

As filed with the Securities and Exchange Commission on February 29, 2000

Registration Statement No. 333-

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

Form S-8
REGISTRATION STATEMENT
UNDER THE
SECURITIES ACT OF 1933

AMERICAN INTERNATIONAL GROUP, INC.
(Exact name of registrant as specified in its charter)

Delaware	13-2592361
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

70 Pine Street, New York, New York 10270
(Address, including zip code, of principal executive offices)

SunAmerica Five Year Deferred Cash Plan
SunAmerica Executive Savings Plan
(Full title of the plans)

Kathleen E. Shannon, Esq.
Vice President and Secretary
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)

CALCULATION OF REGISTRATION FEE

Title of securities to be registered (1)	Amount to be registered	Proposed maximum offering price per share (2)	Proposed maximum aggregate offering price	Amount of registration fee
Deferred Compensation Obligations	\$300,000,000	100%	\$300,000,000	\$79,200

- The Deferred Compensation Obligations are unsecured obligations of American International Group, Inc. to pay deferred compensation in the future in accordance with the terms of the SunAmerica Five Year Deferred Cash Plan and the SunAmerica Executive Savings Plan.
- Estimated solely for the purpose of determining the registration fee.

PART I

INFORMATION REQUIRED IN THE SECTION 10(a) PROSPECTUS

All information required by Part I to be contained in the prospectus is omitted from this Registration Statement in accordance with Rule 428 under the Securities Act of 1933, as amended (the "Securities Act").

PART II

INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

ITEM 3. INCORPORATION OF DOCUMENTS BY REFERENCE

The following documents have been filed by American International Group, Inc. ("AIG") with the Securities and Exchange Commission (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, 1998;

(2) AIG's Quarterly Reports on Form 10-Q for the quarters ended March 31, 1999, June 30, 1999 and September 30, 1999; and

(3) AIG's Current Report on Form 8-K, dated June 3, 1999, as amended.

All documents filed by AIG pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Securities Exchange Act of 1934 (the "Exchange Act"), prior to the filing of a post-effective amendment which indicate that all securities offered have been sold, or which deregister all such securities then remaining unsold, shall be deemed to be incorporated by reference in this Registration Statement and to be a part hereof from the date of filing of such documents.

Any statement contained in a document incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Registration Statement 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 Registration Statement.

ITEM 4. DESCRIPTION OF SECURITIES

SUNAMERICA EXECUTIVE SAVINGS PLAN

GENERAL

In connection with the acquisition of SunAmerica Inc. by AIG, AIG has assumed SunAmerica obligations under the SunAmerica Executive Savings Plan, as amended (the "Plan").

The purpose of the Plan is to provide highly compensated employees with the opportunity to defer compensation in excess of the level of contribution permitted by the Internal Revenue Code of 1986 (the "Code") to be made to SunAmerica's Profit Sharing and Retirement Plan (the "401(k) Plan").

PARTICIPATION

The Plan Administrator (as defined under "Administration") designates the management and highly compensated employees of SunAmerica and its affiliates and subsidiaries who are eligible to participate in the Plan. Participation in the Plan does not create any right to continued employment with SunAmerica or its subsidiaries or affiliates.

An eligible employee may elect to defer compensation under the Plan at any time within 30 days after the date on which he or she first became eligible to participate. However, such election must be made prior to the period of service for which the compensation subject to the deferral election would otherwise be payable. Any subsequent deferral elections must be made by December 31 of the calendar year prior to the calendar year for which the deferred compensation would otherwise be payable. A participant may, upon not less than 10 days written notice prior to the end of the calendar year, change his or her election so as to increase, decrease or discontinue the amount deferred. In addition, a participant may at any time terminate an election and discontinue further deferrals by providing written notice to the Plan Administrator not less than 10 days prior to the start of the next payroll period for which compensation will be payable. In such event, new deferrals may not commence until the following calendar year.

DEFERRED COMPENSATION

Each eligible employee may elect to defer up to 90% of his or her compensation (in whole percentages), including salary, overtime, commission and bonus payments, less any withholding tax or payments required under SunAmerica's welfare plans. This deferral will initially be credited to the participant's deferral subaccount. Following the end of the calendar year, the Plan Administrator and the administrator of the 401(k) Plan shall determine what proportion of the participant's deferral should be set aside under the 401(k) Plan, taking into account the limits specified for 401(k) deferrals under the Code and the qualification requirements for the 401(k) Plan. This sum shall either be credited to the participant's 401(k) account, or may be refunded to the participant at his or her election. The remaining deferred compensation will remain in the participant's deferral subaccount.

Each month, SunAmerica will contribute to a company matching subaccount the amount it would have contributed had the deferral occurred under the 401(k) Plan, subject to the 401(k) Plan limitation that matching contributions shall only be made with respect to the first 4% of an eligible employee's base compensation (all compensation except incentive compensation). The Plan Administrator may establish a different formula for matching contributions, but is obliged to announce to eligible employees in advance any formula which would result in a matching contribution less than 4% of an employee's base compensation. The subaccount into which the company contribution is initially credited will be debited by the amount contributed to the participant's "forfeitable matching contribution account" under the 401(k) Plan, or the same amount may be refunded to the participant, at the participant's election.

A participant's interest in his or her deferral subaccount is at all times 100% vested and nonforfeitable. A participant's interest in his or her company matching subaccount is vested in the same percentage in which he or she is vested in his or her forfeitable matching contribution account under the 401(k) Plan. Unvested amounts are forfeited upon termination of employment.

Amounts in the participant's accounts under the Plan shall be credited or debited with investment gains (or losses) corresponding to investment funds established by the Plan Administrator and selected by the participant.

PAYMENT OF ACCOUNTS

Participants may elect the form in which they receive their account upon termination of employment. The alternatives are a lump sum payment within 5 years of termination of employment, or annual instalments over 5, 10 or 15 years, commencing within 5 years of termination of employment. However, if a participant's employment terminates before he or she is 55, the Plan Administrator has the discretion to pay the participant his or her account in a lump sum immediately following termination. The vested and unpaid portion of a participant's account will continue to be credited or debited with

investment gains or losses. Upon death, the entire remaining unpaid amount in the deferral subaccount is paid out in a lump sum as soon as feasible.

A participant may receive a distribution of his or her account prior to termination of employment. He or she may withdraw 100% of his or her vested account balance, subject to a penalty equal to 10% of the amount withdrawn. Alternatively, a hardship distribution is available, subject to the approval of the Plan Administrator, upon demonstration by the participant of unforeseen severe financial hardship and an inability to satisfy the financial need through other assets. Finally, a participant may request a distribution, without penalty, upon giving 3 years notice.

The benefits provided by the Plan are unfunded and are paid from the general assets of AIG. Participants have the status of general unsecured creditors with respect to the amounts of compensation they defer. While AIG may, at its option, transfer Plan assets into a trust to be held and invested and reinvested by a trustee pursuant to the terms of a trust agreement, these funds will remain subject to the claims of AIG's general creditors.

DEFERRED CASH PLAN APPENDIX

Participants in the Plan who are also participants in the SunAmerica Deferred Cash Plan may elect to defer up to 90% of the distributions that would otherwise be made to them under the Deferred Cash Plan, less any required tax withholding. Such an election must be made by the participant not later than December 31 which is at least 12 months prior to the date on which the payment under the Deferred Cash Plan would have been made in the absence of the election to defer.

Amounts deferred pursuant to a Deferred Cash Plan election shall be credited to the participant's deferral subaccount and will be credited with investment gains and losses as provided in the Plan. Any amounts deferred pursuant to the Deferred Cash Plan which remain undistributed upon a participant satisfying the age and service requirement for normal retirement under the AIG Retirement Plan shall be distributed as elected by the Participant pursuant to the Plan. Any other amounts deferred pursuant to a Deferred Cash Plan Election shall be distributed according to whichever of the following results in the earliest payment of the amounts deferred: (1) the distribution elected by the participant under the Plan, (2) a lump sum payment of all unpaid amounts from the Deferred Cash Plan as soon as feasible following termination of employment, or (3) a lump sum payment of all unpaid amounts from the Deferred Cash Plan following the 10th anniversary of the granting of the award.

CLAIMS PROCEDURE

If any participant in the Plan believes that he or she has not received the timely payment of amounts due under the Plan, the participant must make a claim to the Plan Administrator. Within 90 days, the Plan Administrator must notify the participant of its decision. In the case of a decision adverse to the participant, the participant may appeal the decision to the Plan Administrator within 60 days.

TAXES AND WITHHOLDING

If AIG becomes obligated to make a tax payment with respect to any participant's account, AIG may withhold and pay tax out of any monies or other property in the account.

AMENDMENT AND TERMINATION

AIG has the right to amend or terminate the Plan at any time for any reason by resolution of the Board of AIG or the Stock Option and Compensation Committee thereof. However, in no event may an amendment or termination cancel or adversely affect amounts credited at that time to any participant's

account. If the Plan is terminated, participants' accounts shall, at the discretion of the Board, either be paid out to them immediately, or distributed as the employee has elected to receive benefits upon termination of employment.

ADMINISTRATION

The Plan is administered by a committee or an individual appointed by the Board of Directors of AIG (the "Plan Administrator"). Members of the committee are not required to be employees of AIG. The Plan Administrator administers the Plan and has all powers to accomplish that purpose. The Plan Administrator has the exclusive right to construe and interpret the Plan, to decide all questions of eligibility for benefits and to determine the amount of such benefits, and its decisions on such matters are final and conclusive.

