Street, New York, New York 10270, Attention: Investor Relations.** These documents also are available in the Investor Information section of AIG's corporate website at [www.aigcorporate.com](http://www.aigcorporate.com).

**Why was approval of the issuance of the AIG Series C Preferred Stock, which is convertible into more than 20 percent of AIG Common Stock, not sought?**

Section 312.03 of the NYSE Listed Company Manual generally requires shareholder approval (the Shareholder Approval Policy) prior to the issuance by NYSE-listed companies of common stock, or securities convertible into or exercisable for common stock, in any transaction or series of transactions if:

The  
common  
stock to be  
issued has,  
or will have  
upon  
issuance,  
voting  
power equal  
to or in  
excess of 20  
percent of  
the voting  
power  
outstanding  
before the  
issuance of  
such  
common  
stock or of  
securities  
convertible  
into or  
exercisable  
for common  
stock, or

The number  
of shares of  
common  
stock to be  
issued is, or  
will be upon  
issuance,

equal to or  
in excess of  
20 percent  
of the  
number of  
shares of  
common  
stock  
outstanding  
before the  
issuance of  
the common  
stock or of  
securities  
convertible  
into or  
exercisable  
for common  
stock.

There is an exception under Section 312.05 to the Shareholder Approval Policy when (1) the delay in securing shareholder approval would seriously jeopardize the financial viability of the listed company's enterprise and (2) reliance by the listed company on such exception is expressly approved by the Audit Committee of the Board of Directors.

The Audit Committee of AIG's Board of Directors determined that the issuance of the AIG Series C Preferred Stock was necessary to procure funds the delay of which would have seriously jeopardized the financial viability of AIG. Notice of such determination was sent to shareholders on September 26, 2008 in accordance with NYSE rules.

**Who pays for the expenses of this proxy solicitation?**

AIG will bear the cost of this solicitation of proxies. Proxies may be solicited by mail, email, personal interview, telephone and facsimile transmission by directors, their associates, and approximately eight officers and regular employees of AIG and its subsidiaries. In addition to the foregoing, AIG has retained D.F. King & Co., Inc. to assist in the solicitation of proxies for a fee of approximately \$17,000 plus reasonable out-of-pocket expenses and disbursements of that firm. AIG will reimburse brokers and others holding AIG Common Stock in their names, or in the names of nominees, for forwarding proxy materials to their principals.

**CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS**

This Proxy Statement and other publicly available documents may include, and AIG's officers and representatives may from time to time make, projections and statements which may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. 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 proposed and completed transactions with the NY Fed and the Department of the Treasury, the number, size, terms, cost 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 exposures to subprime mortgages, monoline insurers and the residential and commercial real estate markets and AIG's strategy for 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 of the completed transactions with the Department of the Treasury to achieve their desired objectives or a failure to complete the proposed transactions with the NY Fed, developments in global credit markets and such other factors as discussed throughout part II, Item 7. in Management's Discussion and Analysis of Financial Condition and Results of Operations and in Item 1A. Risk Factors, of AIG's 2008 Annual Report on Form 10-K and in part II, Item 1A. Risk Factors, of AIG's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2009. AIG is not under any obligation (and expressly disclaims any obligations) 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.

**RELATIONSHIPS WITH THE FEDERAL RESERVE BANK OF NEW YORK, THE AIG CREDIT FACILITY TRUST AND THE UNITED STATES DEPARTMENT OF THE TREASURY**

AIG has entered into several important transactions and relationships, as well as certain agreements in principle, with the Federal Reserve Bank of New York (NY Fed), the AIG Credit Facility Trust (the Trust) and the United States Department of the Treasury (the Department of the Treasury). These are summarized below and discussed in more detail in AIG's 2008 Annual Report on Form 10-K, and two Current Reports on Form 8-K, dated April 17, 2009.

**Credit Facility with the NY Fed**

AIG and the NY Fed entered into a revolving credit facility (as amended, the Fed Credit Agreement) and a Guarantee and Pledge Agreement on September 22, 2008.

**AIG Series C Preferred Stock**

As of March 4, 2009, the Trust, established for the sole benefit of the United States Treasury in connection with the Fed Credit Agreement and issuance of AIG Series C Preferred Stock, holds all of the outstanding 100,000 shares of AIG Series C Preferred Stock, which are, to the extent permitted by law, entitled to vote on all matters with the AIG Common Stock. As of the record date, the holders of the AIG Series C Preferred Stock are entitled to (i) approximately 79.81 percent of the voting power of AIG's shareholders entitled to vote on any particular matter and (ii) approximately 79.81 percent of the aggregate dividend rights of the outstanding AIG Common Stock and the AIG Series C Preferred Stock, in each case, on an as converted basis. As of the record date, the AIG Series C Preferred Stock was entitled to 10,696,060,566 votes, less

The shares of  
AIG Common  
Stock subject  
to the  
Warrants (as  
defined  
below);

Any shares of  
AIG Common  
Stock  
underlying  
any other  
instrument  
convertible  
into,  
exchangeable  
for or  
representing  
the right to  
receive AIG  
Common  
Stock owned  
by the  
Department

of the  
Treasury; and

Any shares of  
AIG Common  
Stock  
otherwise  
directly  
owned by the  
Department  
of the  
Treasury.

This calculation is made as if the AIG Series C Preferred Stock had been converted into AIG Common Stock. Thus, as of the record date, the total AIG Series C Preferred Stock voting power of 10,696,060,566 shares was reduced by the 53,801,766 shares of AIG Common Stock subject to the Warrants (AIG understands that, as of the record date, the Department of the Treasury did not otherwise own any shares of AIG Common Stock or any other instrument convertible into, exchangeable for or representing the right to receive shares of AIG Common Stock.

The Series C Stock Purchase Agreement requires the Board of Directors to recommend to shareholders, and solicit proxies for, Proposals 6 and 7.

#### **AIG Series E Preferred Stock, AIG Series F Preferred Stock and Warrants**

The Department of the Treasury holds all the outstanding 400,000 shares of AIG Series E Preferred Stock, the 300,000 shares of AIG Series F Preferred Stock and two 10-year warrants (the Warrants) to purchase 53,801,766 shares of AIG Common Stock (the TARP Investment), as part of the Troubled Asset Relief Program (TARP) and the Systemically Significant Failing Institutions Program.

The terms of the TARP Investment, among other things:

Contain  
limitations on  
the payment  
of dividends  
on AIG  
Common  
Stock and on  
AIG's ability  
to repurchase  
AIG Common  
Stock; and

Subject AIG  
to the  
executive  
compensation  
limitations  
included in  
the  
Emergency



Economic  
Stabilization  
Act of 2008  
(the EESA),  
including the  
provisions for  
Systemically  
Significant  
Failing  
Institutions.  
Each of AIG's  
senior  
executive  
officers (as  
defined under  
the EESA)  
and certain  
other senior  
employees  
executed  
waivers and  
entered into  
letter  
agreements  
relating to  
modifications  
to  
compensation  
or benefits  
necessary to  
comply with  
the executive  
compensation  
limitations  
included in  
the EESA and  
the terms of  
the TARP  
Investment  
during the  
period in  
which any  
obligation of  
AIG arising  
from financial  
assistance  
provided  
under the  
Troubled  
Asset Relief  
Program

remains  
outstanding.

