AMERICAN INTERNATIONAL GROUP INC
Form 424B2
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PROSPECTUS SUPPLEMENT

(to Prospectus dated June 29, 2012)

U.S. $1,000,000,000

American International Group, Inc.

Medium-Term Notes, Series H

The following terms may apply to the notes, which we may sell at one or more times. The final terms for each note, which may be different from the terms described in this prospectus supplement, will be included in a pricing supplement. Unless otherwise specified in a pricing supplement, the notes will have the following terms:

Rank as our senior, unsecured indebtedness.

Mature nine months or more from the original issue date.

Denominated in U.S. dollars or in a foreign or composite currency or currency unit.

Not subject to redemption at our option or the holder s option, unless the pricing supplement specifies a redemption option and a redemption commencement date.

Denominations of $2,000, increasing in integral multiples of $1,000 in excess thereof (or other specified denominations for foreign currencies).

Book-entry (through The Depository Trust Company, Euroclear System or Clearstream Banking) or certificated form.

Interest at fixed or floating rates, or no interest at all.

Interest payments on the notes on the dates specified in the notes and in the applicable pricing supplement.

A floating interest rate may be based on one or more of the following indices, in some cases plus or minus a spread and/or multiplied by a spread multiplier and subject to a minimum and/or maximum rate:

commercial paper rate;

prime rate;

LIBOR;

EURIBOR;

treasury rate;

CMS rate;

CMT rate;

CD rate;

Consumer Price Index;

federal funds (effective) rate; and/or

any other rate or combination of rates specified in the applicable pricing supplement.

Payments on indexed notes will be determined by reference to the reference asset specified in the applicable pricing supplement.

Investing in the notes involves certain risks. Before investing in any notes offered pursuant to this prospectus supplement, the accompanying prospectus and any applicable pricing supplement, see Risk Factors on page S-1 of this prospectus supplement, Considerations Relating to Non-U.S. Dollar Debt Securities referred to on page 18 of the accompanying prospectus and the risks described in our filings with the Securities and Exchange Commission that are incorporated by reference herein or in the accompanying prospectus to read about certain factors you should consider before purchasing the notes. Additional risks specific to particular notes may also be detailed in the applicable pricing supplement.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS SUPPLEMENT, THE ACCOMPANYING PROSPECTUS OR ANY PRICING SUPPLEMENT IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Agents

AIG Global Capital Markets Securities, LLC	**ANZ Securities**	**Barclays**
BNP PARIBAS	**BNY Mellon Capital Markets, LLC**	**BofA Merrill Lynch**
Citigroup	**Credit Suisse**	**Deutsche Bank Securities**
Goldman, Sachs & Co.	**HSBC**	**ING**
J.P. Morgan	**Lloyds Securities**	**Mizuho Securities**
Morgan Stanley	**nabSecurities, LLC**	**Natixis**
Nomura	**PNC Capital Markets LLC**	**RBC Capital Markets**
RBS	**Santander**	**Scotiabank**
SMBC Nikko	**SOCIETE GENERALE**	**Standard Chartered Bank**
UBS Investment Bank	**UniCredit Capital Markets**	**US Bancorp**

Wells Fargo Securities

The final terms of each note will be included in a pricing supplement. The notes will be issued at 100% of their principal amount unless otherwise specified in the applicable pricing supplement. We will pay to the applicable agent(s) a commission, which may be in the form of a discount or otherwise, to be specified in the applicable pricing supplement.

The notes will be offered from time to time on a best efforts basis by the agents named above on our behalf. In addition, the agents may purchase notes from us at negotiated discounts for resale to other dealers or to investors, and we may sell notes directly to investors on our own behalf. We do not expect that any of the notes will be listed on a securities exchange, and a market for the notes may not develop.

We may use this prospectus supplement in the initial sale of these notes. In addition, AIG Global Capital Markets Securities, LLC or any of our other subsidiaries in the future may, if permitted by appropriate regulatory authority (including the Financial Industry Regulatory Authority (FINRA)), use this prospectus supplement in a market-making transaction in any of these notes after their initial sale.

The date of this prospectus supplement is May 3, 2013.

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Unless otherwise mentioned or unless the context requires otherwise, all references in this prospectus supplement to the Company, AIG, we, our, us and similar references mean American International Group, Inc. and not its subsidiaries.

AIG is responsible only for the information contained in this prospectus supplement, the accompanying prospectus, any pricing supplement, any issuer free writing prospectus and the documents incorporated by reference in this prospectus supplement, the accompanying prospectus or any pricing supplement. AIG has not, and the agents have not, authorized anyone to provide you with any other information, and AIG takes no responsibility for any other information that others may give you. AIG and the agents are offering to sell the notes only under the circumstances and in jurisdictions where offers and sales are permitted. The information contained in this prospectus supplement, the accompanying prospectus, any pricing supplement, any issuer free writing prospectus and in the documents incorporated in any of the foregoing documents by reference is accurate only as of the date on the front of those documents, regardless of the time of delivery of those documents or any sale of the notes.

