

AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON JUNE 30, 1995

REGISTRATION STATEMENT NO. 33-

SECURITIES AND EXCHANGE COMMISSION  
Washington, D. C. 20549

FORM S-3  
REGISTRATION STATEMENT  
Under  
THE SECURITIES ACT OF 1933

AMERICAN INTERNATIONAL GROUP, INC.  
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

Delaware  
(STATE OR OTHER JURISDICTION OF  
INCORPORATION OR ORGANIZATION)  
13-2592361  
(I.R.S. EMPLOYER  
IDENTIFICATION NO.)

70 PINE STREET, NEW YORK, NEW YORK 10270  
(212) 770-7000

(ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF  
REGISTRANT'S PRINCIPAL EXECUTIVE OFFICES)

KATHLEEN E. SHANNON  
AMERICAN INTERNATIONAL GROUP, INC.  
70 Pine Street, New York, New York 10270  
(212) 770-7000

(NAME, ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE,  
OF AGENT FOR SERVICE)

Approximate date of commencement of proposed sale to the public: from time  
to time after the Registration Statement becomes effective as determined in  
light of market conditions.

If the only securities being registered on this Form are being offered  
pursuant to dividend or interest reinvestment plans, please check the following  
box. / /

If any of the securities being registered on this Form are to be offered on  
a delayed or continuous basis pursuant to Rule 415 under the Securities Act of  
1933, other than securities offered only in connection with dividend or interest  
reinvestment plans, check the following box. /X/

If this Form is filed to register additional securities for an offering  
pursuant to Rule 462(b) under the Securities Act, please check the following box  
and list the Securities Act registration statement number of the earlier  
effective registration statement for the same offering. / /

If this Form is a post-effective amendment filed pursuant to Rule 462(c)  
under the Securities Act, check the following box and list the Securities Act  
registration statement number of the earlier effective registration statement  
for the same offering. / /

If delivery of the prospectus is expected to be made pursuant to Rule 434,  
please check the following box. / /

CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED	PROPOSED MAXIMUM OFFERING PRICE PER UNIT*	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE*	AMOUNT OF REGISTRATION FEE
Debt Securities.....	\$500,000,000**	100%	\$500,000,000	\$172,414

\* Estimated solely for the purposes of calculating the registration fee and excluding any accrued interest.

\*\* Or, in the case of debt securities issued at an original issue discount, such greater principal amount as shall result in an aggregate public offering price of the amount set forth above or, in the case of debt securities denominated in a currency other than U.S. dollars or a composite currency, such U.S. dollar amount as shall result from converting the aggregate public offering price of such debt securities into U.S. dollars at the spot exchange rate in effect on the date such debt securities are initially offered to the public.

Pursuant to Rule 429 under the Securities Act of 1933, the prospectus included within this Registration Statement is a combined prospectus and together with the supplement to such prospectus will also be used in connection with \$247,000,000 of debt securities registered under Registration Statement No. 33-41643. This Registration Statement also constitutes Post-Effective Amendment No. 1 to Registration Statement No. 33-41643. Such Post-Effective Amendment shall become effective concurrently with the effectiveness of this Registration Statement in accordance with Section 8(c) of the Securities Act of 1933. This Registration Statement and the registration statement amended hereby are collectively referred to herein as the "Registration Statement".

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THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.  
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INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THESE SECURITIES MAY NOT BE SOLD NOR MAY OFFERS TO BUY BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT BECOMES EFFECTIVE. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THESE SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF ANY SUCH STATE.

SUBJECT TO COMPLETION, DATED JUNE 30, 1995  
AMERICAN INTERNATIONAL GROUP, INC.

DEBT SECURITIES

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American International Group, Inc. ("AIG") from time to time may offer its unsecured debentures, notes or other evidences of indebtedness (the "Debt Securities") for sale in one or more series, at an aggregate initial offering price not to exceed \$747,000,000, or, if applicable, the equivalent thereof in any other currency or currencies or composite currency units, on terms to be determined at the time of sale. The specific designation, aggregate principal amount (including whether determined by reference to an index), authorized denominations, maturity, rate or rates (which may be fixed or variable), currency (which may be a composite currency such as the European Currency Unit) and time of payment of any interest, purchase price and any terms for mandatory or optional redemption (including any sinking fund) of any Debt Securities, and any other specific terms of the Debt Securities in respect of which this Prospectus is being delivered are set forth in the accompanying Prospectus Supplement (the "Prospectus Supplement"), together with the terms of the offering of such Debt Securities. In addition, all or a portion of the Debt Securities may be issued in the form of one or more permanent global certificates.

The Debt Securities may be sold to or through agents, underwriters or dealers for public offering or directly to other purchasers pursuant to the terms of offering fixed at the time of sale. The names of any such underwriters, dealers or agents involved in the sale of the Debt Securities in respect of which this Prospectus and the Prospectus Supplement is being delivered and the applicable underwriter's discount, dealer's purchase price or agent's commission are set forth in the Prospectus Supplement. See "Plan of Distribution". Any underwriters, dealers or agents participating in the offering may be deemed "underwriters" within the meaning of the Securities Act of 1933.

This Prospectus may not be used to consummate sales of Debt Securities unless accompanied by a Prospectus Supplement.

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THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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THE DATE OF THIS PROSPECTUS IS , 1995.

## AVAILABLE INFORMATION

AIG is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "1934 Act"), and, in accordance therewith, files reports, proxy statements and other information with the Securities and Exchange Commission (the "Commission"). Such reports, proxy statements and other information can be inspected and copied at the public reference facilities made available by the Commission at 450 Fifth Street, N.W., Room 1024, Washington, D.C. 20549, as well as at the following Regional Offices: 7 World Trade Center, 13th Floor, New York, New York 10048; and 500 West Madison Street, Suite 1400, Chicago, Illinois 60661-2511. Copies can be obtained from the Public Reference Section of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549 at prescribed rates and can also be inspected at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005, on which AIG's Common Stock is listed. This Prospectus does not contain all of the information set forth in the Registration Statement, of which this Prospectus is a part, and exhibits thereto which AIG has filed with the Commission under the Securities Act of 1933 (the "1933 Act"), to which reference is hereby made.

## INCORPORATION OF DOCUMENTS BY REFERENCE

The following documents have been filed by AIG with the Commission (File No. 1-8787) and are incorporated herein by reference:

- (1) AIG's Annual Report on Form 10-K for the year ended December 31, 1994;
- (2) AIG's Current Report on Form 8-K dated February 23, 1995; and
- (3) AIG's Quarterly Report on Form 10-Q for the quarter ended March 31, 1995.

All documents filed pursuant to Section 13(a), 13(c), 14 or 15(d) of the 1934 Act after the date of this Prospectus and prior to the termination of this offering shall be deemed to be incorporated by reference in this Prospectus and to be a part hereof from the date of filing of such documents.

Any statement contained herein or in a document incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

AIG will provide without charge to each person to whom this Prospectus is delivered, upon the written or oral request of any such person, a copy of any or all documents (excluding certain exhibits thereto unless specifically incorporated by reference into such documents) referred to above which have been or may be incorporated herein by reference and not furnished herewith. Requests for such documents should be directed to AIG's Director of Investor Relations, 70 Pine Street, New York, New York 10270, telephone (212) 770-7575.

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 REQUIRED DISCLOSURE FOR NORTH CAROLINA RESIDENTS

The Commissioner of Insurance of the State of North Carolina has not approved or disapproved this offering nor has the Commissioner passed upon the accuracy or adequacy of this Prospectus.

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Unless otherwise indicated, currency amounts in this Prospectus and in any Prospectus Supplement are stated in United States dollars ("\$", "dollars", "U.S. dollars", or "U.S. \$").

## AMERICAN INTERNATIONAL GROUP, INC.

American International Group, Inc., a Delaware corporation, is a holding company which through its subsidiaries is primarily engaged in a broad range of insurance and insurance-related activities in the United States and abroad. AIG's primary activities include both general and life insurance operations. Other significant activities are financial services and agency and service fee operations. The principal executive offices of AIG are located at 70 Pine Street, New York, New York 10270, telephone (212) 770-7000.

## GENERAL INSURANCE OPERATIONS

AIG's general insurance subsidiaries are multiple line companies writing substantially all lines of property and casualty insurance. One or more of these companies is licensed to write substantially all of these lines in all states of the United States and in more than 100 foreign countries.

AIG's business derived from brokers in the United States and Canada is conducted through its domestic brokerage division, consisting of American Home Assurance Company, National Union Fire Insurance Company of Pittsburgh, PA, Lexington Insurance Company ("Lexington") and certain other insurance company subsidiaries of AIG. This division accepts business mainly from insurance brokers, enabling selection of specialized markets and retention of underwriting control. Any licensed broker is able to submit business to these companies without the traditional agent-company contractual relationship, but such broker usually has no authority to commit the companies to accept a risk.

In addition to writing substantially all classes of business insurance, including large commercial or industrial property insurance, excess liability, inland marine, workers' compensation and excess and umbrella coverages, the domestic brokerage division offers many specialized forms of insurance such as directors' and officers' liability, difference-in-conditions, kidnap-ransom, export credit and political risk and various types of professional errors and omissions coverages. The companies also engage in mass marketing of personal and other coverages. Lexington writes surplus lines -- those coverages for which conventional insurance companies do not readily provide insurance coverage, either because of complexity or because the coverage does not lend itself to conventional contracts.

The business of United Guaranty Corporation ("UGC") and its subsidiaries is also included in the domestic operations of AIG. The principal business of the UGC subsidiaries is the writing of residential mortgage loan insurance, which is guaranty insurance on conventional first mortgage loans on single-family dwellings and condominiums. Such insurance protects lenders against loss if borrowers default. UGC subsidiaries also write commercial mortgage loan insurance covering first mortgage loans on commercial real estate, home equity and property improvement loan insurance on loans to finance residential property improvements, alterations, repairs and for other purposes not necessarily related to real estate, and rent guaranty insurance on commercial and industrial real estate.

AIG's foreign general insurance business is comprised primarily of risks underwritten through American International Underwriters, a marketing unit consisting of wholly owned agencies and insurance companies. It also includes business written by foreign-based insurance subsidiaries of American International Underwriters Overseas, Ltd. ("AIUO") for their own accounts. In general, the same types of policies and marketing methods, with certain refinements for local laws, customs and needs, are used in these foreign operations as have been described above in connection with the domestic operations.

AIG's general insurance company subsidiaries worldwide operate primarily by underwriting and accepting any size risk for their direct account and securing reinsurance on that portion of the risk in excess of that which they wish to retain. This operating policy differs from that of many insurance companies which will underwrite only up to their net retention limit, thereby requiring the broker or agent to secure commitments from other underwriters for the remainder of the gross risk amount. AIG maintains reinsurance relationships with a large number of reinsurers in the United States and abroad.

Statutory combined loss and expense ratios (after dividends to policyholders) of AIG's consolidated general insurance operations from 1990 through 1994 were as follows:

	1994	1993	1992	1991	1990
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AIG Combined Loss and Expense Ratio.....	98.7	100.1	102.4	100.4	99.6
Industry Combined Loss and Expense Ratio*.....	109.7	107.9	119.1	109.5	109.4

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 \* Source: Best's Aggregates & Averages (Stock insurance companies, after dividends to policyholders).

#### LIFE INSURANCE OPERATIONS

AIG's life insurance subsidiaries offer a wide range of traditional insurance and financial and investment products. One or more of these companies is licensed to write life insurance in all states in the United States and in over 70 foreign countries.

In the United States, AIG has four domestic life subsidiaries: American International Life Assurance Company of New York, AIG Life Insurance Company, Delaware American Life Insurance Company, and Pacific Union Assurance Company. These companies utilize multiple distribution channels including brokerage and career and general agents to offer primarily financial and investment products and specialty forms of accident and health coverage for individuals and groups, including employee benefit plans.

AIG operates overseas through four main subsidiary companies, American Life Insurance Company ("ALICO"), American International Assurance Company, Limited ("AIA"), Nan Shan Life Insurance Company Ltd. ("Nan Shan") and The Philippine American Life Insurance Company ("Philam"). AIA operates primarily in Hong Kong, Singapore, Malaysia and Thailand. Nan Shan operates primarily in Taiwan and Philam in the Philippines. Although ALICO is incorporated in Delaware, all of its business is written outside of the United States. ALICO has operations either directly or through subsidiaries in approximately 50 countries located in Europe, Africa, Latin America, the Middle East, and the Far East, with Japan being the largest territory. The foreign life companies have approximately 100,000 career agents and sell their products largely to indigenous persons in local currencies. In addition to the agency outlets, these companies also distribute their products through direct marketing channels, such as mass marketing, and through brokers and other distribution outlets such as financial institutions.