SUNAMERICA FIVE YEAR DEFERRED CASH PLAN

PURPOSE

The SunAmerica Five Year Deferred Cash Plan (the "DCP") has been established to provide an incentive for selected key employees of SunAmerica to continue to remain employed by SunAmerica.

PARTICIPATION

SunAmerica has the sole discretion to determine which key employees will participate in the DCP. Participation in the DCP does not create any right of continued employment with SunAmerica.

Each award will be determined in the sole discretion of SunAmerica and will be credited to a separate subaccount. Investment gains and losses shall be separately credited to each subaccount, and a participant's right to payment shall be determined separately for each subaccount.

INVESTMENT GAINS AND LOSSES

The Plan Administrator (as defined below under "Administration") establishes investment funds and the participant selects which fund or funds he or she wishes her account to be invested in. One of the investment alternatives under the plan will be stock units. For any transaction involving stock units, the Plan Administrator will credit the participant's account with a number of units calculated by dividing the amount of the participant's award by the fair market value of a share of AIG's common stock. A participant's stock unit account will be credited with dividend equivalents. If there is a stock dividend, stock split, recapitalization, merger, consolidation, combination or other reorganization, exchange of shares, sale of all or substantially all of the assets of AIG, split-up split-off, spin-off, extraordinary redemption, liquidation or other similar change in capitalization or any distribution to holders other than cash dividends or cash distributions, proportionate and equitable adjustments shall be made to stock units so as to preserve the benefits intended. The amounts in each of a participant's subaccounts shall be credited or debited with investment gains or losses corresponding to the investment fund the participant has selected.

The benefits provided by the DCP are unfunded and will be paid from the general assets of AIG. Participants have the status of general unsecured creditors. While AIG may transfer plan assets into a trust to be held and invested and reinvested by a trustee pursuant to the terms of a trust agreement, the funds will remain subject to the claims of AIG's general creditors.

DISTRIBUTIONS

On each of the first five anniversaries of the date upon which an award was granted, if the participant remains an employee of SunAmerica, the participant will be entitled to a payment as follows:

Award Anniversary Date -----	Payment as % of Subaccount -----
First	20%
Second	25%
Third	33 1/3%
Fourth	50%
Fifth	100%

Distributions will be made as soon as administratively feasible after the relevant award anniversary date.

Upon termination of employment for any reason other than death or disability, the portion of each participant's subaccounts which had not yet become payable shall be immediately and irrevocably forfeited. If a participant dies or ceases to be an employee because of total and permanent disability, then the payment which would otherwise have been made upon the award anniversary date which immediately follows such death or disability shall be made. The remaining portion of the subaccount shall be forfeited.

TAXES AND WITHHOLDING

If AIG becomes obligated to make a tax payment with respect to any participant's account, AIG may withhold and pay tax out of any monies or other property in the account.

AMENDMENT AND TERMINATION

AIG has the right to amend or terminate the DCP at any time for any reason. However, in no event may an amendment or termination cancel or adversely affect amounts credited at that time to any participant's account.

ADMINISTRATION

The DCP is administered by a committee or an individual appointed by the Board of Directors of AIG, or the Stock Option and Compensation committee thereof (the "Plan Administrator"). Members of the committee are not required to be employees of AIG or participants. The Plan Administrator administers the DCP and has all powers to accomplish that purpose. The Plan Administrator has the exclusive right to construe and interpret the DCP, to decide all questions of eligibility for benefits and to determine the amount of such benefits, and its decisions on such matters are final and conclusive.

ITEM 5. INTEREST OF NAMED EXPERTS AND COUNSEL

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 and AIG's Current Report on Form 8-K, dated June 3, 1999, as amended, both incorporated

herein by reference, are so incorporated in reliance upon the reports of PricewaterhouseCoopers LLP, independent accountants, given on the authority of that firm as experts in accounting and auditing.

The validity of the Deferred Compensation Obligations will be passed upon for AIG by Sullivan & Cromwell, New York, New York. M. Bernard Aidinoff, a member of the Board of Directors of AIG, is Senior Counsel to Sullivan & Cromwell and beneficially owns 26,789 shares of AIG common stock and options to purchase 36,156 shares of AIG common stock. Partners of Sullivan & Cromwell involved in the representation of AIG beneficially own approximately 4,547 shares of AIG common stock.

ITEM 6. INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Restated Certificate of Incorporation, as amended, of AIG (the "Certificate") provides that AIG 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 AIG or serves or served any other enterprise at the request of AIG. Section 6.4 of AIG's By-laws contains a similar provision.

The Certificate also provides that a director will not be personally liable to AIG 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 the 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.

In addition, Section 5.4 of the DCP and Section 4.4 of the Plan, as amended, provide that AIG shall indemnify the Plan Administrator and each member of the committee, if any, against any and all expenses and liabilities, including reasonable legal fees and expenses, arising out of his or her membership on the committee, excepting only expenses and liabilities arising out of his or her own willful misconduct or gross negligence.

ITEM 7. EXEMPTION FROM REGISTRATION CLAIMED

Not applicable.

ITEM 8. EXHIBITS

The exhibits are listed in the exhibit index.

ITEM 9. UNDERTAKINGS

AIG 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;

(ii) To reflect in the prospectus any facts or events arising after the effective date of this 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 this Registration Statement;

(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 this Registration Statement;

provided, however, that paragraphs (1)(i) and (1)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Commission by AIG pursuant to Section 13 or Section 15(d) of the Exchange Act that are incorporated by reference in this Registration Statement.

(2) That, for the purpose of determining any liability under the Securities Act, 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.

AIG hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of AIG's annual report pursuant to Section 13(a) or Section 15(d) of the Exchange Act 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 may be permitted to directors, officers and controlling persons of AIG pursuant to the foregoing provisions, or otherwise, AIG has been advised that in the opinion of the Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by AIG of expenses incurred or paid by a director, officer or controlling person of AIG in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, AIG 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 Securities Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 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 29th day of February, 2000.

AMERICAN INTERNATIONAL GROUP, INC.

By: /s/ M. R. Greenberg

M. R. Greenberg
Chairman

KNOW ALL MEN BY THESE PRESENTS: that each person whose signature appears below constitutes and appoints M. R. Greenberg, Edward E. Matthews and Howard I. Smith, and each of them, as true and lawful attorneys-in-fact and agents with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities to sign any and all amendments (including post-effective amendments) to this Registration Statement on Form S-8, and to file the same, with all exhibits thereto, and other documents in connection herewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing required and necessary to be done in and about the foregoing as fully for all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement on Form S-8 has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ M. R. Greenberg ----- (M. R. Greenberg)	Chairman, Chief Executive Officer and Director (Principal Executive Officer)	February 29, 2000
/s/ Howard I. Smith ----- (Howard I. Smith)	Executive Vice President and Director (Principal Financial and Accounting Officer)	February 29, 2000
/s/ M. Bernard Aidinoff ----- (M. Bernard Aidinoff)	Director	February 29, 2000
/s/ Eli Broad ----- (Eli Broad)	Director	February 29, 2000
/s/ Pei-yuan Chia ----- (Pei-yuan Chia)	Director	February 29, 2000

Signature	Title	Date
----- (Marshall A. Cohen)	Director	
/s/ Barber B. Conable, Jr. ----- (Barber B. Conable, Jr.)	Director	February 29, 2000
/s/ Martin S. Feldstein ----- (Martin S. Feldstein)	Director	February 29, 2000
----- (Ellen V. Futter)	Director	
----- (Leslie L. Gonda)	Director	
/s/ Evan G. Greenberg ----- (Evan G. Greenberg)	Director	February 29, 2000
----- (Carla A. Hills)	Director	
----- (Frank J. Hoenemeyer)	Director	
/s/ Edward E. Matthews ----- (Edward E. Matthews)	Director	February 29, 2000
----- (Dean P. Phypers)	Director	
/s/ Thomas R. Tizzio ----- (Thomas R. Tizzio)	Director	February 29, 2000
----- (Edmund S. W. Tse)	Director	
----- (Jay S. Wintrob)	Director	

Signature

Title

Date

/s/ Frank G. Wisner

Director

February 29, 2000

(Frank G. Wisner)

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EXHIBIT INDEX

EXHIBIT NUMBER	DESCRIPTION	LOCATION
4	(a) SunAmerica Five Year Deferred Cash Plan.....	Filed as exhibit hereto.
	(b) SunAmerica Executive Savings Plan, as amended.....	Filed as exhibit hereto.
5	Opinion re validity.....	Filed as exhibit hereto.
23	Consents of experts and counsel	
	(a) Consent of Sullivan & Cromwell....	Included in Exhibit 5.
	(b) PricewaterhouseCoopers LLP.	Filed as exhibit hereto.
24	Powers of Attorney.....	Included in signature pages.

SUNAMERICA
FIVE YEAR DEFERRED CASH PLAN
EFFECTIVE JANUARY 1, 2000

SUNAMERICA

FIVE YEAR DEFERRED CASH PLAN

WHEREAS, American International Group, Inc., ("AIG" or the "Company") wishes to adopt a plan (the "Plan") for the purpose of providing an incentive for selected key employees of SunAmerica Inc. ("SunAmerica"), a subsidiary of AIG, to continue to remain employed by SunAmerica,

NOW, THEREFORE, the Company hereby establishes the SunAmerica Five Year Deferred Cash Plan as set forth below.