RISK FACTORS

This prospectus supplement, the accompanying prospectus and any pricing supplement do not describe all the risks of an investment in the notes. You should consult your own financial and legal advisors about the risks of an investment in the notes before you decide to invest in the notes. You should carefully consider the risks described below, as well as other information included, or incorporated by reference, in this prospectus supplement, the accompanying prospectus and any applicable pricing supplement, before purchasing any notes. Events relating to any of the following risks, or other risks and uncertainties, could seriously harm our business, financial condition and results of operations. In such a case, the trading value of the notes could decline, or we may be unable to meet our obligations under the notes, which in turn could cause you to lose all or part of your investment. For additional factors you should consider before purchasing the notes, see the risk factors set forth under Considerations Relating to Non-U.S. Dollar Debt Securities beginning on page 18 of the accompanying prospectus and the risks described in our filings with the Securities and Exchange Commission that are incorporated by reference herein or in the accompanying prospectus.

General Risks Relating to the Notes

The Notes Are Unsecured Debt and Will Be Effectively Subordinated to Any Secured Obligations We May Incur

Once issued, the notes will be our senior unsecured obligations and will rank effectively junior to any secured obligations we may incur, to the extent of the collateral securing those obligations. For example, if we were unable to repay indebtedness or meet other obligations under our secured debt, the holders of that secured debt may have the right to foreclose upon and sell the assets that secure that debt. In such an event, it is possible that we would not have sufficient funds to pay amounts due on the notes.

In addition, if we are declared bankrupt, become insolvent or are liquidated or reorganized, holders of our secured debt will be entitled to exercise the remedies available to a secured lender under applicable law and pursuant to the instruments governing such debt, and any of our secured indebtedness will be entitled to be paid in part or in full, to the extent of our pledged assets or the pledged assets of the guarantors securing that indebtedness, before any payment may be made with respect to the notes from such pledged assets. Secured lenders not paid in full from pledged assets shall be entitled to an unsecured claim for the balance of their debt (or such lesser amount as any applicable limited recourse may provide). Holders of the notes will participate ratably in our remaining assets with all holders of any unsecured indebtedness that does not rank junior to the notes, based upon the respective amounts owed to each holder or creditor. In any of the foregoing events, there may not be sufficient assets to pay amounts due on the notes. As a result, holders of the notes would likely receive less, ratably, than holders of our secured indebtedness.

The Senior Debt Indenture Relating to the Notes and the Notes Contain Limited Protection for Holders of the Notes

The senior debt indenture (described further in Description of the Notes below and Description of Debt Securities AIG May Offer The Senior Debt Indenture in the accompanying prospectus) under which the notes will be issued, and the terms of the notes once issued, will offer limited protection to holders of the notes. In particular, the terms of the senior debt indenture and the notes will not place any restrictions on our or our subsidiaries ability to:

- engage in a change of control transaction;
- issue secured debt or secure existing unsecured debt (subject to certain limitations);
- issue debt securities or otherwise incur additional unsecured indebtedness or other obligations;
- purchase or redeem or make any payments in respect of capital stock or other securities ranking junior in right of payment to the notes;

- pay dividends;
- sell assets; or
- enter into transactions with related parties.

Furthermore, the terms of the senior debt indenture and the notes will not protect holders of the notes in the event that we experience changes (including significant adverse changes) in our financial condition or results of operations, as they will not require that we or our subsidiaries adhere to any financial tests or ratios or specified levels of net worth, revenues, income, cash flow or liquidity. In addition, the notes do not provide for a step-up in interest on, or any other protection against, a decline in our credit ratings.

Our ability to incur additional debt and take a number of other actions that are not limited by the terms of the senior debt indenture or the notes could negatively affect the value of the notes.

In addition, our existing credit facilities include more protections for the lenders thereunder than are available to holders of the notes under the senior debt indenture and the notes. For example, subject to certain exceptions, our existing credit facilities restrict our ability and the ability of certain of our subsidiaries to, among other things, incur certain types of liens, merge, consolidate, sell all or substantially all of our assets and engage in transactions with affiliates. Our existing credit facilities also require us to maintain a specified total consolidated net worth and consolidated total debt to consolidated total capitalization. If we fail to comply with those covenants and are unable to obtain a waiver or amendment, an event of default would result under our existing credit facilities and the lenders thereunder could, among other things, declare any outstanding borrowings under our existing credit facilities immediately due and payable. If the notes do not contain similar covenants, however, such events may not constitute an event of default under the notes and the holders of the notes would not be able to accelerate the payment under the notes. As a result, holders of the notes may be effectively subordinated to the lenders of our existing credit facilities, and to new lenders or holders of the notes, to the extent the instruments they hold include similar protections.

We and Our Subsidiaries Have Significant Leverage and Debt Obligations, Payments on the Notes Will Depend on Receipt of Dividends and Distributions from our Subsidiaries, and the Notes Will Be Structurally Subordinated to the Existing and Future Indebtedness of Our Subsidiaries

We are a holding company and we conduct substantially all of our operations through subsidiaries. We are also permitted, subject to certain limitations under our existing indebtedness, to obtain additional long-term debt and working capital lines of credit to meet future financing needs. This would have the effect of increasing our total leverage. Furthermore, the senior debt indenture relating to the notes generally does not prohibit us or our subsidiaries from incurring additional secured or unsecured indebtedness.