Traditional life insurance products such as whole life and endowment continue to be significant in the overseas companies, especially in Southeast Asia, while a mixture of traditional, accident and health and financial products are sold in Japan.

In addition to the above, AIG also has subsidiary operations in Switzerland (Ticino Societa d'Assicurazioni Sulla Vita) and Puerto Rico (American International Life Insurance Company of Puerto Rico), and conducts life insurance business through AIUO subsidiary companies in certain countries in Central and South America.

#### AGENCY AND SERVICE FEE OPERATIONS

AIG's agency and service fee operations contribute to AIG earnings through fees as agents and managers, the premiums they generate for AIG's insurance companies and the revenues they produce from technical and support service activities.

Several AIG companies act as managing general agents for both AIG subsidiaries and non-affiliated insurance companies, accepting liability on risks and actively managing the business produced. These general agencies deal directly with the producing agents and brokers, exercise full underwriting control, issue policies, collect premiums, arrange reinsurance, perform accounting, actuarial and safety and loss control services, adjust and pay losses and claims, and settle net balances with the represented companies. In some cases, they also maintain their own and the represented companies' authority to do business in the jurisdictions in which they operate.

## FINANCIAL SERVICES OPERATIONS

AIG operations which contribute to financial services income include, primarily, A.I. Credit Corp. ("AICCO"), AIG Financial Products Corp. and its subsidiary companies ("AIGFP"), AIG Trading Group Inc. ("AIG Trading"), International Lease Finance Corporation ("ILFC") and Ueberseebank, A.G. AICCO's business is principally in premium financing. AIGFP engages in financial transactions, including long-dated interest rate and currency swaps, and structures borrowings through guaranteed investment agreements. AIG Trading engages in various commodities trading, foreign exchange trading and market making activities. ILFC is primarily engaged in the acquisition of new and used commercial jet aircraft and the leasing and remarketing of such aircraft to airlines around the world. Ueberseebank A.G. operates as a Swiss bank. Other financial services operations are AIG Global Investors, Inc. and AIG Investment Corporation and their subsidiaries, which manage the investment portfolios of various AIG subsidiaries.

## USE OF PROCEEDS

Unless otherwise indicated in the Prospectus Supplement, AIG intends to add the net proceeds from the sale of the Debt Securities to its general funds to be used by AIG and its subsidiaries for general corporate purposes including possible investments in, or extensions of credit to, subsidiaries.

## RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth the historical ratios of earnings to fixed charges of AIG and its consolidated subsidiaries for the periods indicated:

THREE MONTHS ENDED MARCH 31, 1995	YEARS ENDED DECEMBER 31				
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	1994	1993	1992	1991	1990
	----	----	-----	----	----
3.04	3.03	3.08	2.67	3.00	3.63

Earnings represent income from operations before income taxes plus fixed charges and dividends received from less than fifty percent owned persons, and exclude capitalized interest and the equity income of less than fifty percent owned persons. Fixed charges include interest, whether expensed or capitalized, and the proportion of rental expense deemed representative of the interest factor.

The ratios shown are significantly affected as a result of the inclusion of the fixed charges and operating results of AIGFP. AIGFP structures borrowings through guaranteed investment agreements and engages in other complex financial transactions, including interest rate and currency swaps. In the course of its business, AIGFP enters into borrowings that are primarily used to purchase assets that yield rates greater than the rates on the borrowings with the intent of earning a profit on the spread and to finance the acquisition of securities utilized to hedge certain transactions. The pro forma ratios of earnings to fixed charges, excluding the effects of the operating results of AIGFP, are 4.58 for the first quarter of 1995 and 5.23, 5.66, 5.15, 5.40 and 7.27 for 1994, 1993, 1992, 1991 and 1990, respectively. As AIGFP will continue to be a subsidiary, AIG expects that AIG's ratios of earnings to fixed charges will continue to be lower than they would be if the fixed charges and operating results of AIGFP were not included therein.

## DESCRIPTION OF DEBT SECURITIES

The following description sets forth certain general terms and provisions of the Debt Securities to which any Prospectus Supplement may relate. The particular terms of the Debt Securities offered by any Prospectus Supplement and the extent, if any, to which such general provisions may apply to the Debt Securities so offered will be described in the Prospectus Supplement relating to such Debt Securities.

The Debt Securities are to be issued under an indenture dated as of July 15, 1989, as from time to time supplemented (the "Indenture"), from AIG to The Bank of New York, as Trustee (the "Trustee"), a copy of which is filed as an exhibit to the Registration Statement, of which this Prospectus is a part. The following summaries of certain provisions of the Indenture do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all the provisions of the Indenture, including the definitions therein of certain terms. Wherever particular provisions or defined terms of the Indenture are referred to

herein or in a Prospectus Supplement, such provisions or defined terms are incorporated herein or therein by reference.



## GENERAL

The Indenture does not limit the aggregate principal amount of Debt Securities which may be issued thereunder and provides that Debt Securities may be issued thereunder from time to time in one or more series. The Debt Securities will be unsecured obligations of AIG and will rank pari passu with all other unsecured and unsubordinated indebtedness of AIG.

Reference is made to the Prospectus Supplement relating to the particular series of Debt Securities offered thereby (the "Offered Debt Securities") for a description of the following terms thereof: (1) the title of such Offered Debt Securities; (2) any limit on the aggregate principal amount of such Offered Debt Securities; (3) whether any of the Offered Debt Securities are to be issuable in the form of one or more permanent global certificates; (4) the date or dates on which such Offered Debt Securities will mature; (5) the rate or rates (or the formula pursuant to which such rate or rates shall be determined) per annum at which such Offered Debt Securities will bear interest, if any, and the date or dates from which any such interest will accrue; (6) the dates on which such interest will be payable and the Regular Record Dates for such Interest Payment Dates; (7) any mandatory or optional sinking fund or purchase fund or analogous provisions; (8) if applicable, the date after which and the price at which such Offered Debt Securities may, pursuant to any optional or mandatory redemption provisions, be redeemed at the option of AIG or of the Holder thereof and the other detailed terms and provisions of such optional or mandatory redemption; (9) if other than U.S. dollars, the currency or currencies of payment of principal and interest and any premium on the Offered Debt Securities of such series (which may be a composite currency such as the European Currency Unit and which may be different for principal, premium, if any, and interest); (10) the Person to whom any interest on an Offered Debt Security of such series will be payable, if other than the Person in whose name that Offered Debt Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest; (11) the denominations in which such Offered Debt Securities will be issuable, if other than denominations of \$1,000 and any integral multiple thereof; (12) if the principal of, premium, if any, or interest, on such Offered Debt Securities are to be payable, at the election of AIG or a Holder thereof, in a currency or currencies other than that in which such Offered Debt Securities are stated to be payable, the currency or currencies in which such payment may be made, and the period or periods within which, and the terms and conditions upon which, such election may be made; (13) the portion of the principal amount of such Offered Debt Securities which will be payable upon declaration of acceleration of the Maturity thereof, if other than the principal amount thereof; (14) whether the provisions of the Indenture described under "Defeasance and Covenant Defeasance" will be applicable to such Offered Debt Securities; (15) any additional restrictive covenants included for the benefit of such Offered Debt Securities; (16) any additional Events of Default provided with respect to such Offered Debt Securities; (17) any index used to determine the amount of payments of principal of, premium, if any, or interest on the Offered Debt Securities of the series; (18) the place or places where the principal of, premium, if any, and interest on the Offered Debt Securities will be payable; (19) the period or periods within which, the price or prices at which and the terms and conditions upon which the Offered Debt Securities may be redeemed, in whole or in part, at the option of the Company; and (20) any additional provisions or other special terms (including covenants to be applicable to the Offered Debt Securities) not inconsistent with the provisions of the Indenture, including any terms which may be required by or advisable under United States laws or regulations or advisable in connection with the marketing of the Offered Debt Securities of such series. (Section 301)

Unless otherwise indicated in the Prospectus Supplement relating thereto, principal of, premium, if any, and interest, if any, on the Offered Debt Securities will be payable, and the Offered Debt Securities will be exchangeable and transfers thereof will be registrable, at the Corporate Trust Office of the Trustee at 101 Barclay Street, Floor 21W, New York, New York 10286 (the "Principal Trust Office"), provided that, at the option of AIG, payment of interest may be made by check mailed to the address of the Person entitled thereto as it appears in the Security Register. (Sections 202, 305 and 1002)

Unless otherwise indicated in the Prospectus Supplement relating thereto, the Offered Debt Securities will be issued only in fully registered form without coupons in denominations of \$1,000 or any integral

multiple thereof. (Section 302) No service charge will be made for any transfer or exchange of such Offered Debt Securities, but AIG may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith. (Section 305) The Indenture also provides that the Debt Securities of any series may be issued in the form of one or more permanent global certificates. See "Permanent Global Securities".

Debt Securities may be issued under the Indenture as Original Issue Discount Securities to be offered and sold at a substantial discount from the principal amount thereof. If the Offered Debt Securities are Original Issue Discount Securities, special federal income tax, accounting and other considerations applicable thereto will be described in the Prospectus Supplement relating thereto. "Original Issue Discount Security" means any security which provides for an amount less than the principal amount thereof to be due and payable upon the declaration of acceleration of the Maturity thereof upon the occurrence of an Event of Default and the continuation thereof. (Section 101)

If the Offered Debt Securities are denominated in whole or in part in any currency other than U.S. Dollars, or if any index is used to determine the amount of payments of principal of, premium, if any, or interest on any series of the Offered Debt Securities, special federal income tax, accounting and other considerations applicable thereto will be described in the Prospectus Supplement relating thereto.

#### PERMANENT GLOBAL SECURITIES

If any Debt Securities of a series are issuable in the form of one or more permanent global certificates, the Prospectus Supplement relating thereto will describe the circumstances, if any, under which beneficial owners of interests in any such permanent global Debt Security may exchange such interests for Debt Securities of such series and like tenor of any authorized form and denomination. Principal of and any premium and interest on a permanent global Debt Security will be payable in the manner described in the Prospectus Supplement relating thereto. (Section 204)

#### LIMITATION ON LIENS ON VOTING STOCK OF DESIGNATED SUBSIDIARIES

Except as otherwise specified in the Prospectus Supplement applicable thereto with respect to the Offered Debt Securities of any series, AIG will not, and will not permit any Designated Subsidiary to, directly or indirectly, create, issue, assume, incur or guarantee any indebtedness for money borrowed which is secured by a mortgage, pledge, lien, security interest or other encumbrance of any nature on any of the present or future Voting Stock of a Designated Subsidiary unless the Debt Securities and, if AIG so elects, any other indebtedness of AIG ranking at least pari passu with the Debt Securities, shall be secured equally and ratably with (or prior to) such other secured indebtedness for money borrowed so long as it is outstanding. The Indenture does not prevent the sale or other disposition of a Designated Subsidiary. (Section 1006)

For purposes of the Indenture, Designated Subsidiary means American Home Assurance Company, National Union Fire Insurance Company of Pittsburgh, PA, and any Subsidiary the assets of which, determined as of the last day of the most recent calendar quarter ended at least 30 days prior to the date of such determination and in accordance with generally accepted accounting principles as in effect on the last day of such calendar quarter, exceed 20% of the Consolidated Assets of AIG. As of March 31, 1995, there were no Subsidiaries of AIG with assets, determined in accordance with generally accepted accounting principles as in effect on that date, in excess of 20% of the Consolidated Assets of AIG. For purposes of the Indenture, Subsidiary means a corporation, partnership or trust more than 50% of the outstanding Voting Stock of which is owned, directly or indirectly, by AIG or by one or more other Subsidiaries, or by AIG and one or more other Subsidiaries; and Consolidated Assets of AIG means the assets of AIG and its consolidated subsidiaries, to be determined as of the last day of the most recent calendar quarter ended at least 30 days prior to the date of such determination and in accordance with generally accepted accounting principles as in effect on the last day of such calendar quarter. (Section 101)

## DEFEASANCE AND COVENANT DEFEASANCE

The Indenture provides, if such provision is made applicable to the Debt Securities of any series pursuant to Section 301 of the Indenture (which will be indicated in the Prospectus Supplement applicable thereto), that AIG may elect either (A) to defease and be discharged from any and all obligations with respect to such Debt Securities then outstanding (except for the obligations to register the transfer or exchange of such Debt Securities, to replace temporary or mutilated, destroyed, lost or stolen Debt Securities, to maintain an office or agency in respect of the Debt Securities and to hold moneys for payment in trust) ("defeasance") or (B) to be released from its obligations with respect to such Debt Securities then outstanding under Section 1006 (and any other sections applicable to such Debt Securities that are determined pursuant to Section 301 to be subject to covenant defeasance), and the occurrence of an event of default specified in Section 501(4) (insofar as it is with respect to Section 1006 or any other section applicable to such Debt Securities that are determined pursuant to Section 301 to be subject to covenant defeasance) or Section 501(5) of the Indenture (Section 1006 containing the restrictions described under "Limitation on Liens on Voting Stock of Designated Subsidiaries", and Sections 501(4) and 501(5) containing the provisions described under "Events of Default" relating to covenant defaults and cross-defaults, respectively) ("covenant defeasance"), upon the deposit with the Trustee (or other qualifying trustee), in trust for such purpose, of money, and/or U.S. Government Obligations which through the payment of principal and interest in accordance with their terms will provide money, in an amount sufficient, without reinvestment, to pay the principal of (and premium, if any) and interest on such Debt Securities to maturity or redemption, as the case may be, and any mandatory sinking fund or analogous payments thereon. As a condition to defeasance or covenant defeasance, AIG must deliver to the Trustee an Opinion of Counsel (as specified in the Indenture) to the effect that the Holders of such Debt Securities will not recognize income, gain or loss for Federal income tax purposes as a result of such defeasance or covenant defeasance and will be subject to Federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such defeasance or covenant defeasance had not occurred. Such opinion, in the case of defeasance under clause (A) above, must refer to and be based upon a ruling of the Internal Revenue Service or a change in applicable Federal income tax law occurring after the date of the Indenture.