ARTICLE I
DEFINITIONS

When used in this Plan, the following terms shall have the meanings set forth below unless a different meaning is plainly required by the context:

1.1 "Account" means the records maintained by the Plan Administrator to determine each Participant's interest under this Plan. Such Account may be reflected as a book reserve entry in the Company's accounting records, or as a separate account under the Trust, or as a combination of both. Each Participant's Account shall consist of one or more subaccounts; a separate subaccount shall be established for each Award to a Participant under the Plan. The Plan Administrator may establish such additional subaccounts as it deems necessary for the proper administration of the Plan.

1.2 "Award" has the meaning set forth in Section 2.2.

1.3 "Award Anniversary Date" shall mean, for each Award, each of the first five anniversaries of the date the Award was credited to the Participant's Account.

1.4 "Beneficiary" means the person or persons last designated in writing by the Participant to receive the amounts provided by this Plan in the event of such Participant's death; or if no designation shall be in effect at the time of a Participant's death or if all designated Beneficiaries shall have predeceased the Participant, then the Beneficiary shall be the following (in the priority order listed):

i) The trustee then existing of any inter vivos (living) trust (including any amendment thereto up to the time of the Participant's death) established by the Participant for the

benefit of the Participant's surviving spouse and/or issue, provided the Participant's surviving spouse (if there be one) is either a signatory thereto, or acknowledges, in writing to the Plan Administrator, such surviving spouse's approval thereof;

ii) Such Participant's surviving spouse, if any;

iii) The Participant's lawful living issue (including adopted issue) who survive such Participant, with each such issue's beneficial interest to be determined by right of representation;

iv) Otherwise, the Participant's estate.

1.5 "Board" means the Board of Directors of the Company.

1.6 "Code" means the Internal Revenue Code of 1986, as amended.

1.7 "Company" means American International Group, Inc. (a Delaware corporation) or its successor or successors.

1.8 "Common Stock" means the common stock, par value \$2.50 per share, of the Company.

1.9 "Dividend Equivalent" means the amount of cash dividends or other cash distributions paid by AIG on that number of shares of Common Stock equivalent to the number of Stock Units then credited to a Participant's Stock Unit Account, which amount shall be allocated as additional Stock Units to such Participant's Stock Unit Account.

1.10 "Employer" means SunAmerica and any other affiliate or subsidiary of

the Company which adopts the Plan with the consent of the Company.

1.11 "Participant" means any employee of an Employer who receives an Award under this Plan.

1.12 "Plan" means the SunAmerica Five Year Deferred Cash Plan, as it may be amended from time to time.

1.13 "Plan Administrator" means the committee or individual appointed pursuant to the provisions of this Plan to administer this Plan.

1.14 "SunAmerica" means SunAmerica, Inc, a subsidiary of the Company.

1.15 "Stock Unit" or "Unit" means a non-voting unit of measurement which is deemed for bookkeeping purposes to be equivalent to one outstanding share of Common Stock solely for purposes of this Plan. The Units credited to a Participant's Stock Unit Account shall be used solely as a device for the determination of the value of the Participant's Stock Unit Account to be eventually distributed in cash to such Participant in accordance with this Plan. The Units shall not be treated as property or as a trust fund of any kind. No Participant shall be entitled to any voting or other stockholder rights with respect to Units granted or credited under this Plan.

1.16 "Stock Unit Account" means the bookkeeping account maintained by the Company on behalf of each Participant who elects to invest his or her Award in Stock Units.

1.17 "Trust" means the grantor trust maintained under the terms of the Trust Agreement.

1.18 "Trust Agreement" means that certain agreement, known as the Trust Agreement Between SunAmerica Inc. and Fidelity Management Trust Company -- SunAmerica Executive Savings Plan Trust, entered into by and between SunAmerica and the Trustee, as amended from time to time.

1.19 "Trustee" means the one or more persons (including an organization) who have entered into the Trust Agreement as Trustee of the Trust thereunder, and any duly appointed successor.

ARTICLE II

PARTICIPATION

2.1 Participation. Participation in this Plan shall be at the discretion of SunAmerica. An employee of an Employer shall become a Participant upon being granted an Award.

2.2 Awards.

(a) From time to time in its discretion, SunAmerica may make awards under this Plan (the "Awards"). Any employee of an Employer may be granted an Award; however, no employee has the right to be granted an Award. It is expected that Awards will be granted to employees who are determined by SunAmerica to be key employees for whom SunAmerica wishes to create an incentive for continued employment.

(b) Awards shall be amounts denominated in United States dollars. The amount of any Award is within the discretion of the Company, and the amount of the Awards may vary from Participant to Participant. Participants may be granted multiple Awards, but the granting of an Award to a Participant does not entitle the Participant to a grant of future Awards.

(c) Each Award shall be credited to a separate subaccount established for the Participant. If multiple Awards are made to a Participant, then multiple subaccounts shall be maintained for such Participant. Investment gains (and losses) shall be separately credited to each subaccount, and a Participant's right to payment shall be determined separately for each subaccount.

ARTICLE III

INVESTMENT GAINS AND LOSSES

3.1 Investment Gains or Losses.

(a) The amounts in each of a Participant's subaccounts under the Plan shall be credited (or debited) with investment gains (or losses) corresponding to investment funds established by the Plan Administrator and selected by the Participant. The Participant's election of the investment fund or funds upon which such crediting and debiting will be based, including the right to change such election, shall be handled in the manner prescribed by the Plan Administrator.

(b) One of the investment alternatives under the Plan shall be Stock Units. The Plan Administrator shall establish and maintain a Stock Unit Account for each Participant who elects such investment.

(1) For any transaction involving the Stock Unit Account of a Participant (such as implementation of an investment election or a distribution) the Plan Administrator shall credit (or debit) the Participant's Stock Unit Account with a number of Units determined by dividing the applicable portion of the Participant's Account by the fair market value (as determined by the Plan Administrator) of a share of Common Stock as of the date selected by the Plan Administrator.

(2) As of the dates selected by the Plan Administrator, a Participant's Stock Unit Account shall be credited with additional Units in an amount equal to the amount of the Dividend Equivalents representing cash dividends paid on that number of

shares equal to the aggregate Stock Units in the Participant's Stock Unit Account, divided by the fair market value (as determined by the Plan Administrator) of a share of Common Stock.

(3) If any stock dividend, stock split, recapitalization, merger, consolidation, combination or other reorganization, exchange of shares, sale of all or substantially all of the assets of the Company, split-up, split-off, spin-off, extraordinary redemption, liquidation or similar change in capitalization or any distribution to holders of the Common Stock (other than cash dividends and cash distributions) shall occur, the Plan Administrator may make such adjustments to the Awards as the Plan Administrator may deem necessary so as to preserve the benefits intended.

3.2 Benefits Unfunded. The benefits provided by this Plan shall be unfunded except to the extent otherwise provided herein. All amounts payable under this Plan to Participants shall be paid from the general assets of the Company, and nothing contained in this Plan or the Trust Agreement shall require the Company to set aside or hold in trust any amounts or assets for the purpose of paying benefits to Participants, or invest assets in any particular manner. This Plan shall create only a contractual obligation on the part of the Company, and Participants shall have the status of general unsecured creditors under the Plan with respect to any obligation of the Company to pay benefits pursuant hereto. Any funds of the Company available to pay benefits pursuant to the Plan (but not any amounts held in trust) shall be subject to the claims of general creditors of the Company, and may be used for any purpose by the Company.

3.3 Trust Arrangements.

Notwithstanding Section 3.2, the Company may at any time transfer assets representing all or any portion of a Participant's Account to the Trust to be held and invested and reinvested by the Trustee pursuant to the terms of the Trust Agreement and this Section 3.3. However, to the extent provided in the Trust Agreement only, such transferred amounts shall remain subject to the claims of general creditors of the Company. To the extent that assets representing a Participant's Account are held in the Trust when his benefits under the Plan become payable, the Plan Administrator may direct the Trustee to pay such benefits to the Participant from the assets of the Trust.

ARTICLE IV

DISTRIBUTIONS AND FORFEITURES

4.1 Distributions.

(a) On each of the first five Award Anniversary Dates with respect to an Award, if the Participant remains an employee of an Employer, the Participant shall be entitled to a payment as follows:

Award Anniversary Date -----	Payment as a Percentage of Subaccount -----
First	20 percent
Second	25 percent
Third	33 1/3 percent
Fourth	50 percent
Fifth	100 percent

Each payment shall be based upon the value of the subaccount established for the Award, as adjusted for previous distributions and as adjusted for investment gains and losses through a date determined by the Plan Administrator prior to such distribution; such date shall be established to allow the liquidation of assets held by the Trust or the Company, as applicable, to provide cash for such distribution. Distribution shall be made as soon as administratively feasible following the Award Anniversary Date. The value of each subaccount shall be reduced by the amount of the payment made to the Participant.

(b) Amounts which would otherwise be paid under this Plan may be subject to deferral elections under the Company's or SunAmerica's other plans, but only to the extent

provided in such other plans and subject to rules established under such other plans.

4.2 Forfeitures.

Upon the date a Participant ceases to be an employee of an Employer for any reason whatsoever, the portion of each of the Participant's subaccounts which had not yet become payable shall be immediately and irrevocably forfeited. Upon such a forfeiture, the amount of each such a Participant's subaccounts shall be reduced to zero, and no payment shall be made to the Participant on account of the Participant's subaccounts. Such subaccounts shall not be restored if the Participant is subsequently rehired by an Employer.