On April 17, 2009, AIG entered into an agreement with the Department of the Treasury to exchange all of the outstanding shares of Series D Fixed Rate Cumulative Perpetual Preferred Stock (AIG Series D Preferred Stock) for 400,000 shares of AIG Series E Preferred Stock, with a liquidation preference of \$104,011.44 per share. The terms of the AIG Series E Preferred Stock are substantially the same as for the AIG Series D Preferred Stock, except that the dividends are not cumulative. In connection with the agreement, AIG agreed that, while any AIG obligations under TARP remain outstanding, other than under any warrant held by the Department of the Treasury, AIG would comply with Section 111 of the EESA, as amended, as implemented by

any guidance or regulations issued and/or to be issued thereunder, including any amendments to the guidelines implementing the Systemically Significant Failing Institutions Program.

### **Resolution of Securities Lending Program**

AIG and various U.S. life insurance company subsidiaries of AIG and AIG Securities Lending Corp. (the AIG Agent) entered into an Asset Purchase Agreement, dated as of December 12, 2008 (the Purchase Agreement), with Maiden Lane II LLC, whose sole member is the NY Fed. Pursuant to the Purchase Agreement, the life insurance subsidiaries sold to Maiden Lane II LLC all of their undivided interests in a pool of \$39.3 billion face amount of residential mortgage-backed securities held by the AIG Agent as agent of the life insurance subsidiaries in connection with AIG's U.S. securities lending program.

### **Termination of Certain CDS**

On November 25, 2008, AIG entered into a Master Investment and Credit Agreement (the ML III Agreement) with the NY Fed, Maiden Lane III LLC (ML III), and The Bank of New York Mellon, which established arrangements, through ML III, to fund the purchase of the multi-sector super senior collateralized debt obligations underlying or related to certain credit default swaps and other similar derivative instruments (CDS) written by AIG Financial Products Corp. in connection with the termination of such CDS transactions.

### **Equity Capital Commitment Facility**

On April 17, 2009, the Department of the Treasury and AIG entered into a 5-year equity capital commitment facility of \$29.835 billion. AIG has issued 300,000 shares of AIG Series F Preferred Stock to the Department of the Treasury, each share with a zero initial liquidation preference. The liquidation preference of the AIG Series F Preferred Stock will automatically increase, on a pro rata basis, by the amount of any drawdown on the commitment. The Department of the Treasury also received a warrant exercisable for 3,000 shares of AIG Common Stock, and, as described under AIG Series C Preferred Stock above, the voting power of the AIG Series C Preferred Stock was reduced by the number of shares of AIG Common Stock underlying the warrant.

### **Repayment of Borrowings under Fed Credit Agreement with Subsidiary Preferred Equity**

On March 2, 2009, AIG announced its intent to enter into a transaction pursuant to which AIG will transfer to the NY Fed preferred equity interests in newly formed special purpose vehicles (SPVs). Each SPV will have (directly or indirectly) as its only asset 100 percent of the common stock of an AIG operating subsidiary (American International Assurance Company, Limited, together with American International Assurance Company (Bermuda) Limited, in one case and American Life Insurance Company in the other). AIG expects to own the common interests of each SPV and will initially have the right to appoint the entire board of directors of each SPV. In exchange for the preferred equity interests received by the NY Fed, there would be a concurrent substantial reduction in the outstanding balance and maximum available amount to be borrowed under the Fed Credit Agreement.

### **Securitization**

On March 2, 2009, AIG announced its intent to enter into a transaction pursuant to which AIG will issue to the NY Fed senior certificates in one or more newly-formed SPVs backed by in-force blocks of life insurance policies in settlement of a portion of the outstanding balance under the Fed Credit Agreement.

### **Effect of Transactions with the NY Fed, the Trust and the Department of the Treasury**

As a result of the arrangements described above, AIG is controlled by the Trust, which is established for the sole benefit of the United States Treasury. The interests of the Trust and the United States Treasury may not be the same as

the interests of AIG's other shareholders. As a result of its ownership, the Trust is able, subject to the terms of the AIG Credit Facility Trust Agreement, dated as of January 16, 2009 (as it may be amended from time to time, the Trust Agreement), and AIG Series C Preferred Stock, to elect all of AIG's directors and can, to the extent permitted by law, control the vote on substantially all matters, including:

Approval of mergers or other business combinations;

A sale of all or substantially all of AIG's assets;

Issuance of any additional shares of AIG Common Stock or other equity securities; and

Other matters that might be favorable to the United States Treasury.

Moreover, the Trust may, subject to the terms of the Trust Agreement and applicable securities laws, transfer all, or a portion of, AIG Series C Preferred Stock to another person or entity and, in the event of such a transfer, that person or entity could become AIG's controlling shareholder.

## ELECTION OF DIRECTORS

Eleven directors are to be elected at the Annual Meeting to hold office until the next annual election and until their successors are duly elected and qualified. It is the intention of the persons named in the accompanying form of proxy to vote for the election of the nominees listed below. Five of the nominees, other than Harvey Golub, Laurette T. Koellner, Christopher S. Lynch, Arthur C. Martinez, Robert S. Miller and Douglas M. Steenland, are currently members of AIG's Board of Directors. It is not expected that any of the nominees will become unavailable for election as a director, but if any should prior to the Annual Meeting, proxies will be voted for such persons as the persons named in the accompanying form of proxy may determine in their discretion. Directors will be elected by a majority of the votes cast by the shareholders of the AIG Common Stock and AIG Series C Preferred Stock, voting together as a single class, which votes are cast for or against election. Pursuant to AIG's By-laws and Corporate Governance Guidelines, each nominee who is currently a director of AIG has submitted to the Board an irrevocable resignation from the Board that would become effective upon (1) the failure of such nominee to receive the required vote at the shareholder meeting and (2) Board acceptance of such resignation. In the event that a nominee who is currently a director of AIG fails to receive the required vote, the Nominating and Corporate Governance Committee will then make a recommendation to the Board on the action to be taken with respect to the resignation. The Board will accept such resignation unless the Board determines (after consideration of the Nominating and Corporate Governance Committee's recommendation) that the best interests of AIG and its shareholders would not be served by doing so.

Ellen V. Futter, Richard C. Holbrooke, Fred H. Langhammer, Martin J. Sullivan and Robert B. Willumstad resigned from the Board of Directors during 2008 after the 2008 Annual Meeting of Shareholders. Virginia M. Rometty and Michael H. Sutton resigned from the Board of Directors on May 7, 2009. Stephen F. Bollenbach, Martin S. Feldstein and James F. Orr III informed AIG that they would not be standing for reelection at the 2009 Annual Meeting of Shareholders and Edmund Tse, after over 40 years of service, will retire from AIG and the Board of Directors at the 2009 Annual Meeting of Shareholders.

The nominees for director and certain information supplied by them to AIG are as follows:

<b>DENNIS D. DAMMERMAN</b> Elected November 12, 2008	<b>Former Vice Chairman of the Board, General Electric Company; Former Chairman of GE Capital Services</b> Age 63 <i>Director, BlackRock, Inc. Capmark Financial Group Inc.</i>
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<b>HARVEY GOLUB</b>	<b>Former Chairman and Chief Executive Officer of</b>
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**American  
Express  
Company**  
Age 70  
*Director,  
Campbell Soup  
Company  
The Reader s  
Digest  
Association, Inc.*

**LAURETTE T. KOELLNER** **Former Senior  
Vice President  
of The Boeing  
Company;  
Former  
President,  
Boeing  
International**  
Age 54  
*Director,  
Celestica Inc.  
Sara Lee  
Corporation*

**EDWARD M. LIDDY**  
Elected September 18, 2008  
**Chairman and Chief  
Executive Officer, AIG**  
Age 63  
*Director, 3M Company*

**CHRISTOPHER S. LYNCH**  
**Former Partner,  
KPMG LLP**  
Age 51  
*Director, Federal Home  
Loan Mortgage  
Corporation*