Under current Federal income tax law, defeasance would likely be treated as a taxable exchange of such Debt Securities for interests in the defeasance trust. As a consequence a Holder would recognize gain or loss equal to the difference between the Holder's cost or other tax basis for such Debt Securities and the value of the Holder's proportionate interest in the defeasance trust, and thereafter would be required to include in income a proportionate share of the income, gain and loss of the defeasance trust. Under current Federal income tax law, covenant defeasance would ordinarily not be treated as a taxable exchange of such Debt Securities. Purchasers of such Debt Securities should consult their own advisors with respect to the more detailed tax consequences to them of such defeasance and covenant defeasance, including the applicability and effect of tax laws other than the Federal income tax law.

AIG may exercise its defeasance option with respect to such Debt Securities notwithstanding its prior exercise of its covenant defeasance option. If AIG exercises its defeasance option, payment of such Debt Securities may not be accelerated because of an Event of Default. If AIG exercises its covenant defeasance option, payment of such Debt Securities may not be accelerated by reference to the covenants noted under clause (B) above. However, if such an acceleration were to occur, the realizable value at the acceleration date of the money and U.S. Government Obligations in the defeasance trust could be less than the principal and interest then due on such Debt Securities, in that the required deposit in the defeasance trust is based upon scheduled cash flows rather than market value, which will vary depending upon interest rates and other factors.

The Prospectus Supplement may further describe the provisions, if any, applicable to defeasance or covenant defeasance with respect to the Debt Securities of a particular series. (Article Thirteen)

## EVENTS OF DEFAULT

The following are Events of Default under the Indenture with respect to Debt Securities of any series: (a) failure to pay principal of or premium, if any, on any Debt Security of that series when due; (b) failure to pay any interest on any Debt Security of that series when due, continued for 30 days; (c) failure to deposit any sinking fund payment, when due, in respect of any Debt Security of that series; (d) failure to perform any other covenant of AIG in the Indenture or any Debt Security of that series (other than a covenant included in the Indenture solely for the benefit of series of Debt Securities other than that series), continued for 60 days after written notice as provided in the Indenture; (e) acceleration of Debt Securities of any other series issued under the Indenture if such acceleration is not rescinded or annulled or if the indebtedness evidenced by such Debt Securities is not discharged, within 30 days after written notice as provided in the Indenture; (f) certain events in bankruptcy, insolvency or reorganization; and (g) any other Event of Default provided with respect to Debt Securities of that series. (Section 501) If an Event of Default with respect to Debt Securities of any series at the time outstanding shall occur and be continuing, either the Trustee or the Holders of at least 25% in principal amount of the Outstanding Debt Securities of that series may declare the principal amount (or, if the Debt Securities of that series are Original Issue Discount Securities, such portion of the principal amount as may be specified in the terms of that series) of all Debt Securities of that series to be due and payable immediately. However, at any time after a declaration of acceleration with respect to Debt Securities of any series has been made, but before a judgment or decree based on such acceleration has been obtained, the Holders of a majority in principal amount of Outstanding Debt Securities of that series may, under certain circumstances, rescind and annul such acceleration. (Section 502) For information as to waiver of defaults, see "Modification and Waiver".

Reference is made to the Prospectus Supplement relating to any series of Debt Securities which are Original Issue Discount Securities for the particular provisions relating to acceleration of the Maturity of a portion of the principal amount of such Original Issue Discount Securities upon the occurrence of an Event of Default and the continuation thereof.

The Indenture provides that, subject to the duty of the Trustee during default to act with the required standard of care, the Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request or direction of any of the Holders, unless such Holders shall have offered to the Trustee reasonable security or indemnity. (Section 603) Subject to such provisions for security or indemnification of the Trustee, the Holders of a majority in principal amount of the Outstanding Debt Securities of any series will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee, with respect to the Debt Securities of that series. (Section 512)

AIG will be required to furnish to the Trustee annually a statement as to the performance by AIG of certain of its obligations under the Indenture and as to any default in such performance. (Section 1007)

## MODIFICATION AND WAIVER

Modifications and amendments of the Indenture may be made by AIG and the Trustee with the consent of the Holders of 66 2/3% in principal amount of the Outstanding Debt Securities of each series affected thereby; provided, however, that no such modification or amendment may, without the consent of the Holder of each Outstanding Debt Security affected thereby: (a) change the stated maturity date of the principal of, or any installment of principal of or interest on, any Debt Security; (b) reduce the principal amount of, or the premium (if any) or interest on, any Debt Security; (c) adversely affect any right of repayment at the option of the Holder of any Debt Security, or reduce the amount of, or postpone the date fixed for, the payment of any sinking fund or analogous obligation; (d) reduce the amount of principal of an Original Issue Discount Security payable upon acceleration of the Maturity thereof; (e) change the place or currency of payment of principal of, or premium (if any) or interest on, any Debt Security; (f) impair the right to institute suit for the enforcement of any payment on or with respect to any Debt Security; or (g) reduce the percentage in principal amount of Outstanding Debt Securities of any series, the consent of the Holders of which is required for modification or amendment of the Indenture or for

waiver of compliance with certain provisions of the Indenture or for waiver of certain defaults. (Section 902)

The Holders of 66 2/3% in principal amount of the Outstanding Debt Securities of any series may on behalf of the Holders of all Debt Securities of that series waive, insofar as that series is concerned, compliance by AIG with certain restrictive covenants of the Indenture. (Section 1008) The Holders of a majority in principal amount of the Outstanding Debt Securities of any series may on behalf of the Holders of all Debt Securities of that series waive any past default under the Indenture with respect to that series, except a default in the payment of the principal of, or the premium (if any) or interest on any Debt Security of that series or in respect of a provision which under the Indenture cannot be modified or amended without the consent of the Holder of each Outstanding Debt Security of that series affected. (Section 513)

#### CONSOLIDATION, MERGER AND SALE OF ASSETS

AIG, without the consent of any Holders of Outstanding Debt Securities, may consolidate with or merge into or convey, or transfer or lease its properties and assets substantially as an entirety to, any Person, and any other Person may consolidate with or merge into or convey, or transfer or lease its properties and assets substantially as an entirety to, AIG, provided that (a) the Person (if other than AIG) formed by such consolidation or into which AIG is merged or which acquires or leases the assets of AIG substantially as an entirety is organized and existing under the laws of any United States jurisdiction and assumes AIG's obligations on the Debt Securities and under the Indenture, (b) after giving effect to such transaction no Event of Default, and no event which, after notice or lapse of time or both, would become an Event of Default, shall have happened and be continuing, and (c) certain other conditions are met. (Article Eight)

#### REGARDING THE TRUSTEE

The Bank of New York from time to time provides normal banking services to AIG and its subsidiaries. In addition, The Bank of New York is a participant in two syndicated revolving credit facilities aggregating \$1 billion in commitments with AIG, in which The Bank of New York's aggregate commitments as of May 31, 1995 were \$35 million.

#### PLAN OF DISTRIBUTION

AIG may sell the Debt Securities in any of three ways: (i) through agents; (ii) through underwriters or dealers; or (iii) directly. The Prospectus Supplement with respect to the Debt Securities being offered thereby sets forth the terms of the offering of such Debt Securities including the name or names of any agents, underwriters or dealers, the purchase price of such Debt Securities and the proceeds to AIG from such sale, any underwriting discounts and other items constituting underwriters' compensation and any discounts and commissions allowed or reallocated or paid to dealers or agents. Any initial public offering price and any discounts or concessions allowed or reallocated or paid to dealers or agents may be changed from time to time.

Debt Securities may be sold directly by AIG or through agents designated by AIG from time to time. Any agent involved in the offer or sale of any Debt Securities will be named in the Prospectus Supplement relating to that offering. Unless otherwise indicated in the Prospectus Supplement, any such agent is acting on a best efforts basis for the period of its appointment.

The Debt Securities may be offered to the public either through underwriting syndicates or by one or more underwriters. If an underwriter or underwriters are utilized in the sale of Debt Securities, AIG will execute an underwriting agreement with such underwriters and the names of the underwriters and the terms of the transaction will be set forth in the Prospectus Supplement relating to such Debt Securities. Unless otherwise set forth in the Prospectus Supplement, the obligations of the underwriters to purchase the Debt Securities will be subject to certain conditions and the underwriters will be obligated to purchase all the Debt Securities if any are purchased. In connection with the sale of Debt Securities, underwriters may be deemed to have received compensation from AIG in the form of underwriting discounts or

commissions and may also receive commissions from purchasers of Debt Securities for whom they may act as agent. Underwriters may sell Debt Securities to or through dealers, and such dealers may receive compensation in the form of discounts, concessions or commissions from the underwriters and/or commissions from the purchasers for whom they may act as agent.

Underwriters, dealers and agents participating in the distribution of Debt Securities may be deemed to be underwriters, and any discounts and commissions received by them and any profit realized by them on resale of the Debt Securities may be deemed to be underwriting discounts and commissions, under the 1933 Act. Such underwriters, dealers and agents may be entitled under agreements which may be entered into by AIG to indemnification by AIG against certain liabilities, including liabilities under the 1933 Act, or to contribution with respect to payments which the underwriters or agents may be required to make in respect thereof.

The Debt Securities may be sold at a fixed price or prices, which may be changed, or from time to time at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices. Debt Securities may also be issued in exchange for one or more of AIG's outstanding issues of securities and such Debt Securities may be offered and sold in any such manner by such exchanging holders.

If so indicated in the relevant Prospectus Supplement, AIG will authorize underwriters or other persons acting as AIG's agents to solicit offers by certain institutions to purchase Debt Securities from AIG pursuant to Delayed Delivery Contracts ("Contracts") providing for payment and delivery on the date or dates stated in such Prospectus Supplement. Each Contract will be for an amount not less than, and the aggregate amount of Debt Securities sold pursuant to Contracts shall be not less nor more than, the respective amounts stated in the Prospectus Supplement. Institutions with whom Contracts, when authorized, may be made include commercial and savings banks, insurance companies, pension funds, investment companies, educational and charitable institutions, and other institutions, but will in all cases be subject to the approval of AIG. The obligations of any purchaser under any Contract will not be subject to any conditions except (i) the purchase by an institution of the Debt Securities covered by its Contract shall not at the time of delivery be prohibited under the laws of any jurisdiction in the United States to which such institution is subject and (ii) if Debt Securities are also being sold to underwriters, AIG shall have sold to such underwriters the total principal amount of such Debt Securities less the principal amount thereof covered by Contracts. The underwriters and such agents will not have any responsibility in respect of the validity or performance of Contracts.

Certain of the underwriters and their associates may be customers of, engage in transactions with and perform services for AIG and its subsidiaries in the ordinary course of business.