We depend on dividends, distributions and other payments from our subsidiaries to fund payments on the notes. Further, the majority of our investments are held by our regulated subsidiaries. Our subsidiaries may be limited in their ability to make dividend payments or advance funds to us in the future because of the need to support their own capital levels.

Our right to participate in any distribution of assets from any subsidiary upon the subsidiary s liquidation or otherwise is subject to the prior claims of any preferred equity interest holders and creditors of that subsidiary, except to the extent that we are recognized as a creditor of that subsidiary. To the extent that we are a creditor of a subsidiary, our claims would be subordinated to any security interest in the assets of that subsidiary and/or any indebtedness of that subsidiary senior to that held by us. As a result, the notes will be structurally subordinated to all existing and future liabilities of our subsidiaries. You should look only to our assets as the source of payment for the notes, and not those of our subsidiaries.

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The Trading Market for the Notes May Be Limited and You May Be Unable to Sell Your Notes at a Price that You Deem Sufficient

The notes being offered by this prospectus supplement, the accompany prospectus and any pricing supplement are new issues of securities for which there is currently no active trading market. We do not intend to list the notes on any securities exchange or include the notes in any automated quotation system. The agents currently intend, but are not obligated, to make a market for the notes and may cease doing so at any time. As a result, an active trading market may not develop for the notes, or if one does develop, it may not be sustained. If an active trading market fails to develop or cannot be sustained, you may not be able to resell your notes at their fair market value or at all.

Whether or not a trading market for the notes develops, neither we nor the agents can provide any assurance about the market price of the notes. Several factors, many of which are beyond our control, might influence the market value of the notes, including:

- our creditworthiness and financial condition (whether actual or perceived);
- actions by credit rating agencies;
- the market for similar securities;
- prevailing interest rates; and
- economic, financial, geopolitical, regulatory and judicial events that affect us, the industries and markets in which we are doing business, and the financial markets generally, such as adverse European economic and financial conditions related to sovereign debt issues in certain countries, and concerns regarding the European Union or geopolitical or military crises.

Financial market conditions and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future. Such fluctuations could have an adverse effect on the price of the notes.

As a result of one or more of those factors, notes that an investor purchases may trade at a discount to the price that the investor paid for such notes.

It is Unclear How Increased Regulatory Oversight and Changes in the Method for Determining LIBOR May Affect the Value of the Notes and Other Financial Obligations Held or Issued by AIG That Are Linked to LIBOR, or How Such Changes Could Affect AIG s Results of Operations or Financial Condition

As a result of concerns about the accuracy of the calculation of the daily LIBOR, a number of British Bankers Association (the BBA) member banks entered into settlements with their regulators and law enforcement agencies with respect to alleged manipulation of LIBOR, and there are ongoing investigations by regulators and governmental authorities in various jurisdictions. Following a review of LIBOR conducted at the request of the U.K. Government, on September 28, 2012, recommendations for reforming the setting and governing of LIBOR were released (the Wheatley Review). The Wheatley Review made a number of recommendations for changes with respect to LIBOR, including the introduction of statutory regulation of LIBOR, the transfer of responsibility for LIBOR from the BBA to an independent administrator, changes to the method of compilation of lending rates and new regulatory oversight and enforcement mechanisms for rate-setting and a reduction in the number of currencies and tenors for which LIBOR is published. Based on the Wheatley Review and on a subsequent public and governmental consultation process, on March 25, 2013, the U.K. Financial Services Authority published final rules for the U.K. Financial Conduct Authority s regulation and supervision of LIBOR (the FCA Rules). In particular, the FCA Rules include requirements that (1) an independent LIBOR administrator monitor and survey LIBOR submissions to identify breaches of practice standards and/or potentially manipulative behavior, and (2) firms submitting data to LIBOR establish and maintain a clear conflicts of interest policy and appropriate systems and controls. The FCA Rules took effect on April 2, 2013.

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It is uncertain what additional regulatory changes or what changes, if any, in the method of determining LIBOR may be required or made by the U.K. government or other governmental or regulatory authorities. Accordingly, it is not certain whether or to what extent any such changes could have an adverse impact on the value of any LIBOR-linked notes issued by AIG, or any loans, derivatives and other financial obligations or extensions of credit for which AIG is an obligor. It is also not certain whether or to what extent any such changes would have an adverse impact on the value of any LIBOR-linked securities, loans, derivatives and other financial obligations or extensions of credit held by or due to AIG or on AIG s overall financial condition or results of operations.

Our Credit Ratings May Not Reflect All Risks of an Investment in the Notes

Our credit ratings are an assessment of our ability to pay our obligations. Consequently, real or anticipated changes in our credit ratings will generally affect the market value of your notes. Our credit ratings, however, may not reflect the potential impact of risks related to market or other factors discussed in this prospectus supplement, the accompanying prospectus and any pricing supplement on the value of your notes.

We May Choose to Redeem Notes When Prevailing Interest Rates Are Relatively Low

If your notes will be redeemable at our option, we may choose to redeem your notes from time to time, especially when prevailing interest rates are lower than the rate borne by the notes. If prevailing rates are lower at the time of redemption, you may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as the interest rate on the notes being redeemed. Our redemption right also may adversely impact your ability to sell your notes as the optional redemption date or period approaches. You should consult your own financial and legal advisors as to the risks of an investment in redeemable notes.