4.3 Death and Disability.

(a) Notwithstanding Section 4.2, if a Participant dies while an employee of an Employer, or ceases to be an employee of an Employer on account of the Participant's total and permanent disability, then the payment which would otherwise have been made upon the Award Anniversary Date which immediately follows such death or disability shall be made. Such payment shall be made to the Participant in the event of disability, or to the Participant's beneficiary in the event of death. After such payment the remaining portion of the Participant's subaccounts shall be forfeited as set forth in Section 4.2.

(b) If a Participant dies following an Award Anniversary Date, but before the payment under Section 4.1 has been made with respect to such Award Anniversary Date, then payment with respect to such Award Anniversary Date shall be made to the Participant's Beneficiary (in addition to any payment with respect to the immediate following Award Anniversary Date, as set forth in subsection (a), above).

ARTICLE V

PLAN ADMINISTRATOR

5.1 Members. The Plan Administrator shall consist of a committee or an individual appointed by the Board, or the Stock Option and Compensation Committee thereof, to serve at its pleasure. Members of the committee shall not be required to be employees of the Company or Participants. Any committee member may resign by giving notice, in writing, filed with the Board or the Stock Option and Compensation Committee thereof.

5.2 Action. Action of the Plan Administrator may be taken with or without a meeting of committee members; provided, however, that any action shall be taken only upon the vote or other affirmative expression of a majority of the committee members qualified to vote with respect to such action. If a member of the committee or the appointed individual is a Participant in the Plan, he shall not participate in any decision which solely affects his own Account. The Plan Administrator shall for purposes of administering the Plan choose a secretary who shall keep minutes of the Plan Administrator's proceedings and all records and documents pertaining to the administration of this Plan. The secretary may execute any certificate or any other written direction on behalf of the Plan Administrator.

5.3 Right and Duties. The Plan Administrator shall administer the Plan and shall have all powers necessary to accomplish that purpose, including (but not limited to) the following:

(a) To take any actions which may be taken by the Company or SunAmerica hereunder, including the grant of Awards hereunder.

(b) To construe, interpret, and administer this Plan.

(c) To make allocations and determinations required by this Plan, and to maintain records regarding Participants' Accounts.

(d) To compute and certify to the Company and the Trustee the amount and kinds of benefits payable to Participants or their Beneficiaries, and to determine the time and manner in which such benefits are to be paid.

(e) To authorize all disbursements by the Company and the Trustee pursuant to this Plan and the Trust.

(f) To maintain all the necessary records of the administration of this Plan.

(g) To make and publish such rules for the regulation of this Plan as are not inconsistent with the terms hereof.

(h) To delegate to other individuals or entities from time to time the performance of any of its duties or responsibilities hereunder.

(i) To direct the Trustee concerning the performance of various duties and responsibilities under the Trust; and

(j) To establish or to change the investment options under Section 3.1 of the Plan and the Trust.

The Plan Administrator has the exclusive right to construe and to interpret the Plan, to decide all questions of eligibility for benefits and to determine the amount of such

benefits, and its decisions on such matters are final and conclusive.

5.4 Compensation, Indemnity and Liability. All expenses of the Plan Administrator shall be paid by SunAmerica. The Company shall indemnify and hold harmless the Plan Administrator and each member of the committee, if any, against any and all expenses and liabilities, including reasonable legal fees and expenses, arising out of his membership on the committee, excepting only expenses and liabilities arising out of his own willful misconduct or gross negligence.

5.5 Taxes. If the whole or any part of any Participant's Account shall become liable for the payment of any estate, inheritance, income, or other tax which the Company shall be required to pay or withhold, the Company shall have the full power and authority to withhold and pay such tax out of any monies or other property in its hand for the Account of the Participant whose interests hereunder are so liable. Prior to making any payment, the Company may require such releases or other documents from any lawful taxing authority as it shall deem necessary.

ARTICLE VI

AMENDMENT AND TERMINATION

6.1 Amendments. The Company shall have the right to amend this Plan in whole or in part from time to time by resolution or action of the Board and to amend and cancel any amendments; provided, however, that no action under this Section shall cancel or adversely affect amounts credited at that time to any Participant's Account. All Participants shall be bound by such amendments.

6.2 Discontinuance of Plan. The Company reserves the right to discontinue and terminate the Plan at any time, for any reason (including a change, or an impending change, in the tax laws of the United States or any State) by resolution of the Board. If the Plan is terminated, the Plan Administrator shall be notified of such action, and the Plan shall be terminated at the time therein set forth. Termination of the Plan shall be binding on all Participants, but in no event may such termination cancel or adversely affect amounts credited at that time to any Participant's Account.

ARTICLE VII

MISCELLANEOUS

7.1 Limitation on Participant's Rights. Participation in this Plan shall not give any Participant the right to be retained in the Employer's employ or any right or interest in this Plan or any assets of the Company other than as herein provided. The Employer reserves the right to terminate any Participant without any liability for any claim against the Employer or the Company except to the extent provided herein.

7.2 Other Plans. This Plan shall not affect the right of any Eligible Employee or Participant to participate in and receive benefits under and in accordance with the provisions of any other employee benefit plans which are now or hereafter maintained by the Company, unless the terms of such other employee benefit plan or plans specifically provide otherwise.

7.3 Receipt or Release. Any payment to a Participant in accordance with the provisions of this Plan shall, to the extent thereof, be in full satisfaction of all claims against the Plan Administrator and the Company, and the Plan Administrator may require such Participant, as a condition precedent to such payment, to execute a receipt and release to such effect.

7.4 Governing Law.

(a) This Plan shall be construed, administered, and governed in accordance with the laws of the State of New York. If any provisions of this instrument shall be held by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions hereof shall continue to be fully effective.

(b) BY PARTICIPATING IN THIS PLAN, THE PARTICIPANT AND THE COMPANY HEREBY IRREVOCABLY SUBMIT TO THE EXCLUSIVE JURISDICTION OF ANY FEDERAL COURT (OR, IF CONCURRENT JURISDICTION EXISTS, STATE COURT) LOCATED IN THE COUNTY OF NEW YORK OVER ANY ACTION, SUIT OR PROCEEDING ARISING OUT OF OR RELATING TO OR CONCERNING THE PLAN. The Company and the Participant acknowledge that the forum designated by this section has a reasonable relation to the Plan and the Participant's relationship with the Company. Notwithstanding the foregoing, nothing herein shall preclude the Company from bringing any action, suit or proceeding in any other court for the purpose of enforcing the provisions of this section.

(c) The agreement by the Company and the Participant as to forum is independent of the law that may be applied in the action, suit or proceeding, and the Company and the Participant hereby (i) agree to such forum even if the forum may under applicable law choose to apply non-forum law, (ii) hereby waive, to the fullest extent permitted by applicable law, any objection which now or hereafter may have to personal jurisdiction or to the laying of venue of any such action, suit or proceeding in any court referred to in subsection (c), (iii) undertake not to commence any action, suit or proceeding arising out of or relating to or concerning the Plan in any forum other than a forum described in this section, and (iv) agree that, to the fullest extent permitted by applicable law, a final and non-appealable judgment in any such action, suit or proceeding in any such court shall be conclusive and binding upon the Company and the Participant.

(d) The Participant, as a condition to the Participant's participation in the

Plan, irrevocably appoints the Corporate Secretary of the Company as the Participant's agent for service of process in connection with any action, suit or proceeding arising out of or relating to or concerning the Plan, who shall promptly advise the Participant of any such service of process.

(e) The Participant hereby agrees to keep confidential the existence of, and any information concerning, a dispute described in this section, except that the Participant may disclose information concerning such dispute to the court that is considering such dispute or to the Participant's legal counsel (provided that such counsel agrees not to disclose any such information other than is necessary to the prosecution or defense of the dispute).

7.5 Gender, Tense, and Headings. In this Plan, whenever the context so indicates, the singular or plural number and the masculine, feminine, or neuter gender shall be deemed to include the other. Headings and subheadings in this Plan are inserted for convenience of reference only and are not considered in the construction of the provisions hereof.

7.6 Successors and Assigns. This Plan shall inure to the benefit of and be binding upon, the parties hereto and their successors and assigns; provided, however, that the amounts credited to the Account of a Participant shall not be assignable or transferable in any manner and, any purported transfer, assignment, encumbrance or attachment thereof shall be void and of no effect. In the event of a dispute involving any individual's right to receive the distribution of the Account, the Plan Administrator or the Company may enter an interpleaded action. Payment of the Account to a court of competent jurisdiction with proper notice to the appropriate parties in dispute shall be in full satisfaction of all claims against the Plan Administrator and the Company as to the Account, and shall be equivalent to a receipt and release pursuant to Section 7.3.