**ARTHUR C. MARTINEZ**  
**Former Chairman of  
the Board, President  
and Chief Executive  
Officer, Sears,  
Roebuck and Co.**  
Age 69  
*Director, \* ABN AMRO  
Holding, N.V.  
HSN, Inc.  
IAC/InterActiveCorp  
International Flavors &  
Fragrances, Inc.  
Liz Claiborne, Inc.  
PepsiCo, Inc.*

*\* Mr. Martinez has  
made a commitment to  
AIG that, in accordance  
with AIG's Corporate  
Governance Guidelines,  
he will reduce the  
number of public  
company boards on  
which he serves as  
director (other than  
AIG) to no more than  
four within the next 12  
months.*

**GEORGE L. MILES, JR.**  
Director since 2005  
**President and Chief  
Executive Officer,  
WQED Multimedia**  
Age 67  
*Director, EQT  
Corporation  
Harley-Davidson, Inc.*

*HFF, Inc.*  
*WESCO International,*  
*Inc.*

**ROBERT S. MILLER**

**Executive Chairman,**  
**Delphi Corporation**  
Age 67  
*Director, Symantec*  
*Corporation*  
*UAL Corporation*



**SUZANNE NORA JOHNSON**  
Elected July 16, 2008

**Former Vice  
Chairman, The  
Goldman Sachs  
Group, Inc.**  
Age 51  
*Director, Intuit  
Inc.  
Pfizer Inc.  
Visa Inc.*

**MORRIS W. OFFIT**  
Director since 2005

**Chairman, Offit  
Capital Advisors  
LLC (a wealth  
management  
advisory firm);  
Founder and  
Former Chief  
Executive  
Officer,  
OFFITBANK (a  
private bank)**  
Age 72

**DOUGLAS M. STEENLAND**

**Former  
President and  
Chief Executive  
Officer,  
Northwest  
Airlines  
Corporation**  
Age 57  
*Director, Delta  
Air Lines, Inc.  
Digital River,  
Inc.*

The principal occupation or affiliation of the nominees is shown above. Except as noted below, each director has occupied an executive position with the company or organization listed above for at least five years. Mr. Dammerman retired in 2005 as Vice Chairman of the Board and Executive Officer and a member of the Corporate Executive Office of GE. Prior to his retirement, he had served on the GE Board of Directors and as Chairman and Chief Executive Officer and a director of GE Capital Services, Inc. Ms. Koellner retired as President of Boeing International, a position she held from 2006 to 2008. Prior to that, she was President of Connexion by Boeing from 2004 to 2006, and Executive Vice President, Member of the Office of the Chairman and Chief Human Resources Officer and Chief Administrative Officer. Mr. Liddy joined the private equity firm of Clayton, Dubilier & Rice, Inc. in 2008 after serving as Chairman of The Allstate Corporation, the parent of the Allstate Insurance Company, since January 2007. Prior to that, he was Allstate Chairman and Chief Executive Officer from 1999 until 2006. Mr. Lynch is an independent consultant providing a variety of services to financial intermediaries, including risk management, strategy, governance, financial and regulatory reporting and troubled-asset management. Prior to retiring from KPMG

LLP in May 2007, Mr. Lynch held a variety of leadership positions at KPMG, including National Partner in Charge Financial Services. Mr. Martinez retired as Chairman of the Board, President and Chief Executive Officer of Sears, Roebuck and Co. in 2000. Mr. Miller was Chairman of Federal-Mogul Corporation from 2004 to 2005, prior to becoming Chairman and Chief Executive Officer of Delphi Corporation in 2005. Mr. Miller was Chairman and Chief Executive Officer of Delphi Corporation when it filed for Chapter 11 bankruptcy in October 2005. Ms. Nora Johnson retired as Vice Chairman of The Goldman Sachs Group, Inc. in 2007. Since 2003, she had held numerous roles at Goldman Sachs including Head of the Global Investment Research Division and Chairman of the Global Markets Institute. Mr. Offit served as Co-Chief Executive Officer of Offit Hall Capital Management LLC from 2002 until 2007. Mr. Steenland was President of Northwest Airlines from 2001 until 2004 and was President and Chief Executive Officer of Northwest Airlines from 2004 until 2008. Mr. Steenland was Chief Executive Officer of Northwest Airlines when it filed for Chapter 11 bankruptcy in September 2005.

Working with the Board, Edward M. Liddy, AIG's Chairman and Chief Executive Officer, has determined that coincident with the reconfiguration of the Board, the company should also initiate the necessary actions to install a more permanent leadership team and structure. Accordingly, he has informed the Board of his intention to resign from his positions with AIG, including his service as a director, once appropriate permanent replacements are appointed. The Board concurs with Mr. Liddy's recommendation that the roles of Chairman and Chief Executive Officer be separated going forward and intends to conduct a search to fill both positions. The search will include participation by both the reconstituted Board and the trustees of the Trust.

## CORPORATE GOVERNANCE

### GOVERNANCE

AIG's Board regularly reviews corporate governance developments and modifies its Corporate Governance Guidelines, charters and practices from time to time. AIG's Corporate Governance Guidelines are included as Appendix A. AIG's Corporate Governance Guidelines and the charters of the Nominating and Corporate Governance Committee, the Compensation and Management Resources Committee, the Finance and Risk Management Committee, the Audit Committee, and the Regulatory, Compliance and Public Policy Committee are available in the Corporate Governance section of AIG's corporate website at [www.aigcorporate.com](http://www.aigcorporate.com) or in print by writing to American International Group, Inc., 70 Pine Street, New York, New York 10270, Attention: Investor Relations.

AIG's Director, Executive Officer and Senior Financial Officer Code of Business Conduct and Ethics and a Code of Conduct for employees are available, without charge, in the Corporate Governance section of AIG's corporate website at [www.aigcorporate.com](http://www.aigcorporate.com) or in print by writing to American International Group, Inc., 70 Pine Street, New York, New York 10270, Attention: Investor Relations. Any amendment to AIG's Director, Executive Officer and Senior Financial Officer Code of Business Conduct and Ethics and any waiver applicable to AIG's directors, executive officers or senior financial officers will be posted on AIG's website within the time period required by the SEC and the NYSE.

Using the current AIG Director Independence Standards that are included with the Corporate Governance Guidelines as Annex A thereto, the Board, on the recommendation of the Nominating and Corporate Governance Committee, determined that Ms. Nora Johnson, Ms. Koellner and Messrs. Bollenbach, Dammerman, Feldstein, Golub, Lynch, Martinez, Miles, Miller, Offit, Orr, and Steenland are independent under NYSE listing standards and AIG's Director Independence Standards. In addition, Ms. Futter and Ms. Rometty and Messrs. Holbrooke, Langhammer and Sutton, who also served on the Board during 2008, Mr. Willumstad, until he was appointed AIG's Chief Executive Officer in June 2008, and Marshall A. Cohen, Stephen L. Hammerman and Frank G. Zarb, who also served on the Board in 2008 before the 2008 Annual Meeting of Shareholders, were independent under NYSE listing standards and AIG's Director Independence Standards.

In making the independence determinations, the Nominating and Corporate Governance Committee considered relationships arising from: (1) contributions by AIG to charitable organizations with which Messrs. Bollenbach, Feldstein, Hammerman, Holbrooke, Langhammer, Offit and Willumstad and Ms. Futter and Ms. Nora Johnson or members of their immediate families are affiliated; (2) in the case of Ms. Rometty, transactions between AIG and IBM Corporation; and (3) in the case of certain directors, investments and insurance products provided to them by AIG in the ordinary course of business and on the same terms made available to third parties. Except as described in the following paragraph, none of these relationships exceeded the thresholds set forth in the AIG Director Independence Standards.