We May Engage in Hedging Activities That Could Adversely Affect the Value of the Notes

In order to hedge exposure to various market risks associated with payments required on a particular note, we may, directly or through subsidiaries of AIG, enter into transactions that are designed to hedge these risks. These hedges may involve a number of transaction types, including entering into derivatives trades involving interest rates, currencies, equities, debt instruments, commodities or the purchase of physical assets, such as currencies, commodities, futures, options, securities, or other financial instruments, as applicable. AIG or one or more of its subsidiaries may take long or short positions in the applicable underlying asset or reference measure and may use one or more transaction types to achieve these positions. These hedging activities may occur from time to time before the relevant notes mature and will depend on market conditions and associated changes in the value of the underlying asset or reference measure, as applicable.

Furthermore, AIG or one or more of its subsidiaries may terminate any or all of its hedges on or prior to the maturity of the relevant notes, whether in whole or in part, or may enter into offsetting trades during the term of the relevant note. The aggregate amount and type of such positions are likely to vary over time depending on future market conditions and other factors.

AIG has no reason to believe that its hedging activities, as well as those of its subsidiaries, will have a material impact on the price of any financial asset or instrument that is used for such hedging activities, or on the value of the underlying assets. However, AIG cannot guarantee you that its hedging activities, as well as those of its subsidiaries, will not affect such prices or values. Transactions of this kind could affect the value of the notes in a manner adverse to the investor.

In addition, the agents may also engage in in any of the foregoing hedging transactions in connection with any particular issue of notes. See Plan of Distribution Initial Offering and Sale of Notes in this prospectus supplement.

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The Notes May Be Subject to a Maximum Interest Rate

If specified in the applicable pricing supplement, the notes may be subject to a maximum interest rate. As a result, in the event that the interest rate otherwise calculated for any applicable interest period exceeds the applicable maximum interest rate, your interest payment for the relevant interest period will reflect the applicable maximum interest rate, and you will lose the benefit of any interest payment that would have been payable had such maximum interest rate not been applicable.

If the Offering is a Variable Price Reoffer, the Price You Paid for the Notes May Be Higher than the Prices Paid by Other Investors

In a variable price reoffer, the agent proposes to offer the notes from time to time for sale to investors in one or more negotiated transactions, or otherwise, at prevailing market prices at the time of sale, at prices related to then-prevailing prices, at negotiated prices, or otherwise. Accordingly, there is a risk that the price you paid for your notes will be higher than the prices paid by other investors based on the date and time you made your purchase, from whom you purchased the notes, any related transaction cost, whether you hold your notes in a brokerage account, a fiduciary or fee-based account or another type of account and other market factors.

The Purchase Price for the Notes on the Relevant Original Issue Date May Have Certain Built-In Costs, Including Any Agent s Commissions and Any Costs of Hedging, Both of Which May Be Reflected in Secondary Market Prices

In determining the economic terms of the notes, and consequently the potential return on the notes to you, the original purchase price of the notes may take into account compensation to any agent for distributing the notes, which will be reflected in the applicable pricing supplement, any structuring and development costs and any costs associated with hedging our obligations under the notes. As a result, the value of the notes on the relevant original issue date may be less than the original purchase price you paid for such notes, and the price, if any, at which any agent or other purchaser may be willing to purchase the notes in secondary market transactions may be less than the price you originally paid for the notes. This is due to, among other things, the fact that the original purchase price of the notes may include, and secondary market prices are likely to exclude, any agent s commission with respect to, any structuring and development costs and any hedging costs associated with the notes. The cost of hedging includes the projected profit that may be realized in consideration for assuming the risks inherent in managing the hedging transactions. These secondary market prices are also likely to be reduced by the costs of unwinding the related hedging transactions. A profit may be realized by us or any applicable agent from the expected hedging activity even if holders of the notes do not receive a favorable investment return under the terms of the notes or in any secondary market transaction. In addition, any secondary market prices may differ from values determined by pricing models used by the agents or any another purchaser, as a result of dealer discounts, mark-ups or other transaction costs. As a result, any sale of your notes prior to maturity could result in a substantial loss to you. For additional information regarding our ability to engage in hedging activities, please see We May Engage in Hedging Activities That Could Adversely Affect the Value of the Notes above and Plan of Distribution below in this prospectus supplement.

There May Be Potential Conflicts of Interest Between Investors in the Notes and the Calculation Agent

We or one of our affiliates or an agent or one of its affiliates could serve as the calculation agent in connection with the notes. The calculation agent will have discretion in making certain determinations and judgments in connection with the notes, including, in the case of a floating rate note, determining the interest rate used to calculate the amount of accrued interest, or in the case of an indexed note, calculations in connection with valuing the reference asset, any adjustments to the reference asset, dates, prices, or any other affected variable when the reference asset is changed or modified and determining whether a market disruption event or *force majeure* event has occurred. The exercise of discretion by the calculation agent could adversely affect the value of the notes and may present a conflict of interest between your interests as an investor and the interests of the calculation agent in performing its roles.

