

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

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

OMB APPROVAL	
OMB Number:	3235-0287
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1. Name and Address of Reporting Person* <u>FELDSTEIN MARTIN S</u>  (Last) (First) (Middle) <u>NATIONAL BUREAU OF ECONOMIC RESEARCH</u> <u>1050 MASSACHUSETTS AVENUE</u>  (Street) <u>CAMBRIDGE MA 02138</u>  (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>AMERICAN INTERNATIONAL GROUP INC [ (AIG) ]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director 10% Owner Officer (give title below) Other (specify below)
	3. Date of Earliest Transaction (Month/Day/Year) <u>08/03/2004</u>	
	4. If Amendment, Date of Original Filed (Month/Day/Year)	

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

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			

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

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date						Title
Stock Option (Right to Buy)	\$15.8024	08/03/2004		M		31,640 <sup>(1)</sup>		02/21/1996	02/21/2005	Common Stock	31,640	(2)	0.00	D	
Stock Option (Right to Buy)	\$25.6593	08/03/2004		M		21,093 <sup>(3)</sup>		12/31/1997	12/31/2006	Common Stock	21,093	(4)	0.00	D	

**Explanation of Responses:**

- On August 3, 2004, Mr. Feldstein exercised options with respect to 31,640 shares. Receipt of the 24,618 shares receivable upon exercise of the option (the shares exercised less the 7,022 shares used to satisfy the exercise price of the option) was deferred in accordance with a stock option deferral agreement dated December 23, 2003 between Mr. Feldstein and AIG.
- These options were granted pursuant to a Stock Option Agreement between Mr. Feldstein and AIG dated February 21, 1995.
- On August 3, 2004, Mr. Feldstein exercised options with respect to 21,093 shares. Receipt of the 13,491 shares receivable upon exercise of the option (the shares exercised less the 7,602 shares used to satisfy the exercise price of the option) was deferred in accordance with a stock option deferral agreement dated December 23, 2003 between Mr. Feldstein and AIG.
- These options were granted pursuant to a Stock Option Agreement between Mr. Feldstein and AIG dated December 31, 1996.

**Remarks:**

By: /s/ Kathleen E. Shannon, by 08/04/2004  
power of attorney for

\*\* Signature of Reporting Person Date

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

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

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

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.