In 2008, AIG made payments totaling \$410,000 to the Asia Society, of which Mr. Holbrooke was chairman of the board of directors, for membership fees, sponsorship costs and general contributions. Under AIG's Director Independence Standards that are used to assist the Board in making independence determinations, the Board must consider the materiality of any contributions for a calendar year made to a charitable organization with which a director is affiliated if the contributions exceed \$200,000. The Board, on the recommendation of the Nominating and Corporate Governance Committee, considered the payments to the Asia Society and determined that they did not impair Mr. Holbrooke's independence. In making this determination, the Nominating and Corporate Governance Committee and the Board evaluated all facts they considered relevant, including that Mr. Holbrooke did not serve as an executive officer and did not receive compensation from the Asia Society, that he did not solicit the payments and that, given the significance of AIG's operations in Asia, the Board and AIG management believed that the payments to the Asia Society would enhance AIG's reputation and standing in Asia.

In 2007 and 2008, AIG made donations of \$615,000 and \$550,000, respectively, to Lincoln Center in New York City, of which Mr. Golub is a director. As described above, AIG's Board is required to consider the materiality of these contributions to Mr. Golub's independence. These contributions to Lincoln Center were made prior to Mr. Golub being considered as a candidate for election to the Board and were not solicited by Mr. Golub, and the Board, on the recommendation of the Nominating and Corporate Governance Committee, determined that these contributions did not impair Mr. Golub's independence.

There were 19 meetings of the Board during 2008. The non-management directors meet in executive session, without any management directors present, in conjunction with each regularly scheduled Board

meeting. Mr. Willumstad presided at the executive sessions before he was appointed the Chief Executive Officer of AIG and Mr. Bollenbach, as Lead Independent Director, presided at the executive sessions thereafter. For 2008 and 2007, all of the directors attended at least 75 percent of the aggregate of all meetings of the Board and of the committees of the Board on which they served. Under AIG's Corporate Governance Guidelines, any director who, for two consecutive calendar years, attends fewer than 75 percent of the regular meetings of the Board and the meetings of all committees of which such director is a voting member will not be nominated for reelection at the annual meeting in the next succeeding calendar year, absent special circumstances that may be taken into account by the Board and the Nominating and Corporate Governance Committee in making its recommendations to the Board.

Directors are expected to attend the annual meetings of shareholders. All directors serving at the time of the 2008 Annual Meeting of Shareholders, except for former director Mr. Cohen, attended that meeting.

AIG has adopted policies on reporting of concerns regarding accounting and other matters and on communicating with non-management directors. These policies are available in the Corporate Governance section of AIG's corporate website at [www.aigcorporate.com](http://www.aigcorporate.com). Interested parties may make their concerns known to the non-management members of AIG's Board of Directors as a group or the other members of the Board of Directors by writing in care of Special Counsel and Secretary to the Board, American International Group, Inc., 70 Pine Street, New York, New York 10270 or by email to: [boardofdirectors@aig.com](mailto:boardofdirectors@aig.com).

## REPORT OF THE NOMINATING AND CORPORATE GOVERNANCE COMMITTEE

### Overview

The role of the Nominating and Corporate Governance Committee is to identify individuals qualified to become Board members and recommend these individuals to the Board for nomination as members of the Board and its committees, to advise the Board on corporate governance matters and to oversee the evaluation of the Board and its committees.

### Committee Organization

**Committee Charter.** The Committee's charter is available in the Corporate Governance section of AIG's corporate website at [www.aigcorporate.com](http://www.aigcorporate.com).

**Independence.** The Board of Directors has determined that each member of the Committee is independent, as required by NYSE listing standards.

**Conduct of meetings and governance process.** During 2008, the Committee held five meetings. In discussing governance initiatives and in preparation for meetings, the Committee Chairman, the Chairman of the Board, the Lead Independent Director and the Special Counsel and Secretary to the Board of Directors met and consulted frequently with the other Committee and Board members.

### Board Membership and Composition

**Nomination and Election of Directors.** Thirteen directors were elected at AIG's Annual Meeting of Shareholders in May 2008. During 2008, after the Annual Meeting of Shareholders, five directors resigned from the Board of Directors (Ms. Futter and Messrs. Holbrooke, Langhammer, Sullivan and Willumstad). In addition, Ms. Rometty and Mr. Sutton resigned on May 7, 2009, and Messrs. Bollenbach, Feldstein and Orr informed AIG in May 2009 that they would not be standing for reelection. Mr. Tse submitted his resignation in March 2009 to become effective at the 2009 Annual Meeting of Shareholders. On September 18, 2008, in connection with the transactions entered into between AIG and the NY Fed and the Department of the Treasury described above, the Board elected Edward M. Liddy as Chief Executive Officer and a director of AIG and appointed him as Chairman of the Board, succeeding Mr. Robert B. Willumstad, who had served as Chairman since November 1, 2006. In addition, the Committee nominated, and the Board elected, two new directors after the 2008 Annual Meeting of Shareholders, Dennis D. Dammerman and Suzanne Nora Johnson. Ms. Nora Johnson was brought to the Committee's attention by Heidrick & Struggles, an executive search firm that the Committee engaged to assist it in identifying potential director nominees. Mr. Liddy and Mr. Dammerman were identified for the Committee by members of the U.S. government in connection with the transactions entered into between AIG and the NY Fed and the Department of the Treasury. Ms. Koellner and Messrs. Golub, Lynch, Martinez and Miller were identified to the Committee by the trustees of the Trust. Their candidacies were considered in the same manner as any other director candidate brought by a shareholder to the attention of the Committee. In addition, the Committee, acting upon a referral provided by Paula Rosput Reynolds, Vice Chairman and Chief Restructuring Officer, identified Mr. Steenland to stand for election at the 2009 Annual Meeting of Shareholders. The Committee believes the depth of experience and breadth of expertise of these nominees complement the composition of the Board and provide the Board with a broader view of AIG's businesses.

On the recommendation of the Committee, the Board appointed Mr. Stephen F. Bollenbach as Lead Independent Director in connection with creation of that position in June 2008 at the time of Mr. Willumstad's appointment as Chief Executive Officer. As Lead Independent Director, Mr. Bollenbach became an *ex-officio* member of each committee of the Board of Directors of which he was not a member.

The Committee evaluated and recommended to the Board of Directors the eleven nominees standing for election at the 2009 Annual Meeting, based on the criteria set forth in AIG's Corporate Governance Guidelines. A description of the nominees recommended by the Committee is set forth above in Election of Directors. The process for identification of director nominees when standing for election for the first time is provided below in Committees Nominating and Corporate Governance Committee.

**Independence.** The Board of Directors, on the recommendation of the Committee, determined that each of AIG's seven non-management directors, and Messrs. Golub, Lynch, Martinez, Miller and Steenland and Ms. Koellner, is independent within the meaning of the NYSE listing standards. Mr. Liddy, who serves as Chief Executive Officer, and Mr. Tse (who has submitted his resignation to become effective at the 2009 Annual

Meeting of Shareholders), who serves as Senior Vice Chairman Life Insurance, are the only directors who held AIG management positions and, therefore, are not independent directors.

### **Corporate Governance Initiatives in 2008**

***Amendment of By-laws and Corporate Governance Guidelines.*** On the recommendation of the Committee, the Board amended the By-laws of AIG to provide for a Chairman of the Board of Directors, who may also serve as Chief Executive Officer, and to create the position of Lead Independent Director.

### **Conclusion**

During 2008, the Committee performed its duties and responsibilities under the Nominating and Corporate Governance Committee charter.

