AMERICAN INTERNATIONAL GROUP INC
Form 4
December 09, 2004

FORM 4

OMB APPROVAL

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
HAMRAH CHARLENE M

(Last) (First) (Middle)

AMERICAN INTERNATIONAL GROUP, INC., 70 PINE STREET

(Street)

NEW YORK, NY 10270

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
AMERICAN INTERNATIONAL GROUP INC [(AIG)]

3. Date of Earliest Transaction (Month/Day/Year)
12/07/2004

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
Vice President

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

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

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	12/07/2004		M		1,449 (1)	A	$ 15.3087	20,886	D	
Common Stock								1,625	I	As Trustee (2)

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

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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 Am Underlying Sec (Instr. 3 and 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	A or N of Sh
Employee Stock Option (Right to Buy)	$ 15.3087	12/07/2004		M			1,898	12/15/1998	12/15/2004	Common Stock	1

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
HAMRAH CHARLENE M AMERICAN INTERNATIONAL GROUP, INC. 70 PINE STREET NEW YORK, NY 10270			Vice President	

Signatures

By: /s/ Kathleen E. Shannon, by power of attorney for 12/08/2004

**Signature of Reporting Person Date

Explanation of Responses:

* 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).

(1) On December 7, 2004, Ms. Hamrah exercised options for 1,898 shares using previously owned shares to pay for options granted pursuant to the 1991 Employee Stock Option Plan. This acquisition reflects the number of options exercised less the 449 shares surrendered to purchase the option.

(2) Beneficial ownership is disclaimed.

(3) These options were granted under AIG's 1991 Employee Stock Option Plan. Pursuant to the terms of the plan, 25% of the option becomes exercisable on the anniversary date of the grant in each of the four years following the grant.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.