SUNAMERICA
EXECUTIVE SAVINGS PLAN

RESTATED EFFECTIVE JANUARY 1, 1997

SUNAMERICA

EXECUTIVE SAVINGS PLAN

WHEREAS, SunAmerica Inc. (the "Company") and certain of its affiliates maintain a tax-qualified profit-sharing plan which includes a pre-tax 401(k) plan feature ("401(k) Plan"); and

WHEREAS, under the 401(k) Plan certain highly compensated employees are prevented by the tax laws from making the full amount of contribution they desire to make; and

WHEREAS, the Company established, effective April 1, 1989, a plan ("Plan") to permit eligible employees to defer amounts they cannot now defer under the 401(k) Plan and for certain other purposes; and

WHEREAS, the Company now wishes to amend the Plan so that the deferrals under the Plan are more closely coordinated with the limitations applicable to the 401(k) Plan; and

WHEREAS, the Company wishes to make certain other changes to the Plan;

NOW, THEREFORE, the SunAmerica Executive Savings Plan (formerly titled "SunAmerica Supplemental Deferral Plan" and "Broad Inc./SunAmerica Supplemental Deferral Plan") is hereby restated in its entirety, effective as of January 1, 1997, as set forth below. The provisions of this restated Plan shall apply to all existing amounts credited under the Plan prior to its restatement.

ARTICLE I
DEFINITIONS

When used in this Plan, the following terms shall have the meanings set forth below unless a different meaning is plainly required by the context:

1.1 "Account" means the records maintained by the Plan Administrator to determine each Participant's interest under this Plan. Such Account may be reflected as a book reserve entry in the Company's accounting records, or as a separate account under the Trust, or as a combination of both. Each Participant's Account shall consist of at least two subaccounts: a Deferral Subaccount and a Company Matching Subaccount. The Plan Administrator may establish such additional subaccounts as it deems necessary for the proper administration of the Plan.

1.2 "Anniversary Date" means the last day of each Plan Year.

1.3 "Available 401(k) Deferral" has the meaning set forth in Section 3.2(a)(2).

1.4 "Base Compensation" means an Eligible Employee's Compensation, reduced by any amounts which the Plan Administrator determines constitutes incentive compensation (including incentive compensation paid to marketing and non-marketing employees).

1.5 "Beneficiary" means the person or persons last designated in writing by the Participant to receive the amounts provided by this Plan in the event of such Participant's death; or if no designation shall be in effect at the time of a Participant's death or if all designated Beneficiaries shall have predeceased the Participant, then the Beneficiary shall be the following (in the priority order listed):

i) The trustee then existing of any inter vivos (living) trust (including any amendment thereto up to the time of the Participant's death) established by the Participant for the benefit of the Participant's surviving spouse and/or issue, provided the Participant's surviving spouse (if there be one) is either a signatory thereto, or acknowledges, in writing to the Plan Administrator, such surviving spouse's approval thereof;

ii) Such Participant's surviving spouse, if any;

iii) The Participant's lawful living issue (including adopted issue) who survive such Participant, with each such issue's beneficial interest to be determined by right of representation;

iv) Otherwise, the Participant's estate.

1.6 "Code" means the Internal Revenue Code of 1986, as amended.

1.7 "Company" means SunAmerica Inc. (a Maryland corporation) or its successor or successors.

1.8 "Company Matching Subaccount" means the subaccount of a Participant's Account maintained to reflect his interest in the Plan attributable to the Company's matching credits or contributions.

1.9 "Compensation" means the gross amount of salary or wages paid to an Eligible Employee on the books of the Employer on account of a Plan Year, including overtime payments, commission payments, and bonus payments, and also including any amount of salary or wages which the Eligible Employee elects to defer under the 401(k) Plan or this Plan, or to contribute on a pre-tax basis under Section 125 to a healthcare or similar plan.

1.10 "Deferral Subaccount" means the subaccount of a Participant's Account maintained to reflect his interest in the Plan attributable to his deferrals of Compensation.

1.11 "Election Form" means the form prescribed by the Plan Administrator on which a Participant may specify the amount of his Compensation that is to be deferred pursuant to the provisions of Section II, whether the Participant's Available 401(k) Deferral should be contributed to the 401(k) Plan, and the timing and form of benefit payment requested by the Participant.

1.12 "Eligible Employee" means any management or highly compensated employee of an Employer designated by the Plan Administrator as an employee eligible to participate in the Plan. The Plan Administrator shall limit Eligible Employee status to a select group of management or highly compensated employees, as set forth in Sections 201, 301 and 401 of ERISA.

1.13 "Employer" means the Company and any affiliate or subsidiary which adopts the Plan with the consent of the Company.

1.14 "ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

1.15 "401(k) Matching Contribution" has the meaning set forth in Section 3.2(b)(2).

1.16 "401(k) Plan" means the SunAmerica Inc. Profit Sharing and Retirement Plan, as it may be amended from time to time.

1.17 "Participant" means any Eligible Employee who elects to defer

Compensation under this Plan.

1.18 "Plan" means the SunAmerica Executive Savings Plan, as it may be amended from time to time. This Plan constitutes an unfunded plan maintained primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees, as set forth in Sections 201, 301 and 401 of ERISA.

1.19 "Plan Year" means the 12-month period January 1 to December 31.

1.20 "Plan Administrator" means the committee or individual appointed pursuant to the provisions of this Plan to administer this Plan.

1.21 "Trust" means the grantor trust maintained under the terms of the Trust Agreement.

1.22 "Trust Agreement" means that certain agreement, known as the Broad Inc./SunAmerica Supplemental Deferral Trust Agreement, entered into by and between the Company and the Trustee simultaneously herewith, as amended from time to time.

1.23 "Trustee" means the one or more persons (including an organization) who have entered into the Trust Agreement as Trustee of the Trust thereunder, and any duly appointed successor.

1.24 "Valuation Date" means the Annual Valuation Date, December 31, and any other date(s) selected by the Plan Administrator as of which the assets of the Plan are valued.

ARTICLE II
PARTICIPATION

2.1 Eligibility. Each individual designated as an Eligible Employee shall be eligible to participate in this Plan.

2.2 Deferral Election. Each Eligible Employee may elect to defer any whole percentage up to 90% of his Compensation in the manner described in Section 2.3. Notwithstanding the foregoing, no Eligible Employee shall be allowed to defer Compensation to the extent the Plan Administrator determines that such compensation should be withheld to pay the employee's portion of taxes under the Federal Insurance Contributions Act, any state, federal or local income taxes, payments required to maintain coverage for the employee or the employee's dependents under any welfare plan or program of the Company, or any similar payment. Any amount of Compensation deferred by a Participant hereunder shall be distributed as provided in Sections 3.2, 3.4 and 3.5.

2.3 Time and Manner of Election. When an employee of the Company first becomes an Eligible Employee, he may make a prospective election to defer Compensation at any time within 30 days after the date on which he becomes an Eligible Employee. However, such election must be made prior to the period of service for which the Compensation subject to the deferral election would otherwise be payable. Any subsequent deferral election by the Eligible Employee must be made not later than December 31st of the Plan Year preceding the Plan Year for which the Compensation subject to the deferral election would otherwise be payable.

An election to defer Compensation must be made in writing on an Election Form and must be filed with the Plan Administrator. The Election Form must specify the Compensation to be deferred in the manner set forth on the Election Form. If an Eligible Employee fails to file an Election Form with the Plan Administrator by the prescribed time, he

will be deemed to have elected not to defer any Compensation under this Plan. Except as provided in Section 2.4, a Participant may not discontinue or change his election for a year which he has elected to defer after the applicable election date.

2.4 Change of Election. Upon written notice to the Plan Administrator delivered not less than ten days prior to the end of a Plan Year, a Participant may increase, decrease, or discontinue his deferral election for the following Plan Year; provided, however, that (a) the election to increase, decrease, or discontinue the amount deferred, and (b) the amount to be deferred after such election, are within the limitations set forth in Sections 2.2 and 2.3. If the Participant fails to deliver a change of election form in the manner provided in this section, his deferral election shall remain in effect for the following Plan Year. In addition, a Participant may at any time terminate an election and discontinue future deferrals of Compensation under this Plan during the Plan Year by providing written notice to the Plan Administrator not less than ten days prior to the start of the next payroll period for which Compensation will be payable. In such event, Compensation earned for services subsequent to such termination will be paid directly to the Eligible Employee and will not be subject to his prior deferral election. A Participant who elects to discontinue participation in the Plan for a Plan Year may not recommence participation in the Plan until the next following Plan Year.

2.5 Coordination with 401(k) Plan Election. At the time a Participant makes an election under Section 2.3 or changes an election under Section 2.4, the Participant shall also separately elect whether the Participant's Available 401(k) Deferral (if any) should be contributed to the 401(k) Plan, as described in Section 3.2(a). Such election shall be irrevocable for the Plan Year to which it relates. The election made under this Section 2.5 shall be in lieu of any other election to make elective deferrals under the 401(k) Plan. A Participant may make

elective deferrals under the 401(k) Plan only as provided in this Plan.

ARTICLE III
PARTICIPANT ACCOUNTS

3.1 Establishment of Accounts. The Plan Administrator shall open and maintain an Account for each Participant. Separate records shall be maintained of each Participant's Deferral Subaccount and Company Matching Subaccount. The Plan Administrator shall maintain Account and Subaccount records with respect to any amounts transferred to the Trustee as provided in Section 3.7, or contributed to the 401(k) Plan as provided in Section 3.2.

3.2 Accounting for Participants' Interests.

(a) Deferral Subaccount.

(1) Initial Crediting of Subaccount. Each Participant's Deferral Subaccount shall be initially credited with the amounts of Compensation deferred by the Participant at the time such amounts would otherwise have been payable to the Participant.