#### LEGAL OPINIONS

Unless otherwise specified in the Prospectus Supplement relating to any Debt Securities, the validity of such Debt Securities will be passed upon for AIG by Sullivan & Cromwell, New York, New York, and for any underwriters or agents by such counsel as will be named in the Prospectus Supplement. M. Bernard Aidinoff, a Director of AIG, is a partner of Sullivan & Cromwell and owns 4,798 shares of AIG Common Stock. Other partners of Sullivan & Cromwell involved in the representation of AIG from time to time beneficially own approximately 4,000 shares of AIG Common Stock.

#### EXPERTS

The consolidated financial statements of AIG and its subsidiaries and the related financial statement schedules of AIG included in its most recent Annual Report on Form 10-K, incorporated herein by reference, are so incorporated in reliance upon the reports of Coopers & Lybrand L.L.P., independent public accountants, given on the authority of that firm as experts in accounting and auditing.

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITIES OTHER THAN THE SECURITIES DESCRIBED IN THIS PROSPECTUS OR AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY SUCH SECURITIES IN ANY CIRCUMSTANCES IN WHICH SUCH OFFER OR SOLICITATION IS UNLAWFUL. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE MADE HEREUNDER OR THEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THE INFORMATION CONTAINED HEREIN OR THEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE OF SUCH INFORMATION.

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AMERICAN  
INTERNATIONAL  
GROUP, INC.

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DEBT SECURITIES

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, 1995

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## PART II.

## INFORMATION NOT REQUIRED IN PROSPECTUS

## ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

The following table sets forth the estimated expenses to be borne by AIG in connection with the offering described in this Registration Statement:

Securities and Exchange Commission registration fee.....	\$172,414
Legal fees and expenses.....	100,000*
Accountants' fees and expenses.....	50,000*
Blue Sky fees and expenses.....	20,000*
Printing and engraving expenses.....	100,000*
Rating Agency fees.....	250,000*
Miscellaneous.....	10,000*
	-----
Total.....	\$702,414*
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\* Estimated.

## ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

The Restated Certificate of Incorporation of AIG (the "Certificate") provides:

"The Company shall indemnify to the full extent permitted by law any person made, or threatened to be made, a party to an action, suit or proceeding (whether civil, criminal, administrative or investigative) by reason of the fact that he, his testator or intestate is or was a director, officer or employee of the Company or serves or served any other enterprise at the request of the Company."

Section 6.4 of the Company's By-laws contains a similar provision.

The Certificate also provides that a director will not be personally liable to the Company or its stockholders for monetary damages for breach of fiduciary duty as a director, except to the extent that such an exemption from liability or limitation thereof is not permitted by the Delaware General Corporation Law (the "GCL").

Section 145 of GCL permits indemnification against expenses, fines, judgments and settlements incurred by any director, officer or employee of AIG in the event of pending or threatened civil, criminal, administrative or investigative proceedings, if such person was, or was threatened to be made, a party by reason of the fact that he is or was a director, officer or employee of AIG. Section 145 also provides that the indemnification provided for therein shall not be deemed exclusive of any other rights to which those seeking indemnification may otherwise be entitled. In addition, AIG and its subsidiaries maintain a directors' and officers' liability insurance policy.



## ITEM 16. EXHIBITS.

EXHIBIT NUMBER	DESCRIPTION	LOCATION
1(a)	Form of Underwriting Agreement.....	Incorporated by reference from Exhibit 1(a) to Registration Statement 33-41643.
1(b)	Form of Distribution Agreement.....	Filed as exhibit hereto.
4	Indenture, to be dated as of July 15, 1989, from American International Group, Inc. to The Bank of New York, as Trustee (including Form of Debt Security in Article Two thereof).....	Incorporated by reference from Exhibit 4 to Registration Statement 33-25291.
5	Opinion of Sullivan & Cromwell re validity.....	Filed as exhibit hereto.
12	Statement re computation of ratios.....	Incorporated by reference from Exhibit 12 to AIG's Annual Report on Form 10-K for the year ended December 31, 1994 (File No. 1-8787).*
23	Consents of experts and counsel (a) Coopers & Lybrand L.L.P..... (b) Sullivan & Cromwell.....	Filed as exhibit hereto. Included in Exhibit 5.
24	Power of Attorney.....	Included on the signature page hereof.
25	Form T-1, Statement of Eligibility and Qualification of The Bank of New York, as Trustee.....	Filed as exhibit hereto.

\* With respect to the first quarter of 1995, filed as exhibit to Quarterly Report on Form 10-Q and incorporated herein by reference.

## ITEM 17. UNDERTAKINGS.

(a) The undersigned registrant hereby undertakes:

(1) to file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement (i) to include any prospectus required by Section 10(a)(3) of the Securities Act of 1933, (ii) to reflect in the prospectus any facts or events arising after the effective date of the Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the Registration Statement; notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective Registration Statement; and (iii) to include any material

information with respect to the plan of distribution not previously disclosed in the Registration Statement or any material change to such information in the Registration Statement; provided, however, that the undertakings set forth in clauses (i) and (ii) above do not apply if the information required to be included in a post-effective amendment by those clauses is contained in periodic reports filed with or furnished to the Commission by the registrant pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, that are incorporated by reference in this Registration Statement;

(2) that, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof;

(3) to remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering; and

(4) that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference in this Registration Statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted against the registrant by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

## SIGNATURES

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, AS AMENDED, THE REGISTRANT CERTIFIES THAT IT HAS REASONABLE GROUNDS TO BELIEVE THAT IT MEETS ALL OF THE REQUIREMENTS FOR FILING ON FORM S-3 AND HAS DULY CAUSED THIS REGISTRATION STATEMENT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED, THEREUNTO DULY AUTHORIZED, IN THE CITY OF NEW YORK AND STATE OF NEW YORK, ON THE 30TH DAY OF JUNE, 1995.

AMERICAN INTERNATIONAL GROUP, INC.

By /s/ M. R. GREENBERG

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(M. R. GREENBERG, CHAIRMAN)

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed by the following persons in the capacities on the 30th day of June, 1995 and each of the undersigned persons, in any capacity, hereby severally constitutes M.R. Greenberg, Edward E. Matthews and Howard I. Smith and each of them, singularly, his true and lawful attorney with full power to them and each of them to sign for him, and in his name and in the capacities indicated below, this Registration Statement and any and all amendments thereto.

SIGNATURE	TITLE	DATE
/s/ M. R. GREENBERG ----- (M. R. GREENBERG)	Chairman and Director (Principal Executive Officer)	June 30, 1995
/s/ EDWARD E. MATTHEWS ----- (EDWARD E. MATTHEWS)	Vice Chairman and Director (Principal Financial Officer)	June 30, 1995
/s/ HOWARD I. SMITH ----- (HOWARD I. SMITH)	Executive Vice President and Comptroller (Principal Accounting Officer)	June 30, 1995
/s/ M. BERNARD AIDINOFF ----- (M. BERNARD AIDINOFF)	Director	June 30, 1995
/s/ LLOYD M. BENTSEN ----- (LLOYD M. BENTSEN)	Director	June 30, 1995
/s/ MARSHALL COHEN ----- (MARSHALL COHEN)	Director	June 30, 1995
/s/ BARBER B. CONABLE, JR. ----- (BARBER B. CONABLE, JR.)	Director	June 30, 1995
/s/ MARTIN FELDSTEIN ----- (MARTIN FELDSTEIN)	Director	June 30, 1995

## SIGNATURE

## TITLE

## DATE

/s/ HOUGHTON FREEMAN

Director

June 30, 1995

-----  
(HOUGHTON FREEMAN)

/s/ LESLIE L. GONDA

Director

June 30, 1995

-----  
(LESLIE L. GONDA)

/s/ CARLA A. HILLS

Director

June 30, 1995

-----  
(CARLA A. HILLS)

/s/ FRANK HOENEMEYER

Director

June 30, 1995

-----  
(FRANK HOENEMEYER)

/s/ JOHN I. HOWELL

Director

June 30, 1995

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(JOHN I. HOWELL)

/s/ DEAN P. PHYPERS

Director

June 30, 1995

-----  
(DEAN P. PHYPERS)

/s/ JOHN J. ROBERTS

Director

June 30, 1995

-----  
(JOHN J. ROBERTS)

/s/ ERNEST E. STEMPEL

Director

June 30, 1995

-----  
(ERNEST E. STEMPEL)

/s/ THOMAS R. TIZZIO

Director

June 30, 1995

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(THOMAS R. TIZZIO)

## EXHIBIT INDEX

EXHIBIT NUMBER	DESCRIPTION	LOCATION
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1(b)	Form of Distribution Agreement.....	Filed as exhibit hereto.
4	Indenture, to be dated as of July 15, 1989, from American International Group, Inc. to The Bank of New York, as Trustee (including Form of Debt Security in Article Two thereof).....	Incorporated by reference from Exhibit 4 to Registration Statement 33-25291.
5	Opinion of Sullivan & Cromwell re validity.....	Filed as exhibit hereto.
12	Statement re computation of ratios.....	Incorporated by reference from Exhibit 12 to AIG's Annual Report on Form 10-K for the year ended December 31, 1994 (File No. 1-8787).*
23	Consents of experts and counsel (a) Coopers & Lybrand L.L.P..... (b) Sullivan & Cromwell.....	Filed as exhibit hereto. Included in Exhibit 5.
24	Power of Attorney.....	Included on the signature page hereof.
25	Form T-1, Statement of Eligibility and Qualification of The Bank of New York, as Trustee.....	Filed as exhibit hereto.

\* With respect to the first quarter of 1995, filed as exhibit to Quarterly Report on Form 10-Q and incorporated herein by reference.

AMERICAN INTERNATIONAL GROUP, INC.

U.S. \$ \_\_\_\_\_

Medium-Term Notes, Series [ ]

Due from Nine Months to Thirty Years  
from Date of Issue

Distribution Agreement

DATE

NAME/ADDRESS

Dear Sirs:

American International Group, Inc., a Delaware corporation (the "Company"), proposes to issue and sell up to U.S. \$ \_\_\_\_\_ aggregate principal amount (or the equivalent thereof in one or more foreign currencies or currency units) of its Medium-Term Notes, Series [ ], due from nine months to thirty years from date of issue (the "Securities"). Subject to the terms and conditions stated herein, the Company hereby (i) appoints \_\_\_\_\_ as agent of the Company for the purpose of soliciting offers to purchase the Securities from the Company and (ii) agrees that whenever it determines to sell Securities directly to \_\_\_\_\_ as principal for resale to others, it will, if requested by you, enter into a separate agreement, substantially in the form of Annex I hereto, relating to such sale or another agreement (which may be oral and confirmed in writing) relating to your purchase as principal (each a "Terms Agreement"), in each case in accordance with Section 2(b) hereof. The Company reserves the right to sell Securities directly on its own behalf and to enter into agreements substantially identical hereto with other broker-dealers as Agents.

The terms and rights of the Securities shall be as specified in or established pursuant to the indenture, dated as of July 15, 1989, between the Company and The Bank of New York as Trustee (the "Trustee"), and is referred to herein as the "Indenture". The Securities shall have the maturity ranges, annual interest rates (if any), redemption provisions and other terms set forth in the Prospectus referred to below as it may be supplemented from time to time. The Securities will be issued, and the terms thereof established, from time to time by the Company in accordance with the Indenture and

the Administrative Procedures attached hereto as Annex II and, if applicable, will be specified in a related Terms Agreement.