Nominating and Corporate Governance Committee  
American International Group, Inc.\*

George L. Miles, Jr., Chairman  
James F. Orr III  
Stephen F. Bollenbach, *ex-officio*

\* Ms.  
Rometty  
was a  
member of  
the  
Nominating  
and  
Corporate  
Governance  
Committee  
until she  
resigned  
from the  
Board on  
May 7,  
2009.



**COMMITTEES**

The following table sets forth the current membership on each standing committee of the Board and the number of committee meetings held in 2008. Mr. Bollenbach became a member of the Board and the Audit Committee on January 16, 2008, a member of the Regulatory, Compliance and Legal Committee on May 14, 2008, and a member of the Compensation and Management Resources Committee on November 12, 2008. He has been an *ex-officio* member of the Nominating and Corporate Governance, the Finance and Risk Management and the Public Policy and Social Responsibility Committees since June 15, 2008. Mr. Liddy became a member of the Board and Chairman on September 18, 2008. Mr. Dammerman became a member of the Board and the Finance and Risk Management and the Compensation and Management Resources Committees on November 12, 2008. Ms. Nora Johnson became a member of the Board on July 16, 2008 and a member of the Compensation and Management Resources and the Finance and Risk Management Committees on January 14, 2009.

<b>Director</b>	<b>Audit Committee</b>	<b>Nominating and Corporate Governance Committee</b>	<b>Compensation and Management Resources Committee</b>	<b>Finance and Risk Management Committee(1)</b>	<b>Public Policy and Social Responsibility Committee(2)</b>	<b>Regulatory, Compliance and Legal Committee(2)</b>
Stephen F. Bollenbach	P	*	P	*	*	P (C)
Dennis D. Dammerman			P	P		
Martin S. Feldstein				P		P
Edward M. Liddy						
George L. Miles, Jr.	P	P (C)			P	
Suzanne Nora Johnson			P	P		
Morris W. Offit	P			P (C)	P	
James F. Orr III		P	P (C)			
Virginia M. Rometty(3)		P	P			
Michael H. Sutton(3)	P (C)					P

Edmund S.W.  
Tse

<b>Number of meetings</b>	<b>15</b>	<b>5</b>	<b>11</b>	<b>12</b>	<b>3</b>	<b>5</b>
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P = Member

C = Chair

\* Mr. Bollenbach is an *ex-officio* member.

(1) On March 25, 2009, the Finance Committee was renamed the Finance and Risk Management Committee. Please see Other Committees below for further details.

(2) On March 25, 2009, the Public Policy and Social Responsibility Committee and the Regulatory, Compliance and Legal Committee were combined to form the Regulatory, Compliance and Public Policy Committee. Please see

Other  
Committees  
below for  
further details.

- (3) Resigned from  
the Board on  
May 7, 2009.

**Audit Committee**

The Audit Committee, which held 15 meetings during 2008, assists the Board in its oversight of AIG's financial statements and compliance with legal and regulatory requirements, the qualifications and performance of AIG's independent registered public accounting firm and the performance of AIG's internal audit function. The Audit Committee is directly responsible for the appointment, compensation, retention and oversight of the work of AIG's independent registered public accounting firm. In its oversight of AIG's internal audit function, the Audit Committee also is involved in performance reviews and determining compensation of AIG's chief internal auditor.

The Board has determined, on the recommendation of the Nominating and Corporate Governance Committee, that all members of the Audit Committee are independent under both NYSE listing standards and SEC rules. The Board has also determined, on the recommendation of the Nominating and Corporate Governance Committee, that all members of the Audit Committee are financially literate, as defined by NYSE

listing standards, and that a majority of the members of the Committee are audit committee financial experts, as defined under SEC rules. In accordance with SEC rules, the Board of Directors designated, for purposes of AIG's 2008 financial statements, Mr. Sutton the named audit committee financial expert and, on the recommendation of the Nominating and Corporate Governance Committee, determined that Mr. Sutton had accounting or related financial management expertise, as defined by NYSE listing standards. Although designated as an audit committee financial expert, Mr. Sutton did not act as an accountant for AIG and, under SEC rules, is not an expert for purposes of the liability provisions of the Securities Act of 1933, as amended (the Securities Act), or for any other purpose. Under the Federal securities laws, Mr. Sutton did not have any responsibilities or obligations in addition to those of the other Audit Committee members; for these purposes, all Audit Committee members have identical duties and responsibilities.

### **Nominating and Corporate Governance Committee**

The Nominating and Corporate Governance Committee held 5 meetings in 2008. The Board has determined that all members of the Nominating and Corporate Governance Committee are independent under NYSE listing standards. The primary purposes of the Nominating and Corporate Governance Committee are to review and recommend individuals to the Board of Directors for nomination, election or appointment as members of the Board and its committees, to advise the Board on corporate governance and to oversee the evaluation of the Board and its committees.

The AIG Corporate Governance Guidelines include characteristics that the Nominating and Corporate Governance Committee considers important for nominees for director and information for shareholders with respect to director nominations. The Nominating and Corporate Governance Committee will consider director nominees recommended by shareholders and will evaluate shareholder nominees on the same basis as all other nominees. Shareholders who wish to submit nominees for director for consideration by the Nominating and Corporate Governance Committee for election at the 2010 Annual Meeting of Shareholders may do so by submitting in writing such nominees' names, in compliance with the procedures described in Other Matters Shareholder Proposals for 2010 Annual Meeting in this Proxy Statement.

### **Compensation and Management Resources Committee**

The Compensation and Management Resources Committee, which held 11 meetings during 2008, is responsible for reviewing and approving the compensation awarded to AIG's Chief Executive Officer (subject to ratification or approval by the Board) and to the other key employees under its purview, including the performance measures and goals relevant to that compensation. The Committee is also responsible for making recommendations to the Board with respect to AIG's compensation programs for key and other employees, for evaluating whether AIG's compensation programs encourage AIG's senior executives to take unnecessary and excessive risks that threaten the value of the firm and for oversight of AIG's management development and succession planning programs. These responsibilities, which may not be delegated to persons who are not members of the Compensation and Management Resources Committee, are set forth in the Committee's charter, which is available in the Corporate Governance section of AIG's corporate website at [www.aigcorporate.com](http://www.aigcorporate.com).

Twenty-two key employees are currently under the purview of the Compensation and Management Resources Committee, including all of the executive officers named in the 2008 Summary Compensation Table. Mr. Liddy participates in meetings of the Compensation and Management Resources Committee and makes recommendations with respect to the annual compensation of employees under the Committee's purview other than himself. Pursuant to AIG's By-laws, the Board ratifies the determination of the Compensation and Management Resources Committee as to the compensation paid or to be paid to AIG's Chief Executive Officer.

The Compensation and Management Resources Committee does not determine the compensation of the Board of Directors. The compensation of directors is recommended by the Nominating and Corporate Governance Committee

and is approved by the Board.

To provide independent advice, the Compensation and Management Resources Committee engaged Frederic W. Cook & Co. as a consultant and has used the services of the Cook firm since 2005. The Compensation and Management Resources Committee directly engaged the Cook firm to review and comment on AIG's executive compensation framework in relation to the objectives of the framework and market practices. A senior member of the Cook firm regularly participates in Committee meetings and provides information on compensation trends along with specific views on AIG's compensation programs.

The Cook firm has provided advice to the Nominating and Corporate Governance Committee on AIG director compensation and market practices with respect to director compensation. The Cook firm reports directly to the Chairman of the Compensation and Management Resources Committee and does not provide any services to AIG's management.