(2) Debiting of Subaccount by Available 401(k) Deferral. As soon as feasible following the end of a Plan Year, the Plan Administrator shall determine, in conjunction with the administrator of the 401(k) Plan, each Participant's Available 401(k) Deferral. The Plan Administrator shall determine each Participant's Available 401(k) Deferral in its sole discretion, provided that: (i) the Available 401(k) Deferral for any

Participant shall not exceed the amount specified in Section 402(g) of the Code, (ii) the Available 401(k) Deferral for any Participant, and the group of Participants as a whole, shall not exceed an amount which, if contributed as elective deferrals to the 401(k) Plan, would cause the 401(k) Plan to fail to satisfy the limitation of Code Section 401(k) (3), would increase the margin by which the 401(k) Plan fails to satisfy the limitation of Code Section 401(k) (3), or would cause the 401(k) Plan to fail to satisfy the nondiscrimination requirements of Code Section 401(a) (4). Notwithstanding the foregoing, the Plan Administrator may (but shall not be required to) establish Available 401(k) Deferral(s) in excess of the limits set forth in clause (ii) above if the administrator of the 401(k) Plan certifies that the 401(k) Plan will otherwise satisfy the limitation of Code Section 401(k) (3). The Available 401(k) Deferral for any Participant (or all Participants) may be zero if the Plan Administrator so determines in its sole discretion. In no event shall a Participant's Available 401(k) Deferral exceed the amount of Compensation deferred by the Participant for the Plan Year.

Each Participant's Deferral Subaccount shall be debited by the amount of the Participant's Available 401(k) Deferral at the time the Available 401(k) Deferral is contributed to the 401(k) Plan or refunded to the Participant, as specified in subsection 3.2(a) (3).

(3) Contribution to 401(k) Plan or Refund to Participant. If the Participant elected, pursuant to Section 2.5, to have his Available 401(k) Deferral contributed to the 401(k) Plan, then such amount shall be contributed to the 401(k) Plan as soon as practicable following the end of the Plan Year, but in no event later than the March 15 following the end of the Plan Year. If the Participant did not elect

to have the Available 401(k) Deferral contributed to the 401(k) Plan, then the Participant's Available 401(k) Deferral shall be paid to the Participant as soon as feasible following the end of the Plan Year, but in no event later than the March 15 following the end of the Plan Year.

(b) Company Matching Subaccount.

(1) Initial Crediting of Subaccount. On a monthly basis, the Company Matching Subaccount of each Participant who is actively employed on the last day of the month shall be initially credited with the amount that the Company would have contributed to the Participant's Forfeitable Matching Contribution Account under the 401(k) Plan for such month pursuant to the provisions of Section 3.8 of the 401(k) Plan if the amount of Compensation that the Participant elected to defer under this Plan was instead deferred under the 401(k) Plan, subject to the limitations stated in Sections 3.3 and 3.8 of the 401(k) Plan that matching contributions shall only be made with respect to the first 4% of an Eligible Employee's Base Compensation, but without regard to the other limitations of the 401(k) Plan. The Plan Administrator may, in its sole discretion, establish a different formula for determining the matching contributions under this Plan; provided that any such formula which would reduce the available matching contribution for any Eligible Employee to less than 4% of Base Compensation shall be announced to Eligible Employees prior to the Plan Year for which such formula applies.

(2) Debiting of Subaccount by 401(k) Plan Matching Contribution. The Participant's Company Matching subaccount shall be debited by either (i) in the

case of a Participant who elected to have his Available 401(k) Deferral contributed to the 401(k) Plan, the amount actually contributed by the Company to the Participant's Forfeitable Matching Contribution Account under the 401(k) Plan, or (ii) in the case of a Participant who elected to have his Available 401(k) Deferral refunded to him, the amount which would have been contributed by the Company to the Participant's Forfeitable Matching Contribution Account under the 401(k) Plan if the Participant's Available 401(k) Deferral had been contributed to the 401(k) Plan. In either case, the debiting shall be made at the time the Company makes its Matching Contribution to the 401(k) Plan for Participants.

3.3 Vesting of a Participant's Account. A Participant's interest in his Deferral Subaccount shall be at all times 100% vested and nonforfeitable. A Participant's interest in his Company Matching Subaccount shall be at any time vested in the same percentage in which he is vested in his Forfeitable Matching Contribution Account balance under the terms of the 401(k) Plan. If a Participant terminates employment with the Company prior to being 100% vested in his Company Matching Subaccount he will forfeit the nonvested portion of his Company Matching Subaccount as of the end of the month in which his termination of employment occurs (unless he resumes employment with the Company prior to that time). To the extent that assets representing such Participant's Company Matching Subaccount were held in the Trust, the amount so forfeited may be applied by the Company toward its matching contributions under Section 3.2(b) for the Plan Year or a subsequent Plan Year.

3.4 Distribution of a Participant's Account Following Termination of Employment.

(a) Request of Distribution Form. Pursuant to the Election Form completed at the time a Participant elects to defer Compensation pursuant to Section 2.2, the Participant shall specify the form of payment which the Participant requests that his or her Account be distributed upon termination of employment. The Participant may change the request by filing a new Election Form, provided that the change is filed with the Plan Administrator at least one year prior to the Participant's termination of employment. A Participant's last timely request shall apply to the Participant's entire Account, unless the Plan Administrator explicitly provides otherwise. The optional forms of payment which may be requested are as follows:

(1) A lump sum payment on the date (which shall be no later than five years following termination of employment) designated by the Participant in the Participant's Election Form; or

(2) Annual installments over 5, 10 or 15 years, to begin on a date (which shall be no later than five years following termination of employment) designated by the Participant in the Participant's Election Form.

The amount to be paid to the Participant shall be the vested portion (determined as of termination of employment) of the Participant's Account. The vested and unpaid portion of a Participant's Account shall continue to be credited (or debited) monthly with investment gains and losses as set forth in Section 3.7(b). If installment payments are made to the Participant, the Plan Administrator shall adjust the amount of each installment as it deems appropriate to take into account investment gains or losses which occur during the period that installment payments are made. Accordingly, the crediting (or debiting) of investment gains (or losses) may result in installment payments which are not substantially equal, and may deplete the Participant's

Account before all installment payments are made.

(b) Disposition of Participant's Request. If a Participant's employment with the Company terminates on or after the Participant reaches age 55, distribution of the Participant's entire Account shall be made in the form last timely requested by the Participant. If a Participant's employment with the Company terminates before the Participant reaches age 55, distribution of the Participant's entire Account shall be made, in the Plan Administrator's sole discretion, either (1) in the form last timely requested by the Participant, or (2) a single lump sum as soon as feasible following termination of employment. The Plan Administrator shall exercise its discretion in the manner the Plan Administrator determines best serves the interests of the Company.

(c) Death of Participant. In the event of the death of a Participant, the Participant's entire remaining unpaid Account (adjusted for investment gains and losses through the date of payment) shall be distributed in a single lump sum to the Participant's beneficiary as soon as feasible following the Participant's death, regardless of the age of the Participant at the time of death, or any election made by the Participant prior to death.

(d) Transition Rule. For any Participant whose employment terminated prior to January 1, 1997, distribution shall commence as soon as feasible following January 1, 1997, and shall be made in the form of payment determined by the Committee.

3.5 Distributions Prior to Termination of Employment.

(a) Penalty Distributions. At any time, a Participant, in his sole discretion, may withdraw up to 100% of his vested Account balance subject to a penalty equal to 10% of the amount withdrawn. The 10% penalty shall be permanently and irrevocably forfeited. The

forfeited amount shall be the property of the Company.

(b) Hardship Distributions. A Participant may receive a hardship distribution, subject to the approval of the Plan Administrator, if the Participant suffers a financial hardship. A financial hardship exists if the Participant demonstrates to the satisfaction of the Plan Administrator that he has suffered a severe financial hardship which is unforeseeable, and that he does not have other assets sufficient to satisfy the financial need created by the hardship. A hardship includes, but is not limited to, a hardship as defined in the 401(k) Plan. The determination of whether a Participant has suffered a hardship shall be made by the Plan Administrator in its sole discretion. A hardship distribution shall be in an amount no greater than the amount needed to satisfy the hardship, as determined by the Plan Administrator.

(c) Advance Election. A Participant may receive a distribution, without a penalty, of the dollar amount or percentage of his Account requested by the Participant at least three years in advance of the distribution date specified by the Participant. A Participant's election to receive a distribution under this subsection may not be revoked at any time within the three-year period preceding the date of distribution.

3.6 Benefits Unfunded. The benefits provided by this Plan shall be unfunded except to the extent otherwise provided herein. All amounts payable under this Plan to Participants shall be paid from the general assets of the Company, and nothing contained in this Plan or the Trust Agreement shall require the Company to set aside or hold in trust any amounts or assets for the purpose of paying benefits to Participants, or invest assets in any particular manner. This Plan shall create only a contractual obligation on the part of the Company, and Participants shall have the status of general unsecured creditors under the Plan with respect to

amounts of Compensation they defer hereunder or any other obligation of the Company to pay benefits pursuant hereto. Any funds of the Company available to pay benefits pursuant to the Plan (but not any amounts held in trust) shall be subject to the claims of general creditors of the Company, and may be used for any purpose by the Company.