1. The Company represents and warrants to, and agrees with, you that:

(a) A registration statement on Form S-3 (Registration No. 33-41643) and Post-Effective Amendment No. 1 thereto, and a registration statement on Form S-3 (Registration No. 33- ) in respect of certain debt securities including the Securities have been filed with the Securities and Exchange Commission (the "Commission"), and such registration statements and Post-Effective Amendments have been declared effective by the Commission, and no stop order suspending the effectiveness of any of such registration statements has been issued, and no proceeding for that purpose has been initiated or threatened by the Commission (any preliminary prospectus included in the registration statement (No. 33- ) being hereinafter called a "Preliminary Prospectus"; the various parts of such registration statements, including all exhibits thereto but excluding Form T-1, each as amended at the time such part became effective, being hereinafter collectively called the "Registration Statement"; the prospectus relating to the Securities, in the form in which it has most recently been filed, or mailed for filing, with the Commission on or prior to the date of this Agreement, being hereinafter called the "Prospectus"; any reference herein to any Preliminary Prospectus or the Prospectus shall be deemed to refer to and include the documents incorporated by reference therein pursuant to the applicable form under the Securities Act of 1933, as amended (the "Act"), as of the date of such Preliminary Prospectus or Prospectus, as the case may be; any reference to any amendment or supplement to any Preliminary Prospectus or the Prospectus shall be deemed to refer to and include any documents filed after the date of such Preliminary Prospectus or Prospectus, as the case may be, under the Securities Exchange Act of 1934, as amended (the "Exchange Act") and incorporated therein by reference; and any reference to the Prospectus as amended or supplemented shall be deemed to refer to the Prospectus as each time amended or supplemented with respect to Securities sold pursuant to this Agreement, in the form in which it is filed with, or mailed for filing to, the Commission pursuant to Rule 424 under the Act, including any documents incorporated therein by reference as of the date of such filing or mailing);

(b) The documents incorporated by reference in the Prospectus, when they became effective or were filed with the Commission, as the case may be, conformed in all material respects to the requirements of the Act or the Exchange Act, as applicable, and the rules and regulations of the Commission

thereunder, and none of such documents contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading; and any further documents so filed and incorporated by reference in the Prospectus, when such documents become effective or are filed with the Commission, as the case may be, will conform in all material respects to the requirements of the Act or the Exchange Act, as applicable, and the rules and regulations of the Commission thereunder and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; and the statements made in such documents in response to Statement of Financial Accounting Standards No. 33 and Item 302 or Item 303, as the case may be, of Regulation S-K and within the coverage of Rule 175(b) of the rules and regulations of the Commission under the Act were, or will be, as the case may be, made by the Company with a reasonable basis and in good faith; provided, however, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Company by you expressly for use in the Prospectus as amended or supplemented to relate to a particular issuance of Securities, or to any statements in any such document which does not constitute part of the Registration Statement or Prospectus pursuant to Rule 412 of the rules and regulations of the Commission under the Act;

(c) The Registration Statement and the Prospectus conform, and any amendments or supplements thereto will conform, in all material respects to the requirements of the Act and the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), and the rules and regulations of the Commission thereunder and do not and will not, as of the applicable effective date as to the Registration Statement and any amendment thereto and as of the applicable filing date as to the Prospectus and any supplement thereto, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; provided, however, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Company by you expressly for use in the Prospectus as amended or supplemented to relate to a particular issuance of Securities;

(d) The Company has been duly incorporated and is an existing corporation in good standing under the laws of Delaware, and has full power and authority to own its properties and to conduct its business as described in the



Prospectus and has been duly qualified as a foreign corporation for the transaction of business and is in good standing under the laws of each other jurisdiction in which its ownership or leasing of properties, or the conduct of its business, requires such qualification, and where failure to so qualify would have a material adverse effect on the financial condition of the Company; and each subsidiary of the Company named in the first paragraph under "Item 1. Business" of the Company's Form 10-K for the fiscal year ended December 31, 199 filed with the Commission ("Material Subsidiary") has been duly incorporated and is validly existing as a corporation in good standing under the laws of its jurisdiction of incorporation;

(e) Neither the Company nor any of its subsidiaries has sustained since the date of the latest audited financial statements included or incorporated by reference in the Prospectus any material loss or interference with its business from any court or governmental action, order or decree, otherwise than as set forth or contemplated in the Prospectus; and, since the respective dates as of which information is given in the Registration Statement and the Prospectus, there has not been any material change in the capital stock (other than as occasioned by Common Stock having been issued pursuant to the Company's employee stock purchase plans, employee stock option plans and upon conversion of convertible securities outstanding on the date hereof) or any change in long-term debt of the Company or any of its Material Subsidiaries, in each case in excess of \$200,000,000, or any material adverse change, or any development involving a prospective material adverse change, in or affecting the general affairs, management, financial position, stockholders' equity or results of operations of the Company and its Material Subsidiaries, otherwise than as set forth or contemplated in the Prospectus;

(f) The series constituting the Securities has been duly authorized and established in conformity with the Indenture and, when the terms of a particular Security and of the issue and sale thereof have been duly authorized and established by all necessary corporate action in conformity with the Indenture and such Security has been duly completed, executed, authenticated and issued in accordance with the Indenture, and delivered against payment therefor as contemplated by this Agreement and any applicable Terms Agreement, such Security will have been duly executed, authenticated, issued and delivered and will constitute a valid and legally binding obligation of the Company entitled to the benefits provided by the Indenture; the Indenture has been duly authorized and qualified under the Trust Indenture Act and constitutes a valid and legally binding obligation of the Company, enforceable in accordance with its terms, subject

to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles; and the Indenture conforms and the Securities will conform to the descriptions thereof in the Prospectus;

(g) The issue and sale of the Securities and the compliance by the Company with all of the provisions of the Securities, the Indenture, this Agreement and any Terms Agreement, and the consummation of the transactions herein and therein contemplated, will not conflict with or result in a breach of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company is a party or by which the Company is bound or to which any of the property or assets of the Company is subject, nor will such action result in any violation of the provisions of the Restated Certificate of Incorporation, as amended, or the By-Laws of the Company or any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Company or any of its properties; and no consent, approval, authorization, order, registration or qualification of or with any court or governmental agency or body is required for the solicitation of offers to purchase Securities and the issue and sale of the Securities or the consummation by the Company of the other transactions contemplated by this Agreement, any Terms Agreement or the Indenture, except such as have been, or will have been prior to the date of this Agreement, obtained under the Act or the Trust Indenture Act and such consents, approvals, authorizations, registrations or qualifications as may be required under state securities or Blue Sky laws (including insurance laws of any state relating to offers and sales of Securities in such state) in connection with the solicitation by you of offers to purchase the Securities from the Company and with purchases of the Securities by you as principal, as the case may be, both in the manner contemplated hereby;

(h) There is no action, suit or proceeding pending, or to the knowledge of the executive officers of the Company, threatened against the Company or any of its subsidiaries, which has, or may reasonably be expected in the future to have, a material adverse effect on the current or prospective consolidated business or condition (financial or other) of the Company and its subsidiaries taken as a whole, except as set forth or contemplated in the Prospectus; and, at each Time of Delivery (as defined in Section 2(b) hereof), there will not be any action, suit or proceeding pending, or to the knowledge of the executive officers of the Company, threatened against the Company or any of its subsidiaries, which will have had,

or may reasonably be expected in the future to have, a material adverse effect on the current or prospective consolidated business or condition (financial or other) of the Company and its subsidiaries taken as a whole, except as set forth or contemplated in the Prospectus as amended or supplemented; and

(i) Coopers & Lybrand, who have certified financial statements of the Company and its subsidiaries, are independent public accountants with respect to the Company and its subsidiaries as required by the Act and the rules and regulations of the Commission thereunder.

2. (a) On the basis of the representations and warranties, and subject to the terms and conditions, herein set forth, \_\_\_\_\_ agrees, as agent of the Company (in its capacity as agent, the "Agent"), to use its best efforts to solicit offers to purchase the Securities from the Company upon the terms and conditions set forth in the Prospectus as amended or supplemented.

The Company reserves the right, in its sole discretion, to instruct the Agent to suspend at any time, for any period of time or permanently, the solicitation of offers to purchase the Securities. Upon receipt of instructions from the Company, the Agent will forthwith suspend solicitation of offers to purchase Securities from the Company until such time as the Company has advised it that such solicitation may be resumed.

The Company agrees to pay the Agent a commission, at the time of settlement of each sale of Securities by the Company as a result of a solicitation made by the Agent, in an amount to be agreed to by the Company and the Agent at the time of solicitation.

As Agent, you are authorized to solicit offers to purchase the Securities only in authorized denominations as set forth in the Prospectus at a purchase price equal to 100% of their principal amount unless otherwise indicated on the applicable pricing supplement to the Prospectus. The Agent shall communicate to the Company, orally or in writing, each offer to purchase Securities other than those rejected by the Agent. The Company shall have the sole right to accept offers to purchase Securities and may reject any proposed purchase of Securities as a whole or in part. The Agent shall have the right, in its discretion reasonably exercised, to reject any offer received by it to purchase Securities, as a whole or in part, and any such rejection by the Agent shall not be deemed a breach of its agreements contained herein.

(b) Each sale of Securities to you as principal shall be made in accordance with the terms of this Agreement and a Terms Agreement which will provide for the sale of such Securities to, and the purchase thereof by, you. A Terms Agreement may also specify certain provisions relating to the reoffering of such Securities by you. Your commitment to purchase Securities pursuant to any Terms Agreement shall be deemed to have been made on the basis of the representations and warranties of the Company herein contained and shall be subject to the terms and conditions herein set forth. Each Terms Agreement shall include a specification of the principal amount of Securities to be purchased by you pursuant thereto, the price to be paid to the Company for such Securities, any provisions relating to rights of, and default by, underwriters acting together with \_\_\_\_\_ in the reoffering of the Securities, and the time (each a "Time of Delivery") and place of delivery of and payment for such Securities. Such Terms Agreement shall also specify any requirements for officers' certificates, opinions of counsel and accountants' letters pursuant to Section 4 hereof.

(c) Procedural details relating to the issue and delivery of Securities, the solicitation of offers to purchase, and purchases by you as principal of, Securities, and the payment in each case therefor, are set forth in the Administrative Procedures attached hereto as Annex II (the "Procedure"). You and the Company agree to perform the respective duties and obligations specifically provided to be performed by the Company and you in the Procedure as it may be amended from time to time by written agreement between you and the Company.

(d) Agent agrees, with respect to any Security denominated in a currency other than U.S. dollars, as agent, directly or indirectly, not to solicit offers to purchase, as a principal under any Terms Agreement or otherwise, directly or indirectly, and not to offer, sell or deliver, such Security in, or to residents of, the country issuing such currency, except, in each case, as permitted by applicable law.

3. Any documents required to be delivered pursuant to Section 6 hereof shall be delivered to such place within the Borough of Manhattan in The City of New York as you may reasonably request.

4. The Company covenants and agrees with you:

(a) To make no amendment or supplement to the Registration Statement or the Prospectus after the date of any Terms Agreement and prior to the related Time of Delivery which shall be disapproved by you promptly after reasonable

notice thereof; to make no such amendment or supplement at any other time prior to having afforded you a reasonable opportunity to review it; to file promptly all reports and any definitive proxy or information statements required to be filed by the Company with the Commission pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act for so long as the delivery of a prospectus is required in connection with the offering or sale of the Securities, and during such same period to advise you, promptly after it receives notice thereof, of the time when any amendment to the Registration Statement has been filed or become effective or any supplement to the Prospectus or any amended Prospectus has been filed with, or mailed for filing to, the Commission, of the issuance by the Commission of any stop order or of any order preventing or suspending the use of any prospectus relating to the Securities, of the suspension of the qualification of the Securities for offering or sale in any jurisdiction, of the initiation or threatening of any proceeding for any such purpose, or of any request by the Commission for the amendment or supplement of the Registration Statement or Prospectus or for additional information; and, in the event of the issuance of any such stop order or of any such order preventing or suspending the use of any such prospectus or suspending any such qualification, to use promptly its best efforts to obtain its withdrawal;

(b) Promptly from time to time to take such action as you reasonably may request to qualify the Securities for offering and sale under the securities laws of such jurisdictions as you may request and to comply with such laws so as to permit the continuance of sales and dealings therein for as long as may be necessary to complete the distribution or sale of the Securities; provided, however, that in connection therewith the Company shall not be required to qualify as a foreign corporation or to file a general consent to service of process in any jurisdiction;

(c) To furnish you with copies of the Registration Statement and each amendment thereto, and with copies of the Prospectus as each time amended or supplemented in the form in which it is filed with, or mailed for filing to, the Commission pursuant to Rule 424 under the Act, both in such quantities as you may reasonably request from time to time; and, if the delivery of a prospectus is required at any time in connection with the offering or sale of the Securities (including Securities purchased from the Company by you as principal) and if at such time any event shall have occurred as a result of which the Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made when such Prospectus is delivered,

not misleading, or, if for any other reason it shall be necessary during such same period to amend or supplement the Prospectus or to file under the Exchange Act any document incorporated by reference in the Prospectus in order to comply with the Act, the Exchange Act or the Trust Indenture Act, to notify you as promptly as practicable and request you to suspend solicitation of offers to purchase Securities from the Company, in your capacity as agent of the Company and, if so notified, you shall forthwith cease such solicitations; and if the Company shall decide to amend or supplement the Registration Statement or the Prospectus as then amended or supplemented, to so advise you promptly by telephone (with confirmation in writing) and to prepare and cause to be filed promptly with the Commission an amendment or supplement to the Registration Statement or the Prospectus as then amended or supplemented that will correct such statement or omission or effect such compliance; provided, however, that if during such same period you continue to own Securities purchased from the Company by you as principal, the Company shall promptly prepare and file with the Commission such an amendment or supplement;