In June 2008, the Compensation and Management Resources Committee also considered materials presented by Watson Wyatt Worldwide, Inc., related to retention planning and possible changes to AIG's long-term incentive compensation programs. For more information on this engagement, see the Compensation Discussion and Analysis. Watson Wyatt has not otherwise presented materials to the Committee.

The Board has determined, on the recommendation of the Nominating and Corporate Governance Committee, that all members of the Compensation and Management Resources Committee are independent under NYSE listing standards.

### **Other Committees**

On March 25, 2009, the Board approved amendments to the charter of the Finance Committee of AIG and the Committee was renamed the Finance and Risk Management Committee. The Finance and Risk Management Committee assists the Board in its oversight responsibilities by reviewing and making recommendations to the Board with respect to AIG's financial and investment policies, provides strategic guidance to management as to AIG's capital structure, the allocation of capital as to its businesses, methods of financing its businesses and other related strategic initiatives. The Committee also reports to and assists the Board in overseeing and reviewing information regarding AIG's enterprise risk management, including the significant policies, procedures, and practices employed to manage liquidity risk, credit risk, market risk, operational risk and insurance risk. Before the amendments to the charter, the Finance Committee had functions similar to those of the Finance and Risk Management Committee, but the amendments clarified the Committee's authority with respect to risk management. The Finance Committee held 12 meetings in 2008. The Finance and Risk Management Committee's charter is available in the Corporate Governance section of AIG's corporate website at [www.aigcorporate.com](http://www.aigcorporate.com).

The Public Policy and Social Responsibility Committee was responsible for reviewing the position and policies of AIG relating to current and emerging corporate social responsibility and political and public policy issues. The Public Policy and Social Responsibility Committee held 3 meetings in 2008.

The Regulatory, Compliance and Legal Committee held 5 meetings during 2008. The principal purpose of the Regulatory, Compliance and Legal Committee was to assist the Board in its oversight of AIG's legal, regulatory and compliance matters.

On March 25, 2009, the Public Policy and Social Responsibility Committee and the Regulatory, Compliance and Legal Committee were combined to form the Regulatory, Compliance and Public Policy Committee. The Regulatory, Compliance and Public Policy Committee combines the roles of the two former Committees and eliminates the prior overlapping responsibilities between the Committees. The Regulatory, Compliance and Public Policy Committee assists the Board in its oversight of AIG's legal, regulatory and compliance matters and reviews AIG's position and policies that relate to current and emerging corporate social responsibility and political and public policy issues. The Committee's charter is available in the Corporate Governance section of AIG's corporate website at [www.aigcorporate.com](http://www.aigcorporate.com).

## COMPENSATION OF DIRECTORS

In 2008, each non-management director of AIG received a retainer of \$75,000 per year. In lieu of committee annual retainers and meeting fees, Mr. Bollenbach, as Lead Independent Director and an *ex-officio* member of all standing committees of the Board of which he is not a member, received an additional annual retainer of \$40,000. Mr. Willumstad, as non-executive Chairman of the Board in the first two quarters of 2008, had an additional annual retainer of \$200,000 in lieu of committee annual retainers and meeting fees, and received \$137,500 in total retainers before payments ceased when he became Chief Executive Officer. Other non-management directors received committee meeting attendance fees of \$1,500 per meeting, which included attendance, upon request, at meetings of committees of which they are not members and attendance at meetings of AIG's International Advisory Board. The chairman of each committee received an annual committee retainer of \$15,000, except the chairman of the Audit Committee, who received \$25,000. For each other member of each committee, the annual committee retainer was \$5,000. Retainers were paid in equal installments each quarter in advance of service, and meeting fees were paid each quarter for service in the prior quarter. See Committees for information on current committee memberships and committee memberships during 2008.

In 2008, non-management directors received an annual award of Deferred Stock Units (DSUs) with a grant date value of \$125,000, with the number of units determined based on the closing price of AIG Common Stock on the date of grant (which was the date of the Annual Meeting of Shareholders). However, as described below, these DSUs lost most of their value in 2008.

In 2008, DSUs were granted under the Amended and Restated 2007 Stock Incentive Plan (2007 Stock Incentive Plan). Each DSU provides that one share of AIG Common Stock will be delivered when a director ceases to be a member of the Board. The annual retainer amounts, the committee retainer amounts and the meeting fee amounts for service may be deferred, at the election of the directors, into DSUs. DSUs include dividend equivalent rights that entitle the director to a quarterly payment, in the form of DSUs, equal to the amount of any regular quarterly dividend that would have been paid by AIG if the shares of AIG Common Stock that underlie the DSUs had been outstanding.

In March 2009, the Nominating and Corporate Governance Committee completed a review of non-management director compensation. Based on this review, the Nominating and Corporate Governance Committee recommended to the Board, and the Board approved, the retention of the following components of AIG's non-management director compensation:

Annual  
retainer of  
\$75,000;

Lead  
Independent  
Director  
retainer of  
\$40,000;

Annual  
committee  
chairman  
retainers of  
\$15,000,  
except  
\$25,000 for

the chairman  
of the Audit  
Committee;  
and

Annual  
committee  
member  
retainers of  
\$5,000.

The following components of non-management director compensation were eliminated:

Annual  
awards of  
DSUs;

Committee  
meeting  
fees; and

The right to  
defer annual  
retainers, the  
Lead  
Independent  
Director  
retainer,  
committee  
chair  
retainers and  
committee  
membership  
retainers into  
DSUs (with  
any such  
retainers for  
the  
remainder of  
2009 that are  
required to  
be deferred  
being paid  
without  
interest upon  
termination  
of Board  
service).

Under director stock ownership guidelines, non-management directors should own at least 10,000 shares of AIG Common Stock (including deferred stock and DSUs).



To provide independent advice and guidance, certain of AIG's non-management directors also serve on the boards of directors of subsidiaries of AIG. These directorships do not pay retainer fees but instead pay a fee of \$1,500 per meeting attended.

In response to a derivative action filed against AIG, which is described in AIG's 2008 Annual Report on Form 10-K, AIG's Board of Directors appointed a special litigation committee of independent directors to review the matters asserted in the complaint. The special litigation committee was established in 2005, and Messrs. Hammerman and Miles were the members until Mr. Hammerman's resignation from the special litigation committee effective on May 14, 2008, the date of the 2008 Annual Meeting of Shareholders. Mr. Miles is currently the only member of the special litigation committee. Fees for the special litigation committee are set by

the Board and may be reviewed and adjusted by the Board if the amount of work is greater than originally anticipated.

Mr. Zarb, who retired from the Board on May 14, 2008, received fees of \$40,000 (and reimbursement for out-of-pocket expenses) for his consulting services to the Nominating and Corporate Governance Committee of the Board from May to September 2008. At the time he retired from the Board, Mr. Zarb was leading several initiatives relating to AIG's corporate governance. The Nominating and Corporate Governance Committee of the Board asked Mr. Zarb to serve as a consultant with respect to those matters as the Committee and the Board brought them to conclusion.

Messrs. Liddy and Tse did not receive any compensation for their services as directors. Mr. Sullivan served on the Board until July 1, 2008 but did not receive any compensation for his service as a director. Mr. Willumstad served on the Board until September 18, 2008. From the time he was named Chief Executive Officer in June 2008 until he resigned in September, he did not receive any compensation for his services as a director. For information on Mr. Willumstad's compensation as non-executive Chairman of the Board in the first two quarters of 2008, see the 2008 Summary Compensation Table.

The following table contains information with respect to the compensation of the individuals other than Mr. Willumstad who served as non-management directors of AIG for all or part of 2008.