3.7 Trust Arrangements and Investment of Accounts.

(a) Notwithstanding Section 3.6, the Company may at any time transfer assets representing all or any portion of a Participant's Account to the Trust to be held and invested and reinvested by the Trustee pursuant to the terms of the Trust Agreement and this Section 3.7. However, to the extent provided in the Trust Agreement only, such transferred amounts shall remain subject to the claims of general creditors of the Company. To the extent that assets representing a Participant's Account are held in the Trust when his benefits under the Plan become payable, the Plan Administrator may direct the Trustee to pay such benefits to the Participant from the assets of the Trust.

(b) Except to the extent other investment funds or arrangements are established by the Plan Administrator or the Trustee, amounts in the Participant's Account under the Plan shall be credited (or debited) with investment gains (or losses) corresponding to investment funds established by the Plan Administrator and selected by the Participant. The Participant's election of the investment fund or funds upon which such crediting and debiting will be based, including the right to change such election with respect to his future contributions and his existing account balance, shall be handled in the manner prescribed by the Plan Administrator. Investment gains (or losses) on amounts distributed from the Plan shall be credited through the last business day of the month preceding the month in which distribution occurs.

ARTICLE IV
PLAN ADMINISTRATOR

4.1 Members. The Plan Administrator shall consist of a committee or an individual appointed by the Board to serve at its pleasure. Members of the committee shall not be required to be employees of the Company or Participants. Any committee member may resign by giving notice, in writing, filed with the Board.

4.2 Action. Action of the Plan Administrator may be taken with or without a meeting of committee members; provided, however, that any action shall be taken only upon the vote or other affirmative expression of a majority of the committee members qualified to vote with respect to such action. If a member of the committee or the appointed individual is a Participant in the Plan, he shall not participate in any decision which solely affects his own Account. The Plan Administrator shall for purposes of administering the Plan choose a secretary who shall keep minutes of the Plan Administrator's proceedings and all records and documents pertaining to the administration of this Plan. The secretary may execute any certificate or any other written direction on behalf of the Plan Administrator.

4.3 Right and Duties. The Plan Administrator, on behalf of the Participants, shall administer the Plan and shall have all powers necessary to accomplish that purpose, including (but not limited to) the following:

(a) To construe, interpret, and administer this Plan;

(b) To make allocations and determinations required by this Plan, and to maintain records regarding Participants' Accounts;

(c) To compute and certify to the Company and the Trustee the amount and kinds of benefits payable to Participants or their Beneficiaries, and to determine the time and manner in which such benefits are to be paid;

(d) To authorize all disbursements by the Company and the Trustee pursuant to this Plan and the Trust;

(e) To maintain all the necessary records of the administration of this Plan;

(f) To make and publish such rules for the regulation of this Plan as are not inconsistent with the terms hereof;

(g) To delegate to other individuals or entities from time to time the performance of any of its duties or responsibilities hereunder;

(h) To direct the Trustee concerning the performance of various duties and responsibilities under the Trust; and

(i) To establish or to change the investment options under Section 3.7 of the Plan and the Trust.

The Plan Administrator has the exclusive right to construe and to interpret the Plan, to decide all questions of eligibility for benefits and to determine the amount of such benefits, and its decisions on such matters are final and conclusive.

4.4 Compensation, Indemnity and Liability. The Plan Administrator shall serve as such without bond and without compensation for services hereunder. All expenses of the Plan Administrator shall be paid by the Company. If the Plan Administrator is a committee,

no member of the committee shall be liable for any act or omission of any other member of the committee, nor for any act or omission on his own part, excepting his own willful misconduct or gross negligence. The Company shall indemnify and hold harmless the Plan Administrator and each member of the committee, if any, against any and all expenses and liabilities, including reasonable legal fees and expenses, arising out of his membership on the committee, excepting only expenses and liabilities arising out of his own willful misconduct or gross negligence.

4.5 Taxes. If the whole or any part of any Participant's Account shall become liable for the payment of any estate, inheritance, income, or other tax which the Company shall be required to pay or withhold, the Company shall have the full power and authority to withhold and pay such tax out of any monies or other property in its hand for the Account of the Participant whose interests hereunder are so liable. Prior to making any payment, the Company may require such releases or other documents from any lawful taxing authority as it shall deem necessary.

ARTICLE V
CLAIMS PROCEDURE

5.1 Claims for Benefits. If a Participant or Beneficiary (hereafter, "Applicant") does not receive timely payment of any benefits which he believes are due and payable under the Plan, he may make a claim for benefits to the Plan Administrator. The claim for benefits must be in writing and addressed to the Plan Administrator or to the Company. If the claim for benefits is denied, the Plan Administrator shall notify the Applicant in writing within 90 days after the Plan Administrator initially received the benefit claim. Any notice of a denial of benefits shall advise the Applicant of the basis for the denial, any additional material or information necessary for the Applicant to perfect his claim, and the steps which the Applicant

must take to have his claim for benefits reviewed.

5.2 Appeals. Each Applicant whose claim for benefits has been denied may file a written request for a review of his claim by the Plan Administrator. The request for review must be filed by the Applicant within 60 days after he received the written notice denying his claim. The decision of the Plan Administrator will be made within 60 days after receipt of a request for review and shall be communicated in writing to the Applicant. Such written notice shall set forth the basis for the Plan Administrator's decision. If there are special circumstances (such as the need to hold a hearing) which require an extension of time for completing the review, the Plan Administrator's decision shall be rendered not later than 120 days after receipt of a request for review.

ARTICLE VI
AMENDMENT AND TERMINATION

6.1 Amendments. The Company shall have the right to amend this Plan in whole or in part from time to time by resolution of the Board or by action of the Company's Personnel, Compensation and Stock Plan Committee (or its successor, and to amend and cancel any amendments; provided, however, that no action under this Section shall cancel or adversely affect amounts credited at that time to any Participant's Account. An amendment shall be in writing and executed by a duly authorized officer of the Company. All Participants shall be bound thereby.

6.2 Discontinuance of Plan. The Company expects to continue this Plan, but does not obligate itself to do so. The Company reserves the right to discontinue and terminate the Plan at any time, for any reason (including a change, or an impending change, in the tax laws

of the United States or any State) by resolution of the Board. If the Plan is terminated, the Plan Administrator shall be notified of such action in a writing executed by a duly authorized officer of the Company, and the Plan shall be terminated at the time therein set forth. Termination of the Plan shall be binding on all Participants, but in no event may such termination cancel or adversely affect amounts credited at that time to any Participant's Account. If this Plan is terminated, amounts theretofore credited to Participants' Accounts shall either be paid to them immediately, or in some other manner consistent with the provisions of Section 3.4, as determined by the Board in its sole discretion.

ARTICLE VII
MISCELLANEOUS

7.1 Limitation on Participant's Rights. Participation in this Plan shall not give any Participant the right to be retained in the Company's employ or any right or interest in this Plan or any assets of the Company other than as herein provided. The Company reserves the right to terminate any Participant without any liability for any claim against the Company except to the extent provided herein.

7.2 Other Plans. This Plan shall not affect the right of any Eligible Employee or Participant to participate in and receive benefits under and in accordance with the provisions of any other employee benefit plans which are now or hereafter maintained by the Company, unless the terms of such other employee benefit plan or plans specifically provide otherwise.

7.3 Receipt or Release. Any payment to a Participant in accordance with the provisions of this Plan shall, to the extent thereof, be in full satisfaction of all claims against the Plan Administrator and the Company, and the Plan Administrator may require such Participant,

as a condition precedent to such payment, to execute a receipt and release to such effect.

7.4 Governing Law. This Plan shall be construed, administered, and governed in all respect in accordance with applicable federal law and, to the extent not preempted by federal law, in accordance with the laws of the State of California. If any provisions of this instrument shall be held by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions hereof shall continue to be fully effective.

7.5 Gender, Tense, and Headings. In this Plan, whenever the context so indicates, the singular or plural number and the masculine, feminine, or neuter gender shall be deemed to include the other. Headings and subheadings in this Plan are inserted for convenience of reference only and are not considered in the construction of the provisions hereof.

7.6 Successors and Assigns. This Plan shall inure to the benefit of and be binding upon, the parties hereto and their successors and assigns; provided, however, that the amounts credited to the Account of a Participant shall not be assignable or transferrable and, except as provided by Section 4.5, any purported transfer, assignment, encumbrance or attachment thereof shall be void and of no effect. In the event of a dispute involving any individual's right to receive the distribution of the Account, the Plan Administrator or the Company may enter an interpleaded action. Payment of the Account to a court of competent jurisdiction with proper notice to the appropriate parties in dispute shall be in full satisfaction of all claims against the Plan Administrator and the Company as to the Account, and shall be equivalent to a receipt and release pursuant to Section 7.3.

IN WITNESS WHEREOF, the Company has caused this restated Plan to be executed by its duly authorized officer as of _____, 1996.

SUNAMERICA INC.