(d) To make generally available to its security holders as soon as practicable, but in any event not later than 90 days after the close of the period covered thereby, an earning statement or statements of the Company and its subsidiaries (which need not be audited) complying with Section 11(a) of the Act and the rules and regulations of the Commission thereunder (including, at the option of the Company, Rule 158) and covering each twelve-month period beginning not later than the first day of the Company's fiscal quarter next following the date of any sale of Securities hereunder;

(e) During the period when this Agreement is in effect, to furnish to you copies of all reports or other communications (financial or other) furnished to stockholders, and deliver to you (i) as soon as they are available, a copy of each report and definitive proxy statement of the Company furnished to or filed with the Commission under the Exchange Act or mailed to shareholders; and (ii) such additional information concerning the business and financial condition of the Company as you may from time to time reasonably request;

(f) That, from the date of any Terms Agreement and continuing to and including the earlier of (i) the termination of the trading restrictions for the Securities purchased thereunder, as notified to the Company by you and (ii) the related Time of Delivery, the Company will not, without your prior written consent, offer, sell, contract to sell or otherwise dispose of any debt securities of the Company which mature more than nine months after such Time of Delivery and

which are substantially similar to the Securities; provided, however, the foregoing restriction shall not apply to an issue of debt securities denominated in a currency other than U.S. dollars or to an issue of debt securities at least 90% of which is offered and sold outside the United States;

(g) That each acceptance by the Company of an offer to purchase Securities hereunder, and each sale of Securities to you pursuant to a Terms Agreement, shall be deemed to be an affirmation to you that the representations and warranties of the Company contained in or made pursuant to this Agreement are true and correct as of the date of such acceptance or of such Terms Agreement as though made at and as of such time, and an undertaking that such representations and warranties will be true and correct as of the settlement date for the Securities relating to such acceptance and as of the Time of Delivery relating to such sale, as though made at and as of each such date (except that such representations and warranties shall be deemed to relate to the Registration Statement and the Prospectus as amended and supplemented relating to such Securities);

(h) That each time the Registration Statement or the Prospectus shall be amended or supplemented (other than by an amendment or supplement relating solely to the terms of the Securities offered), each time a document filed under the Act or the Exchange Act is incorporated by reference into the Prospectus, and each time, if so indicated in the applicable Terms Agreement, the Company sells Securities to you as principal, the Company shall furnish or cause to be furnished forthwith to you, upon your request, a certificate of officers of the Company satisfactory to you, dated the date of such supplement, amendment, incorporation or Time of Delivery related to such sale, in form satisfactory to you in your reasonable judgment to the effect that the statements contained in the certificate referred to in Section 6(g) hereof which were last furnished to you are true and correct at such date, as though made at and as of such date (except that such statements shall be deemed to relate to the Registration Statement and the Prospectus as amended and supplemented to such time) or, in lieu of such certificate, certificates of the same tenor as the certificates referred to in said Section 6(g) but modified to relate to the Registration Statement and the Prospectus as amended and supplemented to such date;

(i) That each time the Registration Statement or the Prospectus shall be amended or supplemented (other than by an amendment or supplement relating solely to the terms of the Securities offered), each time a document filed under the Act or the Exchange Act is incorporated by reference into the Prospectus, and each time, if so indicated in the applicable

Terms Agreement, the Company sells Securities to you as principal, the Company shall furnish or cause to be furnished forthwith to you, upon your request, a written opinion of Sullivan & Cromwell, counsel for the Company, and a written opinion of Kathleen E. Shannon, Vice President, Secretary and Senior Counsel of the Company, or, in either case, other counsel satisfactory to you in your reasonable judgment, dated the date of such amendment, supplement, incorporation or Time of Delivery relating to such sale, each in form satisfactory to you in your reasonable judgment to the effect that you may rely on the opinion referred to in Section 6(c) or (d) hereof, as the case may be, which was last furnished to you to the same extent as though it were dated the date of such letter authorizing reliance (except that statements in such last opinion shall be deemed to relate to the Registration Statement and the Prospectus as amended and supplemented to such date) or, in lieu of either such opinion, an opinion of the same tenor as the opinion referred to in Section 6(c) or (d) hereof, as the case may be, but modified to relate to the Registration Statement and the Prospectus as amended and supplemented to such date; and

(j) That each time the Registration Statement or the Prospectus shall be amended or supplemented and each time that a document filed under the Act or the Exchange Act is incorporated by reference into the Prospectus, in either case to set forth financial information included in or derived from the Company's consolidated financial statements, or, if so indicated in the applicable Terms Agreement, each time the Company sells Securities to you as principal, the Company shall cause its independent public accountants forthwith to furnish you, upon your request, a letter, dated the date of such amendment, supplement, incorporation or Time of Delivery relating to such sale, in form satisfactory to you in your reasonable judgment, of the same tenor as the letter referred to in Section 6(e) hereof but modified to relate to the Registration Statement and the Prospectus as amended or supplemented to the date of such letter, with such changes as may be necessary to reflect changes in the financial statements and other information derived from the accounting records of the Company, to the extent such financial statements and other information are available as of a date not more than five business days prior to the date of such letter; provided, however, that where such amendment, supplement or document incorporated by reference only sets forth unaudited quarterly financial information, the scope of such letter may be limited to relate to such unaudited financial information unless any other accounting or financial information included or incorporated by reference therein is of a character that, in your reasonable judgment, such letter should address such other information.



5. The Company covenants and agrees with you that the Company will pay or cause to be paid the following: (i) the fees, disbursements and expenses of the Company's counsel and accountants in connection with the registration of the Securities under the Act and all other expenses in connection with the preparation, printing and filing of the Registration Statement, any Preliminary Prospectus and the Prospectus and amendments and supplements thereto and the mailing and delivering of copies thereof to you; (ii) the fees and expenses of your counsel in connection with the transactions contemplated hereunder; (iii) the cost of printing, word-processing or reproducing this Agreement, any Terms Agreement, any Indenture, any Blue Sky and Legal Investment Memoranda and any other documents in connection with the offering, purchase, sale and delivery of the Securities; (iv) all expenses in connection with the qualification of the Securities for offering and sale under state securities laws as provided in Section 4(b) hereof, including fees and disbursements of the Company's counsel in connection with such qualification and in connection with the Blue Sky and legal investment surveys; (v) any fees charged by security rating services for rating the Securities; (vi) the cost of preparing the Securities; (vii) the fees and expenses of any Trustee and any agent of any Trustee and the fees and disbursements of counsel for any Trustee in connection with any Indenture and the Securities; (viii) any advertising expenses connected with the solicitation of offers to purchase and the sale of Securities so long as such advertising expenses have been approved by the Company; and (ix) all other costs and expenses incident to the performance of its obligations hereunder which are not otherwise specifically provided for in this Section. You shall pay all other fees and expenses you incur.

6. Your obligations as agent of the Company to solicit offers to purchase the Securities and your obligations to purchase Securities as principal pursuant to any Terms Agreement shall be subject, in your reasonable discretion, to the condition that all representations and warranties and other statements of the Company herein are true and correct at and as of the date of this Agreement, the date of each such solicitation, any settlement date related to the acceptance of such an offer, and each Time of Delivery, the condition that the Company shall have performed all of its obligations hereunder theretofore in each case to be performed and the following additional conditions, where applicable:

(a) No stop order suspending the effectiveness of the Registration Statement shall have been issued and no proceeding for that purpose shall have been initiated or threatened by the Commission or to the knowledge of the

Company or the Agent, shall be contemplated by the Commission; and all requests for additional information on the part of the Commission shall have been complied with to your reasonable satisfaction;

(b) You shall have received, upon your request, from \_\_\_\_\_, your counsel, such opinion, dated the Time of Delivery as specified in the applicable Terms Agreement, with respect to the incorporation of the Company, the validity of the Securities, the Registration Statement, the Prospectus as amended or supplemented, and other related matters as you may require, and the Company shall have furnished to such counsel such documents as they request for the purpose of enabling them to pass upon such matters;

(c) You shall have received an opinion or opinions of Sullivan & Cromwell, counsel for the Company, dated any applicable date referred to in Section 4(i) to the effect that:

(i) The Company has been duly incorporated and is an existing corporation in good standing under the laws of the State of Delaware;

(ii) The Registration Statement, as of the date it became effective, and the Prospectus as amended or supplemented, as of the date of such opinion, appeared on their face to be appropriately responsive in all material respects to the requirements of the Act and the Trust Indenture Act and the rules and regulations of the Commission thereunder (except that no opinion need be expressed as to financial statements and financial and statistical data);

(iii) Nothing has come to the attention of such counsel in their review (as described in such opinion) that has caused them to believe that the Registration Statement or the Prospectus, as of the date the Registration Statement became effective, contained any untrue statement of material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein not misleading, or that the Prospectus as amended or supplemented, as of the date of such opinion, contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, (except that (A) no opinion need be expressed as to financial statements and financial and statistical data or as to the statement of the eligibility and qualification of the Trustee and (B) such counsel may state that they assume no responsibility for

the accuracy or fairness of the statements contained in the Registration Statement and the Prospectus as amended or supplemented except for those made under the captions "Description of Debt Securities" in the Prospectus and "Description of Notes" in the Prospectus as amended or supplemented, insofar as they relate to provisions of documents therein described);

(iv) The series constituting the Securities has been duly authorized and established in conformity with the Indenture, and, when the terms of a particular Security and of the issue and sale thereof have been duly authorized and established by all necessary corporate action in conformity with the Indenture and such Security has been duly completed, executed, authenticated and issued in accordance with the Indenture, and delivered against payment therefor as contemplated by this Agreement and any applicable Terms Agreement, such Security will constitute a valid and legally binding obligation of the Company enforceable in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles;

(v) The Indenture has been duly authorized, executed and delivered by the Company and constitutes a valid and legally binding obligation of the Company, enforceable in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles; the Indenture has been duly qualified under the Trust Indenture Act; and the Indenture conforms to the description thereof in the Prospectus; and

(vi) This Agreement (and any applicable Terms Agreement) has been duly authorized, executed and delivered by the Company;

In providing such opinion, such counsel may assume, in connection with their opinion set forth in paragraph (iv) above, that at or prior to the time of the delivery of each Security the authorization of the series constituting the Securities will not have been modified or rescinded and, with respect to each Security, that such Security will conform to the form of the Securities examined by such counsel and there will not have occurred any change in law affecting the validity or enforceability of such Security. Such counsel may also assume that none of the terms of any Security to be

established subsequent to the date hereof nor the issuance and delivery of such Security, nor the compliance by the Company with the terms of such Security will result in a violation of any agreement or instrument then binding upon the Company, or any restriction imposed by any court or governmental body having jurisdiction over the Company. Such counsel may also state in rendering their opinion set forth in paragraph (iv) above, that, as of the date of such opinion, a judgment for money in an action based on Securities denominated in foreign currencies or currency units in a Federal or State court in the United States ordinarily would be enforced in the United States only in United States dollars and that the date used to determine the rate of conversion of the foreign currency or currency unit in which a particular Security is denominated into United States dollars will depend upon various factors, including which court renders the judgment.