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There May Be Potential Conflicts of Interest Between You and Us and Our Affiliates and the Agents and Their Affiliates

We and our affiliates and the agents and their affiliates will play a variety of roles in connection with the notes, including potentially acting as calculation agent and hedging our obligations under the notes. Trading activities related to interest rate movements, including short-term and long-term interest rate swaps and other instruments that may affect interest rates, may be entered into on our behalf, on behalf of our affiliates, the relevant agents, their affiliates or their respective customers, that are not for your account or on your behalf. In particular, as described above under We May Engage in Hedging Activities That Could Adversely Affect the Value of the Notes and in Plan of Distribution below in this prospectus supplement, we, the relevant agents and/or their affiliates may hedge our obligations under the notes by purchasing securities, futures, options or other derivative instruments with returns linked or related to changes in the applicable interest rate basis or reference asset, and we may adjust these hedges by, among other things, purchasing or selling securities, futures, options or other derivative instruments at any time. These trading activities may present a conflict between your interests in the notes and the interests we, our affiliates and the relevant agents and their affiliates will have in each of their respective proprietary accounts and in facilitating transactions, including block trades and options and other derivatives transactions, for their respective customers and in accounts under each of their respective management. These trading activities, if they influence the levels of the applicable interest rate basis, reference asset or any other factor that may affect the amount that may be paid on any note, could be adverse to your interests as an investor in the notes. It is possible that we, the relevant agents and/or their affiliates could receive substantial returns from these hedging activities while the value of the notes declines.

You Have No Right to Any of Our Hedging Profits

As discussed in We May Engage in Hedging Activities That Could Adversely Affect the Value of the Notes above, we may engage in activities to hedge our exposure under the notes. We may have profits or losses from these hedging activities. It is possible that we could achieve substantial profits from our hedging transactions while the value of the notes may decline. The holders of the notes will have no right to any such profits.

In addition, the agents may also engage in any of the foregoing hedging transactions in connection with any particular issue of notes. See Plan of Distribution Initial Offering and Sale of Notes in this prospectus supplement.

Risks Relating to Indexed Notes

If we issue indexed notes, the following additional risks may also apply to your notes. We use the term indexed notes to mean notes whose value is linked to an underlying asset or index (including one or more securities or indices of securities).

The pricing supplement relating to the indexed notes will be attached to the front of this prospectus supplement and will contain the precise terms of the indexed notes you are offered.

An Investment in Indexed Notes Presents Significant Risks Not Associated with Other Types of Securities

An investment in indexed notes presents certain significant risks not associated with other types of securities. If we issue indexed notes, we will describe certain risks associated with any such particular indexed note more fully in the applicable pricing supplement. Indexed notes may present a high level of risk, and you may lose your entire investment if you purchase these types of securities.

The treatment of indexed notes for United States federal income tax purposes is often unclear due to the absence of any authority specifically addressing the issues presented by any particular indexed note. Accordingly, you, or your tax adviser, should, in general, be capable of independently evaluating the federal

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income tax consequences of purchasing an indexed note applicable in your particular circumstances. The applicable pricing supplement will discuss the material United States federal income tax consequences of owning, selling and disposing of a particular indexed note.

Investors in Indexed Notes Could Lose Principal and/or Receive No Interest

The principal amount of an indexed note payable at maturity, the amount of interest payable on an interest payment date, and the cash value or physical settlement value of a physically settled debt security will be determined by reference to one or more of the following:

- currencies, including baskets or indices of currencies;
- commodities, including baskets or indices of commodities;
- securities, including baskets or indices of securities; or
- any other index or financial measure, including, if permitted by any relevant state or Federal law, the occurrence or non-occurrence of any event or circumstances.

The direction and magnitude of the change in the value of the relevant index will determine one or more of the principal amount of an indexed note payable at maturity, the amount of interest payable on an interest payment date, and/or the cash value or physical settlement value of a physically settled debt security. The terms of a particular indexed note may or may not include a guaranteed return of a percentage of the face amount at maturity or a minimum interest rate. Accordingly, if you invest in an indexed note, you may lose all or a portion of the amount invested in such indexed note and/or may receive no interest on the security.

The Return on Indexed Notes May Be Below the Return on Similar Securities

Depending on the terms of an indexed note, as specified in the applicable pricing supplement, you may not receive any periodic interest payments or receive only very low payments on such indexed note. As a result, the overall return on such indexed note may be less than the amount you would have earned by investing the principal or other amount you invest in such indexed note in a non-indexed debt security that bears interest at a prevailing market fixed or floating rate.

The Market Price of Indexed Notes Will Be Influenced by Many Unpredictable Factors

Several factors, many of which are beyond our control, will influence the value of indexed notes, including:

- the market price of the index stock or other asset, which we call the reference asset;
- the volatility (frequency and magnitude of changes in price) of the reference asset;
- the dividend rate on the reference asset;
- economic, financial, political, regulatory or judicial events that affect markets generally and which may affect the market price of the reference asset;

- interest and yield rates in the market; and

- the time remaining until (a) you can exchange your indexed notes for the reference asset, (b) we can call the indexed notes and (c) the indexed notes mature.