By:

AMENDMENT 1999-1

SUNAMERICA
EXECUTIVE SAVINGS PLAN

WHEREAS SunAmerica Inc., a Maryland corporation ("SAI"), maintained the SunAmerica Executive Savings Plan (the "Plan"); and

WHEREAS as a result of the merger of SAI with and into American International Group, Inc. (the "Company") as of January 1, 1999, the Company has assumed the rights and obligations of SAI under the Plan; and

WHEREAS the Company has the right to amend the Plan; and

WHEREAS effective January 1, 2000, the Company adopted the SunAmerica Five Year Deferred Cash Plan (the "Deferred Cash Plan"); and

WHEREAS the Company now wishes to amend the Plan to allow up to 90% of a Participant's distributions from the Deferred Cash Plan to be subject to an election of deferral under the Plan;

NOW THEREFORE the SunAmerica Executive Savings Plan is hereby amended effective January 1, 2000 as follows:

1. Section 1.8 is amended to read in its entirety as follows:

"1.8 "Company" Matching Subaccount" means the subaccount of a Participant's Account maintained to reflect his interest in the Plan attributable to the matching credits or contributions of the Company's subsidiary, SunAmerica Inc., a Delaware corporation."
2. Section 6.1 is amended to read in its entirety as follows:

"6.1 Amendments. The Company shall have the right to amend this Plan in whole or in part from time to time by resolution of the Board of Directors of the Company or the Stock Option and Compensation Committee thereof, and to amend and cancel any amendments; provided, however, that no action under this Section shall cancel or adversely affect amounts credited at that time to any Participant's Account. All Participants shall be bound by such amendments."

2. Section 7.4 is amended by (1) designating the existing provision as subsection 7.4(a); (2) deleting from "in accordance with applicable federal law and, to the extent not preempted by federal law," in the second and third lines; (3) changing "California" to "New York" where it appears in the existing provision; and (3) adding the following to the end thereof:

"(b) BY PARTICIPATING IN THIS PLAN, THE PARTICIPANT AND THE COMPANY HEREBY IRREVOCABLY SUBMIT TO THE EXCLUSIVE JURISDICTION OF ANY FEDERAL COURT (OR, IF CONCURRENT JURISDICTION EXISTS, STATE COURT) LOCATED IN THE COUNTY OF NEW YORK OVER ANY ACTION, SUIT OR PROCEEDING ARISING OUT OF OR RELATING TO OR CONCERNING THE PLAN. The Company and the Participant acknowledge that the forum designated by this section has a reasonable relation to the Plan and the Participant's relationship with the Company. Notwithstanding the foregoing, nothing herein shall preclude the Company from bringing any action, suit or proceeding in any other court for the purpose of enforcing the provisions of this section.

(c) The agreement by the Company and the Participant as to forum is independent of the law that may be applied in the action, suit or proceeding, and the Company and the Participant (i) agree to such forum even if the forum may under applicable law choose to apply

non-forum law, (ii) hereby waive, to the fullest extent permitted by applicable law, any objection which now or hereafter may have to personal jurisdiction or to the laying of venue of any such action, suit or proceeding in any court referred to in subsection (b), (iii) undertake not to commence any action, suit or proceeding arising out of or relating to or concerning the Plan in any forum other than a forum described in this section, and (iv) agree that, to the fullest extent permitted by applicable law, a final and non-appealable judgment in any such action, suit or proceeding in any such court shall be conclusive and binding upon the Company and the Participant.

(d) The Participant, as a condition to the Participant's participation in the Plan, irrevocably appoints the Corporate Secretary of the Company as the Participant's agent for service of process in connection with any action, suit or proceeding arising out of or relating to or concerning the Plan, who shall promptly advise the Participant of any such service of process.

(e) The Participant hereby agrees to keep confidential the existence of, and any information concerning, a dispute described in this section, except that the Participant may disclose information concerning such dispute to the court that is considering such dispute or to the Participant's legal counsel (provided that such counsel agrees not to disclose any such information other than is necessary to the prosecution or defense of the dispute)."

3. The Plan is amended by adding the "Deferred Cash Plan Appendix" as set forth below:

"SUNAMERICA EXECUTIVE SAVINGS PLAN

DEFERRED CASH PLAN APPENDIX"

1. PURPOSE. This Appendix is part of the SunAmerica Executive Savings Plan ("Plan"). Terms which are defined in the Plan shall have the same meaning when used in this

Appendix. Under this Appendix, individuals who are Participants in the Plan as well as in the SunAmerica Inc. Five Year Deferred Cash Plan (the "Deferred Cash Plan") may elect to defer a portion of the payments they would otherwise receive under the Deferred Cash Plan, pursuant to the rules set forth in this Appendix.

2. DEFERRED CASH PLAN ELECTION.

(a) Each Eligible Employee who is also a Participant in the Deferred Cash Plan (a "DCP Participant") may elect to defer any whole percentage up to 90% of the distributions which would otherwise be made to the DCP Participant under the Deferred Cash Plan. An individual who is not an Eligible Employee is not considered a DCP Participant under this Appendix, and is not permitted to defer his or her Deferred Cash Plan payments hereunder. No more than 90% of the amount otherwise payable under the Deferred Cash Plan in any calendar year may be deferred under this Appendix. Notwithstanding the foregoing, no DCP Participant shall be allowed to defer an amount otherwise payable under the Deferred Cash Plan to the extent the Plan Administrator determines that such amount should be withheld to pay the employee's portion of taxes under the Federal Insurance Contributions Act, any state, federal or local income taxes, payments required to maintain coverage for the employee or the employee's dependents under any welfare plan or program of the Company, or any similar payment.

(b) Any election by a DCP Participant to defer amounts otherwise payable from the Deferred Cash Plan shall be made pursuant to a "Deferred Cash Plan Election." A Deferred Cash Plan Election must be made not later than the December 31 which is at least 12 months prior to the date on which the payment under the Deferred Cash Plan would have been made in the absence of the Deferred Cash Plan Election. Thus, for

example, for payments which would otherwise be made under the Deferred Cash Plan in the year 2002, the Deferred Cash Plan Election must be made no later than December 31, 2000. Notwithstanding the foregoing, for amounts which would otherwise be paid from the Deferred Cash Plan in the year 2001, the Deferred Cash Plan Election may be made no later than March 1, 2000.

(c) Each Deferred Cash Plan Election shall be made with respect to the payments which would otherwise be made under the Deferred Cash Plan in a calendar year. Thus, for example, if a DCP Participant has more than one "Award" under the Deferred Cash Plan, then the Participant may make a single election concerning the payments under all Awards which would otherwise become payable in a single calendar year. Alternatively, if permitted by the Plan Administrator, separate Deferred Cash Plan Elections may be permitted for each Award under the Deferred Cash Plan.

(d) A Deferred Cash Plan Election must be made in writing on a form prescribed by the Plan Administrator. The form shall provide that the Participant may specify the amount that is to be deferred and the timing and form of payment requested by the Participant. A Participant may not discontinue or change his Deferred Cash Plan Election following the deadline for making a Deferred Cash Plan Election.

3. INVESTMENT AND DISTRIBUTION.

(a) Amounts deferred pursuant to a Deferred Cash Plan Election shall be credited to the Participant's Deferral Subaccount. Such amounts shall be credited with investment gains and losses as provided in this Plan.

(b) Any amounts deferred pursuant to a Deferred Cash Plan Election which

remain undistributed upon a DCP Participant becoming a "Normal Retiree," as defined below, shall be distributed as elected by the DCP Participant pursuant to the other provisions of this Plan. A DCP Participant becomes a Normal Retiree upon satisfying the age and service requirements for normal retirement under the AIG Retirement Plan, as amended from time to time (without regard to whether the DCP Participant is a participant in the AIG Retirement Plan). Any other amounts deferred pursuant to a Deferred Cash Plan Election shall be distributed according to whichever of the following results in the earliest payment of the amounts deferred:

(1) The distribution elected by the DCP Participant pursuant to the other provisions of this Plan;

(2) In a lump sum of any remaining unpaid amounts with respect to all of the DCP Participant's Awards under the Deferred Cash Plan as soon as feasible following termination of employment;

(3) In a lump sum of any remaining unpaid amounts with respect to any particular Award under the Deferred Cash Plan as soon as feasible following the tenth anniversary of the granting of such Award.

(c) The provisions of this Plan allowing for penalty distributions, hardship distributions and distributions pursuant to an advance election shall apply to amounts deferred pursuant to a Deferred Cash Plan election.

4. NO 401(k) COORDINATION. Section 2.5 of the Plan, concerning coordination with the 401(k) Plan, shall not apply to amounts deferred under this Appendix. Amounts deferred under this Appendix shall not be available for deferral to the 401(k) Plan, and shall not be

eligible for credits to the Participant's Company Matching Subaccount under the Plan.

5. OTHER PROVISIONS. The Plan Administrator shall determine the extent to which the other provisions of the Plan apply to amounts deferred pursuant to a Deferred Cash Plan Election.

[Letterhead of Sullivan & Cromwell]

February 29, 2000

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

Ladies and Gentlemen:

In connection with the registration under the Securities Act of 1933 (the "Act") of \$300,000,000 aggregate amount of deferred compensation obligations (the "Obligations") of American International Group, Inc., 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 SunAmerica Five Year Deferred Cash Plan and the SunAmerica Executive Savings Plan, as amended, each substantially in the form filed as an exhibit to the Registration Statement (the "Plans"), are duly authorized and approved by the Company 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 Obligations are issued in accordance with the Plans as contemplated by the Registration Statement, the Obligations 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.

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.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the reference to us under the heading "Interest of Named Experts and Counsel" in the Registration Statement. 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 hereby consent to the incorporation by reference in this Registration Statement on Form S-8 of our report dated February 11, 1999, related to the consolidated financial statements and financial statements schedules which appears in American International Group, Inc.'s Annual Report on Form 10-K for the year ended December 31, 1998 and its Current Report on Form 8-K dated June 3, 1999, as amended. We also consent to the reference to our firm in Item 5 of this Registration Statement on Form S-8.

PricewaterhouseCoopers LLP

New York, New York
February 29, 2000