### 2008 Non-Management Director Compensation

Non-Management Members of the Board in 2008(1)	Fees Earned or Paid in Cash(2)	Stock Awards(3)	All Other Compensation(4)	Total
Stephen F. Bollenbach	\$ 0	\$ 381,086	\$ 3,449	\$ 384,535
Marshall A. Cohen	\$ 16,500	\$ 51,134	\$ 761	\$ 68,395
Dennis D. Dammerman	\$ 0	\$ 73,941	\$ 0	\$ 73,941
Martin S. Feldstein	\$ 119,500	\$ 124,985	\$ 2,715	\$ 247,200
Ellen V. Futter	\$ 75,750	\$ 124,985	\$ 1,629	\$ 202,364
Stephen L. Hammerman	\$ 195,212	\$ 0	\$ 667	\$ 195,879
Richard C. Holbrooke	\$ 10,000	\$ 198,390	\$ 1,910	\$ 210,300
Fred H. Langhammer	\$ 0	\$ 244,413	\$ 3,505	\$ 247,918
George L. Miles, Jr.	\$ 284,500	\$ 124,985	\$ 2,715	\$ 412,200
Suzanne Nora Johnson	\$ 0	\$ 163,978	\$ 1,355	\$ 165,333
Morris W. Offit	\$ 146,500	\$ 124,985	\$ 2,715	\$ 274,200
James F. Orr III	\$ 0	\$ 240,942	\$ 3,552	\$ 244,494
Virginia M. Rometty	\$ 110,173	\$ 124,985	\$ 2,715	\$ 237,873
Michael H. Sutton	\$ 139,500	\$ 124,985	\$ 2,715	\$ 267,200
Frank G. Zarb	\$ 82,212	\$ 0	\$ 40,667	\$ 122,879

(1) For information on Mr. Willumstad's

compensation as non-executive Chairman of the Board in 2008, see the 2008 Summary Compensation Table.

- (2) This column represents annual retainer fees, committee and committee chairman retainer fees and committee meeting attendance fees. The amounts also include the following amounts in meeting attendance fees for meetings of the boards of directors of subsidiaries of AIG, and retainer fees with respect to Mr. Holbrooke's membership on the Board of Directors of AIG Global Trade & Political Risk Insurance Company: Cohen \$16,500; Feldstein \$6,000; and Holbrooke \$10,000 (including \$2,500 earned in 2007 but paid in 2008). For Messrs. Hammerman and Miles, the amount also includes a fee of \$150,000 paid in April 2008 for services rendered in 2005, 2006 and 2007 in connection with the special litigation committee established in 2005. Messrs. Hammerman and Miles each received fees in connection with such

services of \$50,000 and \$25,000 in 2005 and 2006, respectively. No fees were paid in 2007 in connection with their service on the special litigation committee.

- (3) This column represents the expense in accordance with FAS 123R of DSUs (other than dividend equivalent DSUs) granted in 2008 to directors, calculated using the assumptions described in Note 17 to the Consolidated Financial Statements included in AIG's 2008 Annual Report on Form 10-K.

Because of the decline in the value of AIG Common Stock in 2008, the amounts recognized in this column are not representative of the current value of AIG Common Stock underlying DSUs granted in 2008. If DSUs granted in 2008 had been expensed based on the market value of the underlying AIG Common Stock at year-end 2008, the amounts reported in this column would have been as follows:

#### Stock Awards

<b>Name</b>	<b>Expense Reported in 2008 Director Compensation Table</b>	<b>Pro Forma Based on Market Value at December 31, 2008</b>	<b>Difference</b>
Stephen F. Bollenbach	\$ 381,086	\$ 29,315	\$ (351,771 )
Marshall A. Cohen*	\$ 51,134	\$ 1,606	\$ (49,528 )
Dennis D. Dammerman	\$ 73,941	\$ 57,186	\$ (16,755 )
Martin S. Feldstein	\$ 124,985	\$ 4,975	\$ (120,010 )
Ellen V. Futter*	\$ 124,985	\$ 4,975	\$ (120,010 )

Stephen L. Hammerman*	\$	0	N/A	N/A
Richard C. Holbrooke*	\$	198,390	\$ 7,961	\$ (190,429 )
Fred H. Langhammer*	\$	244,413	\$ 24,881	\$ (219,532 )
George L. Miles, Jr.	\$	124,985	\$ 4,975	\$ (120,010 )
Suzanne Nora Johnson	\$	163,978	\$ 17,741	\$ (146,237 )
Morris W. Offit	\$	124,985	\$ 4,975	\$ (120,010 )
James F. Orr III	\$	240,942	\$ 20,366	\$ (220,576 )
Virginia M. Rometty	\$	124,985	\$ 4,975	\$ (120,010 )
Michael H. Sutton	\$	124,985	\$ 4,975	\$ (120,010 )
Frank G. Zarb*	\$	0	N/A	N/A

\* For directors who retired or resigned in 2008, shares of AIG Common Stock underlying DSUs were delivered before year-end.

On May 14, 2008, AIG made annual grants of 3,169 DSUs each to the directors. Mr. Bollenbach received 2,158 DSUs, Ms. Nora Johnson received 5,369 DSUs and Mr. Dammerman received 30,788 DSUs upon their election to the Board on

January 16,  
July 16 and  
November 12  
of 2008,  
respectively.  
In addition,  
directors  
received  
DSUs  
representing  
deferred  
director s fees  
at other dates  
throughout  
the year. In  
total, DSUs  
(other than  
dividend  
equivalent  
DSUs) were  
granted on  
January 2,  
January 16,  
April 1, May  
14, July 1,  
July 16,  
October 1,  
October 28  
and  
November 12  
of 2008. The  
grant date  
fair values  
for the DSUs  
were  
calculated by  
multiplying  
the number  
of DSUs  
awarded by  
the closing  
price of AIG  
Common  
Stock on the  
date of grant.  
The number  
of DSUs  
granted to  
each director  
on each date,  
and the grant

date fair value in accordance with FAS 123R per DSU granted on each date, were as follows:

Name	January 2	January 16	April 1	May 14	July 1	July 16	October 1	October 28	November 12
	\$56.30	\$57.91	\$47.00	\$39.44	\$26.73	\$23.28	\$3.95	\$1.83	\$2.03
Stephen F. Bollenbach	0	2,503	521	3,220	1,225	429	10,443	0	3
Marshall A. Cohen	421	0	488	114	0	0	0	0	
Dennis D. Dammerman	0	0	0	0	0	0	0	0	36,4
Martin S. Feldstein	0	0	0	3,169	0	0	0	0	
Ellen V. Futter	0	0	0	3,169	0	0	0	0	
Stephen L. Hammerman	0	0	0	0	0	0	0	0	
Richard C. Holbrooke	399	0	542	3,169	897	64	0	0	
Fred H. Langhammer	377	0	675	3,169	1,131	0	8,037	2,459	
George L. Miles	0	0	0	3,169	0	0	0	0	
Suzanne Nora Johnson	0	0	0	0	0	6,174	5,126	0	
Morris W. Offit	0	0	0	3,169	0	0	0	0	
James F. Orr III	377	0	675	3,220	1,169	0	7,531	0	
Virginia M. Rometty	0	0	0	3,169	0	0	0	0	
Michael H. Sutton	0	0	0	3,169	0	0	0	0	
Frank G. Zarb	0	0	0	0	0	0	0	0	

(4) This column represents DSUs



awarded as  
dividend  
equivalents.  
As  
described  
above, the  
grant date  
fair values  
of the DSUs  
awarded as  
dividend  
equivalents  
were  
calculated  
by  
multiplying  
the number  
of DSUs  
awarded by  
the closing  
price of AIG  
Common  
Stock on the  
date of the  
grant.  
Directors  
received  
DSUs

representing  
dividend  
equivalents on  
January 2,  
April 1, July 1  
and October 1  
of 2008. The  
number of  
DSUs granted  
to each director  
on each of  
these respective  
dates was as  
follows:

Bollenbach 0,  
10, 46 and 443;  
Cohen 6, 9, 0  
and 0;  
Feldstein 6, 7,  
36 and 275;  
Futter 6, 7, 36  
and 0;  
Hammerman 6,  
7, 0 and 0;  
Holbrooke 6, 9,  
43 and 0;  
Langhammer 6,  
9, 44 and 397;  
Miles 6, 7, 36  
and 275; Nora  
Johnson 0, 0, 0  
and 343; Offit 6,  
7, 36 and 275;  
Orr 6, 9, 45 and  
402; Rometty 6,  
7, 36 and 275;  
Sutton 6, 7, 36  
and 275; and  
Zarb 6, 7, 0  
and 0.

