

PRICING SUPPLEMENT NO. 7 DATED OCTOBER 27, 1998
(To Prospectus dated February 20, 1996 and Prospectus
Supplement dated June 11, 1996)

AMERICAN INTERNATIONAL GROUP, INC.

MEDIUM-TERM NOTES, SERIES E

RANGE OF MATURITIES	INTEREST RATE PER ANNUM
----- 2 years	----- 4.875%

The Series E Notes to which this Pricing Supplement relates will bear interest at the rate specified above and will be Fixed Rate Notes. Goldman, Sachs & Co. has purchased the Notes as principal in this transaction, at a discount of .171%, for resale to one or more investors at varying prices related to prevailing market conditions at the time or times of resale as determined by Goldman, Sachs & Co.