

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

|                          |           |
|--------------------------|-----------|
| <b>OMB APPROVAL</b>      |           |
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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

|  |  |  |   |  |  |   |  |  |
|--|--|--|---|--|--|---|--|--|
| <b>1. Name and Address of Reporting Person*</b><br><u>Sankaran Sid</u><br>_____<br>(Last) (First) (Middle)<br><u>180 MAIDEN LANE</u><br>_____<br>(Street)<br><u>NEW YORK NY 10038</u><br>_____<br>(City) (State) (Zip) |  |  | <b>2. Issuer Name and Ticker or Trading Symbol</b><br><u>AMERICAN INTERNATIONAL GROUP INC [ AIG ]</u> |  |  | <b>5. Relationship of Reporting Person(s) to Issuer</b><br>(Check all applicable)<br>Director _____ 10% Owner _____<br>Officer (give title below) _____ Other (specify below) _____<br><b>Senior Vice President</b> |  |  |
|  |  |  | <b>3. Date of Earliest Transaction (Month/Day/Year)</b><br><u>12/19/2011</u>                          |  |  |   |  |  |
|  |  |  | <b>4. If Amendment, Date of Original Filed (Month/Day/Year)</b>                                       |  |  | <b>6. Individual or Joint/Group Filing (Check Applicable Line)</b><br>X Form filed by One Reporting Person<br>Form filed by More than One Reporting Person  |  |  |

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) |   | 4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5) |            |         | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|------------|---------|---|--|---|
|                                 |                                      |  | Code                           | V | Amount  | (A) or (D) | Price   |   |  |   |
| Common Stock                    | 12/19/2011                           |  | A                              |   | 32,317 <sup>(1)</sup>   | A          | \$22.36 | 32,317  | D  |   |
| Common Stock                    | 12/19/2011                           |  | A                              |   | 21,546 <sup>(2)</sup>   | A          | \$22.36 | 53,863  | D  |   |
| Common Stock                    | 12/19/2011                           |  | A                              |   | 21,545 <sup>(3)</sup>   | A          | \$22.36 | 75,408  | D  |   |
| Common Stock                    | 12/19/2011                           |  | A                              |   | 17,548 <sup>(4)</sup>   | A          | \$22.36 | 92,956  | D  |   |

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) |   | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) |                       | 6. Date Exercisable and Expiration Date (Month/Day/Year) |                 | 7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 5) | 9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4) | 10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) |       |
|--|--|--------------------------------------|--|--------------------------------|---|--|-----------------------|--|-----------------|---|--|--|---|--|-------|
|  |  |                                      |  | Code                           | V | (A)  | (D)                   | Date Exercisable   | Expiration Date |   |  |  |   |  | Title |
| Restricted Stock Unit                      | \$22.36 <sup>(5)</sup>                                 | 12/19/2011                           |  | A                              |   | 22,070 <sup>(6)</sup>  |                       | (7)  | (7)             | Common Stock  | 22,070                                     | (8)  | 22,070  | D  |       |
| Restricted Stock Unit                      | \$36.95 <sup>(5)</sup>                                 | 12/19/2011                           |  | M                              |   |  | 17,547 <sup>(9)</sup> | (7)  | (7)             | Common Stock  | 17,547                                     | (8)  | 1,116   | D  |       |

**Explanation of Responses:**

- These shares are restricted from transfer until March 2013 pursuant to the Restricted Stock Award Agreement with the Company dated December 19, 2011. This award reflects 33,105 shares less 788 shares withheld for taxes.
- These shares are restricted from transfer until December 2013 pursuant to the Restricted Stock Award Agreement with the Company dated December 19, 2011. This award reflects 22,071 shares less 525 shares withheld for taxes.
- These shares are restricted from transfer until December 2014 pursuant to the Restricted Stock Award Agreement with the Company dated December 19, 2011. This award reflects 22,070 shares less 525 shares withheld for taxes.
- These shares are restricted from transfer until March 2014 pursuant to the Restricted Stock Award Agreement with the Company dated December 19, 2011. This award reflects 17,976 shares less 428 shares withheld for taxes. These shares represent fully vested restricted stock to replace the RSU awards granted in 2011.
- Represents AIG's share price on the date of grant; these securities do not carry a conversion or exercise price.
- This award represents RSUs that will vest 50% on the second anniversary and the remainder will vest on the third anniversary of date of grant. Thereafter, the RSUs will be payable in cash based on AIG's share price on the first date that: (i) with respect to 25% of the RSUs, AIG has repaid at least 25% of the aggregate financial assistance received under the Troubled Asset Relief Program (the "TARP Assistance"), (ii) with respect to an additional 25% of the RSUs, AIG has repaid at least 50% of the TARP Assistance, (iii) with respect to an additional 25% of the RSUs, AIG has repaid at least 75% of the TARP Assistance, and (iv) with respect to the remainder of the RSUs, AIG has repaid 100% of the TARP Assistance. In each case, the RSUs will be paid promptly after the condition is satisfied so that the amount can be determined.
- These securities do not have an exercisable date or expiration date.
- These securities do not carry a conversion or exercise price.
- This award is being replaced by the restricted shares granted on December 19, 2011.

/s/ Kathleen E. Shannon, by 12/21/2011  
POA for Sid Sankaran

\*\* Signature of Reporting Person Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

\* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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