The grant date  
fair values in  
accordance  
with FAS 123R  
per DSU for the  
DSUs awarded  
as dividend  
equivalents on  
the relevant  
date are as

indicated in the table in footnote 3.

For Mr. Zarb, the amount also includes \$40,000 in consulting fees from May to September 2008.

The following table sets forth information with respect to the option and stock awards outstanding at December 31, 2008 for the non-management directors of AIG.

### Stock and Option Awards Outstanding at December 31, 2008

<b>Non-Management Members of the Board in 2008(1)</b>	<b>Option Awards(2)</b>	<b>Deferred Stock(3)</b>	<b>Deferred Stock Units(4)</b>
Stephen F. Bollenbach	0	0	19,171
Marshall A. Cohen	20,500	0	0
Dennis D. Dammerman	0	0	36,424
Martin S. Feldstein	20,500	2,875	5,227
Ellen V. Futter	20,500	0	0
Stephen L. Hammerman	5,000	0	0
Richard C. Holbrooke	17,500	0	0
Fred H. Langhammer	5,000	0	0
George L. Miles, Jr.	5,000	1,875	5,227
Suzanne Nora Johnson	0	0	11,643
Morris W. Offit	5,000	1,875	5,227
James F. Orr III	2,500	1,000	15,168
Virginia M. Rometty	2,500	750	5,227
Michael H. Sutton	5,000	1,625	5,227
Frank G. Zarb	17,500	0	0

- (1) For information on Mr. Willumstad's stock and option awards related to his service as a director and Chairman of the Board, see Executive Compensation Exercises and Holdings of

Previously Awarded  
Equity.

- (2) Represents outstanding option awards made by AIG in 2006 and prior years. All options are exercisable, but have exercise prices far in excess of the value of AIG Common Stock at year-end 2008 (\$1.57). The exercise price of the options ranges from \$47.00 to \$84.71.
- (3) No deferred stock was awarded in 2008. Deferred stock shown was awarded in 2007 and prior years. Receipt of deferred stock is deferred until the director ceases to be a member of the Board.
- (4) DSUs shown include DSUs awarded in 2008 and prior years, director's fees deferred into DSUs and DSUs awarded as dividend equivalents. Receipt of shares of AIG Common Stock underlying DSUs is deferred until the director ceases to be a member of the Board.

#### **COMPENSATION AND MANAGEMENT RESOURCES COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION**

No member of the Compensation and Management Resources Committee has served as an officer or employee of AIG at any time or has any relationship with AIG requiring disclosure as a related-party transaction. During 2008, none of AIG's executive officers served as a director of another entity, one of whose executive officers served on the Compensation and Management Resources Committee; and none of AIG's executive officers served as a member of the compensation committee of another entity, one of whose executive officers served as a member of the Board of Directors of AIG.

**OWNERSHIP OF CERTAIN SECURITIES*****Common Stock***

The following table contains information regarding the only persons who, to the knowledge of AIG, beneficially own more than five percent of AIG Common Stock.

<b>Name and Address</b>	<b>Shares of Common Stock Beneficially Owned</b>	
	<b>Number</b>	<b>Percent(1)</b>
C.V. Starr & Co., Inc.; Edward E. Matthews; Maurice R. Greenberg; The Maurice R. and Corinne P. Greenberg Family Foundation, Inc.; Maurice R. and Corinne P. Greenberg Joint Tenancy Company, LLC; Starr International Company, Inc. (SICO); Universal Foundation, Inc.; C.V. Starr & Co., Inc. Trust (collectively, the Starr Group)(2) 399 Park Avenue 17th Floor New York, NY 10022(3)	269,019,475	9.9979 %

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- (1) Percentages calculated based on AIG Common Stock outstanding as set forth in the Schedule 13D described in note 2 below.
- (2) Based on an amended Schedule 13D dated May 1, 2009 by each member of the Starr Group (Starr Group Schedule 13D), the members of the Starr Group do not affirm the existence of a group and disclaim

beneficial ownership of each other member of the group; provided, however, that Maurice R. Greenberg does not disclaim beneficial ownership of the shares of AIG Common Stock held by the Maurice R. and Corinne P. Greenberg Joint Tenancy Company, LLC and C.V. Starr & Co., Inc. does not disclaim beneficial ownership of the shares of AIG Common Stock held by the C.V. Starr & Co., Inc. Trust. Item 5 to the Starr Group Schedule 13D provides details as to the voting and investment power of each member of the Starr Group, as well as the right of each member of the Starr Group to acquire AIG Common Stock within 60 days. All information provided in Ownership of Certain

Securities with respect to the Starr Group is provided based solely on the information set forth in the Starr Group Schedule 13D. This information has not been updated to reflect changes in the ownership by the members of the Starr Group of AIG Common Stock that are disclosed in filings made by one or more members of the Starr Group under Section 16 of the Securities Exchange Act of 1934, as amended (the Exchange Act). In each case, this information may not be accurate or complete and AIG takes no responsibility therefor and makes no representation as to its accuracy or completeness as of the date hereof or any subsequent date.

- (3) This is the principal office for all individuals and entities in the Starr Group, other than Starr International Company, Inc., which has a principal office at 101 Baarerstrasse, CH 6300 Zug, Switzerland; the Universal Foundation, which has a principal office at Mercury House, 101 Front Street, Hamilton HM 12, Bermuda; and the Maurice R. and Corinne P. Greenberg Joint Tenancy Company, LLC, which has a principal office at 35 Ocean Reef Drive, Key Largo, Florida 33037.



The following table summarizes the ownership of AIG Common Stock by the current and nominee directors, by the current and former executive officers named in the 2008 Summary Compensation Table in 2008 Compensation and by the directors and current executive officers as a group. None of the shares of AIG Common Stock listed in the following table have been pledged as security.

<b>AIG Common Stock Owned Beneficially as of May 1, 2009(1)</b>		
	<b>Amount and Nature of Beneficial Ownership(2)(3)</b>	<b>Percent of Class</b>
Steven J. Bensinger	126,767	(4)
Stephen F. Bollenbach	93,806	(4)
Dennis D. Dammerman	87,215	(4)
Martin S. Feldstein	86,931	(4)
Harvey Golub	0	(4)
David L. Herzog	183,909	.01
Laurette T. Koellner	0	(4)
Edward M. Liddy	0	(4)
Christopher S. Lynch	0	(4)
Arthur C. Martinez	0	(4)
George L. Miles, Jr.	12,102	(4)
Robert S. Miller	0	(4)
Kris P. Moor	307,660	.01
Win J. Neuger	365,348	.01
Suzanne Nora Johnson	61,850	(4)
Morris W. Offit	57,102	(4)
James F. Orr III	50,483	(4)
Martin J. Sullivan		