These factors will influence the price that you will receive if you sell your indexed notes prior to maturity. For example, you may have to sell your indexed notes at a substantial discount from the issue price if the market price of the reference asset is at, below or not sufficiently above the price of the reference asset at pricing.

You cannot predict the future performance of an index or an indexed note based on its historical performance.

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The Issuer of the Reference Asset Could Take Actions That May Adversely Affect an Indexed Note

The issuer of a stock or other security that serves as the reference asset or as part of the reference asset for an indexed note will, unless otherwise provided in the applicable pricing supplement, have no involvement in the offer and sale of the indexed note and no obligations to the holder of the indexed note. The issuer may take actions, such as a merger or sale of assets, without regard to the interests of the holders of our indexed notes. Any of these actions could adversely affect the value of a security indexed to the reference asset.

If the index for an indexed note includes a non-U.S. dollar currency or other asset denominated in a non-U.S. dollar currency, the government that issues that currency will also have no involvement in the offer and sale of the indexed note and no obligations to the holder of the indexed note. That government may take actions that could adversely affect the value of the security. See Considerations Relating to Non-U.S. Dollar Debt Securities Government Policy Can Adversely Affect Foreign Currency Exchange Rates and an Investment in a Non-U.S. Dollar Debt Security in the accompanying prospectus for more information about these kinds of government actions.

The issuer of the reference asset (including the government that issues the underlying currency) is not involved in the offering of the indexed notes in any way and has no obligation to consider your interest as owner of these indexed notes in taking any actions that might affect the value of your securities. None of the money you pay for an indexed note will go to a third-party issuer.

An Indexed Note May Be Linked to a Volatile Index, Which Could Hurt Your Investment

Certain indices are highly volatile, which means that their value may change significantly, up or down, over a short period of time. The expected principal amount payable at maturity, the amount of interest payable on an interest payment date, the cash value or physical settlement value of a physically settled debt security may vary substantially from time to time. Because the amount payable on an indexed note is generally calculated based on the value of the relevant index on a specified date or over a limited period of time, volatility in the index increases the risk that the return on the indexed notes may be adversely affected by a fluctuation in the level of the relevant index.

The volatility of an index may be affected by political or economic events, including governmental actions, or by the activities of participants in the relevant markets. Any of these could adversely affect the value of an indexed note.

An Index to Which a Note Is Linked Could Be Changed or Become Unavailable

Certain indices reference several different currencies, commodities, securities or other financial instruments. The compiler of such an index typically reserves the right to alter the composition of the index and the manner in which the value of the index is calculated. Such an alteration may result in a decrease in the value of or return on an indexed note which is linked to such index.

An index may become unavailable due to such factors as war, natural disasters, cessation of publication of the index, or suspension of or disruption in trading in the currency or currencies, commodity or commodities, security or securities or other financial instrument or instruments comprising or underlying such index. If an index becomes unavailable, the determination of the amount payable on an indexed note may be delayed or an alternative method may be used to determine the value of the unavailable index. Alternative methods of valuation are generally intended to produce a value similar to the value resulting from reference to the relevant index. However, it is unlikely that such alternative methods of valuation will produce values identical to those which would be produced were the relevant index to be used. An alternative method of valuation may result in a decrease in the value of or return on an indexed note.

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Certain indexed notes may be linked to indices which are not commonly utilized or have been recently developed. The lack of a trading history may make it difficult to anticipate the volatility or other risks to which such a note is subject. In addition, there may be less trading in such indices or instruments underlying such indices, which could increase the volatility of such indices and decrease the value of or return on indexed notes relating to them.

You Have No Rights With Respect to the Reference Asset

Investing in an indexed note will not make you a holder of the reference asset. As an owner of indexed notes, you will not have voting rights or the right to receive dividends or other distributions or any other rights with respect to the reference asset.

The Notes May Be Subject to an Investor Fee and Other Costs

The notes may be subject to an investor fee and other costs as specified in the applicable pricing supplement that may cause you to receive less than the principal amount of your investment at maturity or, if applicable, upon redemption of the notes. In connection with indexed notes, because the investor fee and any applicable costs reduce the amount of your return at maturity or at the payment or settlement date, as applicable, the value of the relevant reference asset must increase significantly in order for you to receive at least the principal amount of your investment at maturity or upon redemption. If the value of the reference asset decreases or does not increase sufficiently to offset the investor fee and any applicable costs, you may receive less than the principal amount of your investment at maturity or, if applicable, upon redemption.

Information About Indices May Not Be Indicative of Future Performance

If we issue an indexed note, we may include historical information about the relevant index in the applicable pricing supplement. Any information about indices that we may provide will be furnished as a matter of information only, and you should not regard the information as indicative of the range of, or trends in, fluctuations in the relevant index or value of a non-indexed note that may occur in the future.

Research Reports and Other Transactions May Create Conflicts of Interest Between You and the Agents

Certain of the agents and their respective affiliates have published, and may in the future publish, research reports relating to the reference assets or any of their components. The views expressed in this research may be modified from time to time without notice and may express opinions or provide recommendations that are inconsistent with purchasing or holding the notes. Any of these activities may affect the levels, values or prices of the reference assets or their components and, therefore, the market value of the notes. Moreover, other professionals who deal in these markets may at any time have views that differ significantly from such agents and their respective affiliates. In connection with your purchase of the notes, you should investigate the reference asset and not rely on the views of any agent and its respective affiliates with respect to future movements in the reference assets and their components.