(d) You shall have received an opinion of Kathleen E. Shannon, Vice President, Secretary and Senior Counsel of the Company, dated any applicable date referred to in Section 4(i) to the effect that:

(i) The Company has been duly qualified as a foreign corporation for the transaction of business and is in good standing under the laws of each jurisdiction in which its ownership or leasing of properties or the conduct of its business requires such qualification, and where failure to so qualify would have a material adverse effect on the financial position of the Company; and each of the Material Subsidiaries of the Company is a corporation duly organized and validly existing under the laws of the jurisdiction where it was incorporated and is duly licensed or admitted to transact business and is in good standing in each of the jurisdictions in which it is doing business and required to be licensed or admitted and where the failure to be so qualified or in good standing would have a material adverse effect upon its operations or financial condition; and, except as otherwise stated in such opinion, the capital stock of each Material Subsidiary is owned by the Company to the extent stated in the schedule set forth in the Prospectus as amended or supplemented, free and clear of any liens, encumbrances or other claims or restrictions (such counsel being entitled to rely with respect to the opinion required by this clause (i) upon opinions of local counsel as to matters governed by the laws of jurisdictions other than the State of New York);

(ii) The Company has an authorized capitalization as set forth in the Prospectus as amended or supplemented;

(iii) To the best knowledge and information of such counsel, there are no contracts or other documents required to be summarized or disclosed or filed as exhibits to the Registration Statement other than those filed as exhibits thereto, and there are no legal or governmental proceedings pending or threatened of a character required to be disclosed in the Registration Statement and the Prospectus as amended or supplemented which are not disclosed and properly described therein;

(iv) The issue and sale of the Securities (provided that the terms of such securities shall have been established by all necessary corporate action in conformity with the Indenture), and the compliance by the Company with all of the provisions of the Securities, the Indenture, this Agreement and any Terms Agreement, will not conflict with or result in a breach of any of the terms or provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge or encumbrance upon any of the property or assets of the Company pursuant to the terms of any indenture, mortgage, deed of trust, loan agreement, or other agreement or instrument in effect on the date of such opinion and known to such counsel, to which the Company is a party or by which the Company may be bound or to which any of the property or assets of the Company is subject, nor will such action result in any violation of the provisions of the Restated Certificate of Incorporation, as amended, or the By-Laws of the Company in effect on the date of such opinion, or any judgment, order or decree of any court or governmental body applicable to the Company; and no consent, approval, authorization, order, registration or qualification of or with any court or any regulatory authority or other governmental body of or in the United States is required for the issue and sale of the Securities or the consummation by the Company of the other transactions contemplated by this Agreement (and any applicable Terms Agreement) or the Indenture, except such as have been obtained under the Act and the Trust Indenture Act and such consents, approvals, authorizations, registrations or qualifications as may be required under state securities or Blue Sky laws (including insurance laws of any state relating to offers and sales of Securities in such state) in connection with solicitation by the Agent or by other agents of the Company of offers to purchase Securities and with purchases of Securities by you and any other firms as principals, as the case may be, both as contemplated by this Agreement (and any applicable Terms Agreement);

(v) No facts have come to such counsel's attention which might lead such counsel to believe that the Company

and each Material Subsidiary does not hold all necessary licenses, permits and authorizations from regulatory authorities in each jurisdiction where the character of its operations requires any such license, permit or authorization, other than licenses, permits and authorizations in jurisdictions which in the aggregate did not account for a material portion of the gross premiums written by the Company and such subsidiaries in the calendar year most recently ended for which such figure is known to the Company or licenses, permits or authorizations, the failure to so hold will not, in the opinion of such counsel, individually or in the aggregate have a material adverse effect on the Company and its subsidiaries taken as a whole;

(vi) To the best knowledge and information of such counsel after reasonable investigation, there are no actions, suits or proceedings pending or threatened against any Material Subsidiaries of the Company by or before any regulatory authority of the United States or any political subdivision thereof, which may lead to the revocation of any license, permit or authorization in any jurisdiction where the character of the operations of such subsidiary requires such license, permit or authorization, other than licenses, permits and authorizations in jurisdictions which in the aggregate did not account for a material portion of the gross premiums written by the Company and such subsidiaries in the calendar year most recently ended for which such figure is known to the Company or licenses, permits or authorizations, the absence of which would not in the opinion of such counsel individually or in the aggregate have a material adverse effect on the Company and its subsidiaries taken as a whole; and

(vii) Nothing which came to the attention of such counsel has caused him to believe that the Registration Statement or the Prospectus, as of the date the Registration Statement became effective, contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading, or that the Prospectus as amended or supplemented, as of the date of such opinion, contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, or that any document incorporated by reference in the Prospectus, as amended or supplemented on the date of such document's filing with the Commission, contained any untrue statement of a material fact or omitted to state

a material fact required to be stated therein or necessary in order to make the statements therein (except for statements in any incorporated document which do not constitute a part of the Registration Statement or Prospectus pursuant to Rule 412 of Regulation C of the Commission) not misleading; and the documents incorporated by reference in the Prospectus as amended or supplemented (except that no opinion need be expressed as to financial statements and financial and statistical data), as of the date they became effective or were filed with the Commission, as the case may be, complied as to form in all material respects with the Act and the Exchange Act and the rules and regulations thereunder;

(e) At 11:00 A.M., New York City time, on any applicable date referred to in Section 4(j), the independent accountants who have certified the financial statements of the Company and its subsidiaries included or incorporated by reference in the Registration Statement shall have furnished to you a letter, dated such applicable date, in form and substance satisfactory to you, to the effect set forth in Annex III hereto;

(f) (i) Neither the Company nor any of its subsidiaries shall have sustained after the date of the latest audited financial statements included or incorporated by reference in the Prospectus and (A) prior to the date of this Agreement, any loss or interference with its business from any court or governmental action, order or decree, otherwise than as set forth or contemplated in the Prospectus and (B) prior to each Time of Delivery, any such loss or interference, otherwise than as set forth or contemplated in the Prospectus as amended or supplemented through the date of the corresponding Terms Agreement, as the case may be, and (ii) since the respective dates as of which information is given in the Prospectus as amended or supplemented and (A) prior to the date of this Agreement, there shall not have been any material change in the capital stock (other than as occasioned by Common Stock having been issued pursuant to the Company's employee stock purchase plans, employee stock option plans and upon conversion of convertible securities outstanding on the date hereof) or any change in long-term debt of the Company or any of its Material Subsidiaries, in each case in excess of \$200,000,000, or any material adverse change, or any development involving a prospective material adverse change, in or affecting the general affairs, management, financial position, stockholders' equity or results of operations of the Company and any of its Material Subsidiaries, otherwise than as set forth or contemplated in the Prospectus and (B) prior to each Time of Delivery, there shall not have been any such change or development, otherwise than as set forth or contemplated in the Prospectus as amended

and supplemented through the date of the corresponding Terms Agreement, as the case may be, the effect of which, in any such case described in clause (i) or (ii), is in your judgment so material and adverse as to make it impracticable or inadvisable to proceed with your solicitation of offers to purchase Securities from the Company or your purchase of Securities from the Company as principal, as the case may be;

(g) The Company shall have furnished or caused to be furnished to you a certificate of the President or any Executive or Senior Vice President and a principal financial or accounting officer of the Company, dated any applicable date referred to in Section 4(h) in which such officers, to the best of their knowledge after reasonable investigation, shall state that the representations and warranties of the Company in this Agreement are true and correct as of such applicable date, that the Company has complied with all agreements and satisfied all conditions on its part to be performed or satisfied at or prior to such applicable date, that no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose have been instituted or are contemplated by the Commission, and that, since the respective dates as of which information is given in the Prospectus, there has not been any change, or any development involving a prospective change, in or materially affecting the general affairs, management, financial position, shareholders' equity or results of operations of the Company and its subsidiaries taken as a whole, otherwise than as set forth or contemplated in the Prospectus as amended or supplemented; and

(h) During the period in which you are soliciting offers to purchase Securities, including the period between the date of any Terms Agreement and the related Time of Delivery, there shall not have occurred any of the following: (i) a suspension or material limitation in trading in securities generally on the New York Stock Exchange; (ii) a general moratorium on commercial banking activities in New York declared by either Federal or New York State authorities; (iii) the outbreak or escalation of hostilities involving the United States or the declaration by the United States of a national emergency or war if the effect of any such event in your reasonable judgment is to make it impracticable or inadvisable to proceed with your solicitation of offers to purchase Securities or your purchase of Securities from the Company as principal; (iv) the suspension in trading in the common stock of the Company on the New York Stock Exchange if the effect of such event in your reasonable judgment is to make it impracticable or inadvisable to proceed with your solicitation of offers to purchase Securities or your purchase of Securities from the Company as principal; or (v) any



downgrading in the rating accorded the Company's debt securities by any "nationally recognized statistical rating organization", as that term is defined by the Commission for purposes of Rule 436(g)(2) under the Act.

7. (a) The Company will indemnify and hold you harmless against any losses, claims, damages or liabilities, joint or several, to which you may become subject, under the Act, the Exchange Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in any Preliminary Prospectus, the Registration Statement, the Prospectus as amended or supplemented, and any other prospectus relating to the Securities or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse you for any legal or other expenses reasonably incurred by you in connection with investigating or defending any such action or claim as incurred; provided, however, that the Company shall not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in any Preliminary Prospectus, the Registration Statement, the Prospectus as amended or supplemented and any other prospectus relating to the Securities or any such amendment or supplement in reliance upon and in conformity with written information furnished to the Company by you expressly for use in the Prospectus as amended or supplemented; and provided, further, that with respect to any untrue statement or omission or alleged untrue statement or omission made in any Preliminary Prospectus, the indemnity agreement contained in this Section 7(a) shall not apply to any such losses, claims, damages or liabilities asserted against you by any purchaser of Securities to the extent that such losses, claims, damages or liabilities result from the fact that a copy of the Prospectus furnished by the Company (excluding any documents incorporated by reference therein) was not sent or given to such purchaser at or prior to the written confirmation of the sale of such Securities to such purchaser.

(b) You will indemnify and hold harmless the Company against any losses, claims, damages or liabilities to which the Company may become subject, under the Act, the Exchange Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in any Preliminary Prospectus, the Registration Statement, the Prospectus as

amended or supplemented and any other prospectus relating to the Securities, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in any Preliminary Prospectus, the Registration Statement, the Prospectus as amended or supplemented and any other prospectus relating to the Securities, or any such amendment or supplement in reliance upon and in conformity with written information furnished to the Company by you expressly for use therein; and will reimburse the Company for any legal or other expenses reasonably incurred by the Company in connection with investigating or defending any such action or claim as incurred.

(c) Promptly after receipt by an indemnified party under subsection (a) or (b) above of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify the indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party shall not relieve it from any liability which it may have to any indemnified party otherwise than under such subsection. In case any such action shall be brought against any indemnified party and it shall notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it shall wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and, after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party under such subsection for any legal expenses of other counsel or any other expenses, in each case subsequently incurred by such indemnified party, in connection with the defense thereof other than reasonable costs of investigation.

(d) If the indemnification provided for in this Section 7 is unavailable to or insufficient to hold harmless an indemnified party under subsection (a) or (b) above in respect of any losses, claims, damages or liabilities (or actions in respect thereof) referred to therein, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect the relative

benefits received by the Company on the one hand and you on the other from the offering of the Securities to which such loss, claim, damage or liability (or action in respect thereof) relates. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law or if the indemnified party failed to give the notice required under subsection (c) above, then each indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Company on the one hand and you on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and you on the other shall be deemed to be in the same proportion as the total net proceeds from the sale of Securities (before deducting expenses) received by the Company bear to the total commissions or discounts received by you in respect thereof. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact required to be stated therein or necessary in order to make the statements therein not misleading relates to information supplied by the Company on the one hand or by you on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company and you agree that it would not be just and equitable if contribution pursuant to this subsection (d) were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to above in this subsection (d). The amount paid or payable by an indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to above in this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this subsection (d), you shall not be required to contribute any amount in excess of the amount by which the total price at which the Securities purchased by or through you were sold exceeds the amount of any damages which you have otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

(e) The obligations of the Company under this Section 7 shall be in addition to any liability which the

Company may otherwise have and shall extend, upon the same terms and conditions, to each person, if any, who controls you within the meaning of the Act; and your obligations under this Section 7 shall be in addition to any liability which you may otherwise have and shall extend, upon the same terms and conditions, to each officer and director of the Company and to each person, if any, who controls the Company within the meaning of the Act.

8. In soliciting offers by others to purchase Securities from the Company, you are acting solely as agent for the Company, and not as principal (other than in respect of any purchase by you pursuant to a Terms Agreement). You will make reasonable efforts to assist the Company in obtaining performance by each purchaser whose offer to purchase Securities from the Company has been accepted by the Company, but you shall not have any liability to the Company in the event such purchase for any reason is not consummated. If the Company shall default on its obligation to deliver Securities to a purchaser whose offer it has accepted, the Company shall hold you harmless against any loss, claim or damage arising from or as a result of such default by the Company.

9. The respective indemnities, agreements, representations, warranties and other statements by you and the Company or its officers set forth in or pursuant to this Agreement, shall remain in full force and effect regardless of any investigation (or any statement as to the results thereof) made by or on behalf of you or the Company or any of its officers or directors or any controlling person, and shall survive each delivery of and payment for any of the Securities.

10. The provisions of this Agreement relating to the solicitation of offers to purchase the Securities may be suspended or terminated at any time by the Company or by you upon the giving of written notice of such suspension or termination to the other party hereto. In the event of any such suspension or termination, no party shall have any liability to the other party hereto, except as provided in the third paragraph of Section 2(a), Section 5, Section 7, Section 8 and Section 9 and except that, if at the time of such suspension or termination, an offer for the purchase of Securities shall have been accepted by the Company but the delivery of the Securities relating thereto to the purchaser or his agent shall not yet have occurred, the Company shall have the obligations provided in subsections (g), (h), (i) and (j) of Section 4.

11. If at any time the Company and the Agent shall determine to issue and sell Securities denominated in a

currency other than U.S. dollars, which other currency may include a currency unit, or with respect to which an index is used to determine the amounts of payments of principal of and any premium and interest, the Company and the Agent shall execute and deliver an Amendment in the form attached hereto as Annex IV (the "Amendment"). The Amendment shall establish, as appropriate, additions to and modifications of the terms of this Agreement (including the Procedures), which additions and modifications shall apply to the sales, whether offered on an agency or principal basis, of such Securities covered thereby. The Agent is authorized to solicit offers to purchase Securities with respect to which an index is used to determine the amounts of payments of principal of and any premium and interest, and the Company shall agree to any sales of such Securities (whether offered on an agency or principal basis), only in a minimum aggregate amount of \$2,500,000.

12. Except as otherwise specifically provided herein or in the Procedure, all statements, requests, notices and advices hereunder shall be in writing, or by telephone if promptly confirmed in writing, and if to \_\_\_\_\_ shall be sufficient in all respects when delivered or sent by facsimile transmission or registered mail to \_\_\_\_\_, ATTENTION: \_\_\_\_\_, and if to the Company shall be sufficient in all respects when delivered or sent by facsimile transmission or registered mail to 70 Pine Street, New York, New York 10270, Attention: Secretary.

13. This Agreement and any Terms Agreement shall be binding upon, and inure solely to the benefit of you and the Company, and to the extent provided in Section 7, Section 8 and Section 9 hereof, the officers and directors of the Company and any person who controls you or the Company, and your respective personal representatives, successors and assigns, and no other person shall acquire or have any right under or by virtue of this Agreement or any Terms Agreement. No purchaser of any of the Securities through or from you shall be deemed a successor or assign by reason of such purchase.

14. This Agreement and any Terms Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

15. Time shall be of the essence in this Agreement and any Terms Agreement.

16. This Agreement and any Terms Agreement may be executed by any one or more of the parties hereto and thereto in any number of counterparts, each of which shall be an

original, but all of such respective counterparts shall together constitute one and the same instrument.

If the foregoing is in accordance with your understanding, please sign and return to us three counterparts hereof, whereupon this letter and the acceptance by you thereof shall constitute a binding agreement between the Company and you in accordance with its terms.

Very truly yours,

AMERICAN INTERNATIONAL GROUP, INC.

By \_\_\_\_\_

Accepted in New York, New York,  
as of the date hereof:

AGENT'S NAME

\_\_\_\_\_

By: \_\_\_\_\_

Title:

June 30, 1995

American International Group,  
70 Pine Street,  
New York, New York 10270.

Dear Sirs:

In connection with the registration under the Securities Act of 1933 (the "Act") of \$500,000,000 aggregate amount of debt securities (the "Securities") of American International Group, a Delaware corporation (the "Company"), we, as your counsel, have examined such corporate records, certificates and other documents, and such questions of law, as we have considered necessary or appropriate for the purposes of this opinion.

Upon the basis of such examination, we advise you that, in our opinion, when the Registration Statement has become effective under the Act, the terms of the Securities and of their issuance and sale have been duly established in conformity with the Indenture relating to the Securities so as not to violate any applicable law or result in a default under or breach of any agreement or instrument binding upon the Company and so as to comply with any requirement or restriction imposed by any court or governmental body having jurisdiction over the Company, and the Securities have been

duly executed and authenticated in accordance with the Indenture and issued and sold as contemplated in the Registration Statement, the Securities will constitute valid and legally binding obligations of the Company, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles.

We note that, as of the date of this opinion, a judgment for money in an action based on a Security denominated in a foreign currency or currency unit in a Federal or state court in the United States ordinarily would be enforced in the United States only in United States dollars. The date used to determine the rate of conversion of the foreign currency or currency unit in which a particular Security is denominated into United States dollars will depend upon various factors, including which court renders the judgment. In the case of a Security denominated in a foreign currency, a state court in the State of New York rendering a judgment on such Security would be required under Section 27 of the New York Judiciary Law to render such judgment in the foreign currency in which the Security is denominated, and such judgment would be



converted into United States dollars at the exchange rate prevailing on the date of entry of the judgment.

The foregoing opinion is limited to the Federal laws of the United States, the laws of the State of New York and the General Corporation Law of the State of Delaware, and we are expressing no opinion as to the effect of the laws of any other jurisdiction.

We have relied as to certain matters on information obtained from public officials, officers of the Company and other sources believed by us to be responsible, and we have assumed that the Indenture has been duly authorized, executed and delivered by the Trustee thereunder, an assumption which we have not independently verified.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the references to us under the heading "Legal Opinions" in the Prospectus. In giving such consent, we do not thereby admit that we are in the category of persons whose consent is required under Section 7 of the Act.

Very truly yours,

/s/ SULLIVAN & CROMWELL

## CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in this registration statement of American International Group, Inc. on Form S-3 of our report, which includes an explanatory paragraph relating to accounting changes for investments in certain fixed maturity securities in 1993, and in 1992 for income taxes and postretirement benefits other than pensions, dated February 23, 1995, on our audits of the consolidated financial statements and financial statement schedules of American International Group, Inc. and subsidiaries as of December 31, 1994 and 1993 and for each of the three years in the period ended December 31, 1994, which report is included in the Annual Report on Form 10-K for the year ended December 31, 1994. We also consent to the reference to our firm under the caption "Experts".

/s/ COOPERS & LYBRAND L.L.P.

New York, New York  
June 28, 1995

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FORM T-1

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

STATEMENT OF ELIGIBILITY  
UNDER THE TRUST INDENTURE ACT OF 1939 OF A  
CORPORATION DESIGNATED TO ACT AS TRUSTEE

CHECK IF AN APPLICATION TO DETERMINE  
ELIGIBILITY OF A TRUSTEE PURSUANT TO  
SECTION 305(b)(2)

THE BANK OF NEW YORK  
(Exact name of trustee as specified in its charter)

New York (State of incorporation if not a U.S. national bank)	13-5160382 (I.R.S. employer identification no.)
48 Wall Street, New York, N.Y. (Address of principal executive offices)	10286 (Zip code)

American International Group, Inc.  
(Exact name of obligor as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	13-2592361 (I.R.S. employer identification no.)
70 Pine Street New York, New York (Address of principal executive offices)	10270 (Zip code)

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Debt Securities  
(Title of the indenture securities)

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## 1. General information. Furnish the following information as to the Trustee:

- (a) Name and address of each examining or supervising authority to which it is subject.

Name	Address
Superintendent of Banks of the State of New York	2 Rector Street, New York, N.Y. 10006, and Albany, N.Y. 12203
Federal Reserve Bank of New York	33 Liberty Plaza, New York, N.Y. 10045
Federal Deposit Insurance Corporation	Washington, D.C. 20429
New York Clearing House Association	New York, New York

- (b) Whether it is authorized to exercise corporate trust powers.

Yes.

## 2. Affiliations with Obligor.

If the obligor is an affiliate of the trustee, describe each such affiliation.

None. (See Note on page 3.)

## 16. List of Exhibits.

Exhibits identified in parentheses below, on file with the Commission, are incorporated herein by reference as an exhibit hereto, pursuant to Rule 7a-29 under the Trust Indenture Act of 1939 (the "Act") and Rule 24 of the Commission's Rules of Practice.

1. A copy of the Organization Certificate of The Bank of New York (formerly Irving Trust Company) as now in effect, which contains the authority to commence business and a grant of powers to exercise corporate trust powers. (Exhibit 1 to Amendment No. 1 to Form T-1 filed with Registration Statement No. 33-6215, Exhibits 1a and 1b to Form T-1 filed with Registration Statement No. 33-21672 and Exhibit 1 to Form T-1 filed with Registration Statement No. 33-29637.)
4. A copy of the existing By-laws of the Trustee. (Exhibit 4 to Form T-1 filed with Registration Statement No. 33-31019.)

6. The consent of the Trustee required by Section 321(b) of the Act. (Exhibit 6 to Form T-1 filed with Registration Statement No. 33-44051.)
7. A copy of the latest report of condition of the Trustee published pursuant to law or to the requirements of its supervising or examining authority.

NOTE

Inasmuch as this Form T-1 is filed prior to the ascertainment by the Trustee of all facts on which to base a responsive answer to Item 2, the answer to said Item is based on incomplete information.

Item 2 may, however, be considered as correct unless amended by an amendment to this Form T-1.

## SIGNATURE

Pursuant to the requirements of the Act, the Trustee, The Bank of New York, a corporation organized and existing under the laws of the State of New York, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in The City of New York, and State of New York, on the 29th day of June, 1995.

THE BANK OF NEW YORK

By: /S/ MARY LAGUMINA

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Name: MARY LAGUMINA

Title: ASSISTANT VICE PRESIDENT

## Consolidated Report of Condition of

## THE BANK OF NEW YORK

of 48 Wall Street, New York, N.Y. 10286  
And Foreign and Domestic Subsidiaries,

a member of the Federal Reserve System, at the close of business March 31, 1995,  
published in accordance with a call made by the Federal Reserve Bank of this  
District pursuant to the provisions of the Federal Reserve Act.

ASSETS	Dollar Amounts in Thousands
Cash and balances due from depos- itory institutions:	
Noninterest-bearing balances and currency and coin .....	\$ 3,575,856
Interest-bearing balances .....	747,540
Securities:	
Held-to-maturity securities .....	1,283,680
Available-for-sale securities .....	1,615,292
Federal funds sold in domestic offices of the bank .....	5,577,896
Loans and lease financing receivables:	
Loans and leases, net of unearned income .....	24,763,265
LESS: Allowance for loan and lease losses .....	532,411
LESS: Allocated transfer risk reserve .....	28,558
Loans and leases, net of unearned income, allowance, and reserve	24,202,296
Assets held in trading accounts .....	1,502,750
Premises and fixed assets (including capitalized leases) .....	618,958
Other real estate owned .....	47,755
Investments in unconsolidated subsidiaries and associated companies .....	184,149
Customers' liability to this bank on acceptances outstanding .....	1,018,696
Intangible assets .....	101,149
Other assets .....	1,227,291
Total assets .....	\$41,703,316
 LIABILITIES	
Deposits:	
In domestic offices .....	\$18,543,633
Noninterest-bearing .....	6,949,896
Interest-bearing .....	11,593,737
In foreign offices, Edge and Agreement subsidiaries, and IBFs ...	11,303,075
Noninterest-bearing .....	65,927
Interest-bearing .....	11,237,148

Federal funds purchased and securities sold under agreements to repurchase in domestic offices of the bank and of its Edge and Agreement subsidiaries, and in IBFs:	
Federal funds purchased .....	1,327,537
Securities sold under agreements to repurchase .....	37,400
Demand notes issued to the U.S. Treasury .....	97,827
Trading liabilities .....	1,349,293
Other borrowed money:	
With original maturity of one year or less .....	2,027,148
With original maturity of more than one year .....	313,877
Bank's liability on acceptances executed and outstanding .....	1,018,848
Subordinated notes and debentures ....	1,056,320
Other liabilities .....	1,435,093
Total liabilities .....	38,510,051
 EQUITY CAPITAL	
Common stock .....	942,284
Surplus .....	525,666
Undivided profits and capital reserves .....	1,753,592
Net unrealized holding gains (losses) on available-for-sale securities .....	(22,501)
Cumulative foreign currency translation adjustments .....	(5,776)
Total equity capital .....	3,193,265
Total liabilities and equity capital .....	\$41,703,316

I, Robert E. Keilman, Senior Vice President and Comptroller of the above-named bank do hereby declare that this Report of Condition has been prepared in conformance with the instructions issued by the Board of Governors of the Federal Reserve System and is true to the best of my knowledge and belief.

Robert E. Keilman

We, the undersigned directors, attest to the correctness of this Report of Condition and declare that it has been examined by us and to the best of our knowledge and belief has been prepared in conformance with the instructions issued by the Board of Governors of the Federal Reserve System and is true and correct.

Thomas A. Renyi  
J. Carter Bacot                      Directors  
Alan R. Griffith