Certain of the agents and their respective affiliates also may issue, underwrite or assist unaffiliated entities in the issuance or underwriting of other securities or financial instruments with returns indexed to the reference asset. By introducing competing products into the marketplace in this manner, such agents and their respective affiliates could adversely affect the market value of the notes.

Certain of the agents and their respective affiliates, at present or in the future, may engage in business relating to the person or organization responsible for calculating, publishing or maintaining the reference assets, which we refer to as the sponsor of the reference asset. In addition, certain of the agents and their respective affiliates may engage in business relating to any components of the reference assets, including making loans to, equity investments in, or providing investment banking, asset management or other advisory services to the respective sponsor or issuer. In connection with these activities, such agents and their respective affiliates may receive information pertinent to the reference assets or their components that such agents and their respective affiliate will not divulge to you.

We May Have Conflicts of Interest Regarding Indexed Notes

Subsidiaries of AIG may have conflicts of interest with respect to some indexed notes. Subsidiaries of AIG may engage in trading, including trading for hedging purposes, for their proprietary accounts or for other accounts under their management, in indexed notes and in the currencies, commodities, securities, or other financial instruments on which the index is based or in other derivative instruments related to the index. These trading activities could adversely affect the value of indexed notes. We and the subsidiaries of AIG may also issue securities or derivative instruments that are linked to the same index as one or more indexed notes. By introducing competing products into the marketplace in this manner, we could adversely affect the value of an indexed note.

To the extent that one or more of the subsidiaries of AIG calculates or compiles a particular index or serves as calculation agent with respect to an indexed note, it may have considerable discretion in performing the calculation or compilation. Exercising discretion in this manner could adversely affect the value of or the rate of return on an indexed note based on such index.

In addition, the agents may also engage in any of the foregoing hedging transactions in connection with any particular issue of notes that may give rise to similar conflicts of interest. See Plan of Distribution Initial Offering and Sale of Notes.

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ABOUT THIS PROSPECTUS SUPPLEMENT AND PRICING SUPPLEMENTS

This prospectus supplement sets forth certain terms of the Medium-Term Notes, Series H, that we may offer and supplements the prospectus that is attached to the back of this prospectus supplement. This prospectus supplement supersedes the accompanying prospectus to the extent it contains information that is different from the information in the prospectus.

Each time we offer notes, we will attach a pricing supplement to this prospectus supplement. The pricing supplement will contain the specific description of the notes we are offering, the terms of the offering and the series of notes under which the offering will be made. The pricing supplement will supersede this prospectus supplement or the accompanying prospectus to the extent it contains information that is different from the information contained in this prospectus supplement or the accompanying prospectus.

It is important for you to read and consider all information contained in this prospectus supplement and the accompanying prospectus and pricing supplement in making your investment decision. You should also read and consider the information contained in the documents identified in Where You Can Find More Information in the accompanying prospectus.

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USE OF PROCEEDS

Unless otherwise indicated in the applicable pricing supplement, AIG intends to use the net proceeds from the sale of the Medium-Term Notes, Series H, which we refer to in this prospectus supplement as the notes, for general corporate purposes. We or our affiliates may also use those proceeds in transactions intended to hedge our obligations under the notes.

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DESCRIPTION OF NOTES WE MAY OFFER

This section is a summary of the material terms that are common to the notes. This summary supplements, and is qualified by reference to, the description of the general terms and provisions of the debt securities in the prospectus that is attached to the back of this prospectus supplement. However, if any particular term of the notes described herein is inconsistent with any general terms described in the accompanying prospectus, the particular term described herein will control to the extent not inconsistent with the senior debt indenture described below.

When we issue any particular notes, we will specify their particular terms in a pricing supplement to this prospectus supplement. The terms of any particular notes may be different from or in addition to the terms summarized here. The interest-related information described herein or in the accompanying prospectus does not apply to zero coupon notes described below.

The notes will be offered in the United States and/or outside the United States.

In this section, we use capitalized terms to signify defined terms that have been given special meaning in the senior debt indenture or the notes or are explained in the accompanying prospectus. We describe the meaning for only the more important terms.

In this section, holders mean those who own notes registered in their own names and not those who own beneficial interests in notes registered in street name or in notes represented by a global note or notes issued in book-entry form through the depositary and you means those who invest in the notes, whether they are the holders or only indirect owners. Owners of beneficial interests in the notes should read the subsection below entitled Book-Entry System and the section entitled Legal Ownership and Book-Entry Issuance in the accompanying prospectus.

General Features of the Notes

Each of the individual series of notes will constitute a single series of debt securities under the Indenture, dated as of October 12, 2006, as amended by the Fourth Supplemental Indenture, dated as of April 18, 2007, and the Eighth Supplemental Indenture, dated as of December 3, 2010, and as it may be amended or supplemented from time to time, between us and The Bank of New York Mellon, as trustee, which we refer to herein as the senior debt indenture. The notes are limited in their aggregate principal amount to $1,000,000,000, or the equivalent of $1,000,000,000 in one or more foreign or composite currencies or currency units. We may increase this limit without the consent of holders of the notes if in the future we determine that we may want to sell additional notes. We explain what the senior debt indenture is, and provide a description of the rights attached to different series of debt securities under the senior debt indenture, under Description of Debt Securities AIG May Offer The Senior Debt Indenture in the accompanying prospectus.

Unless otherwise indicated in the applicable pricing supplement, neither the restrictive covenants under the senior debt indenture nor any additional ones contained in the notes will necessarily afford holders of the notes protection in the event of a highly leveraged transaction involving us, such as a leveraged buyout.

Stated Maturity and Maturity

The day on which the principal amount of your note is scheduled to become due and payable is called the stated maturity of the principal, which is a date nine months or more from the issuance date of the note. This date will be specified on the face of the note and in the pricing supplement relating to the note. The principal may become due and payable sooner, by reason of redemption, acceleration after a default or otherwise. The day on which the principal actually becomes due and payable, whether at the stated maturity or earlier, is called the maturity of the principal.

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We also use the terms stated maturity and maturity to refer to the dates when other payments become due and payable. For example, we may refer to a regular interest payment date when an installment of interest is scheduled to become due as the stated maturity of that installment. When we refer to the stated maturity or the maturity of a note without specifying a particular payment, it means the stated maturity or maturity, as the case may be, of the principal.

Currency of Notes

Amounts that become due and payable on your note will be payable in a currency, including any composite currency, specified on the face of the note and in the related pricing supplement. That currency is called a specified currency. The specified currency may be U.S. dollars, or any other currency or composite currency including euros. In some cases, a note may have different specified currencies for principal, premium, if any, and interest. You will have to pay for your notes by delivering the requisite amount of the specified currency for the principal to an agent named in the related pricing supplement unless other arrangements have been made. We will make payments on your notes in the applicable specified currency, except as otherwise described below under Payment of Principal and Interest. You should read carefully the section entitled Considerations Relating to Non-U.S. Dollar Debt Securities in the accompanying prospectus.

Types of Notes

We will issue two main types of notes, which are distinguishable by the manner in which they bear interest:

Fixed Rate Notes. A note of this type will bear interest at a fixed rate described in the applicable pricing supplement. This type includes zero coupon notes, which bear no interest and are instead issued at a price lower than the principal amount. A fixed rate note may also bear an interest rate that steps up or converts into a floating interest rate on a specified date.

Floating Rate Notes. A note of this type will bear interest at rates that are determined by reference to an interest rate formula. In some cases, the rates may also be adjusted by adding or subtracting a spread or multiplying by a spread multiplier and may be subject to a minimum rate or a maximum rate. The various interest rate formulas, such as the commercial paper rate, the prime rate, LIBOR, EURIBOR, the treasury rate, the CMS rate, the CMT rate, the CD rate, the Consumer Price Index and the federal funds (effective) rate, and other features are described below in Interest Rates of Notes Floating Rate Notes. If your note is a floating rate note, the particular formula and any adjustments that apply to the interest rate for your note will be specified or described in the applicable pricing supplement. Floating rate notes may also specify an interest rate cap or an interest rate floor that effectively creates a maximum or minimum interest rate on the notes.

The notes may also be distinguished by the prices at which they are originally issued or by the fact that the amounts payable on them at maturity or otherwise will depend on variable factors. There are four types:

Original Issue Discount/Accreting Notes. A note of this type is issued at a price lower than its principal amount and provides that, upon early redemption or acceleration of its maturity, an amount less than its principal amount will be payable. A note issued at a discount to its principal may, for United States federal income tax purposes, be considered an original issue discount note, regardless of the amount payable upon redemption or acceleration. See Material United States Taxation Considerations Taxation of Debt Securities United States Holders Original Issue Discount in the accompanying prospectus. An original issue discount note may be a zero coupon note or may bear interest at a fixed or floating rate.

Indexed Notes. A note of this type provides that the principal amount payable at its maturity, and/or the amount of interest payable on an interest payment date, will be determined by reference to a currency exchange rate, composite currency, security or commodity price, securities or commodities exchange rate or any other financial or non-financial index or indices or baskets of any of these items described in the applicable pricing supplement. If you are a holder of an indexed note, you may receive a principal amount at maturity that is greater than or less than the face amount of your note depending upon the value of the

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applicable index at maturity. That value may fluctuate over time. If you purchase an indexed note, the applicable pricing supplement will include information about the relevant index and about how amounts to become payable will be determined by reference to that index. You should carefully read such information and the section in this prospectus supplement entitled Risk Factors Risks Relating to Indexed Notes.

Amortizing Notes. If you are a holder of an amortizing note, you will receive payments of principal and interest in installments over the life of the notes. Unless otherwise specified in the applicable pricing supplement, interest on each amortizing note will be computed on the basis of a 360-day year of twelve 30-day months. Payments on amortizing notes will be applied first to interest due and payable and then to the reduction of the unpaid principal amount. Further information concerning additional terms of amortizing notes will be specified in the applicable pricing supplement, including a table setting forth repayment information for such amortizing notes.

Extendible Notes. A note of this type provides the holders with the option to extend the maturity of their notes to one or more dates indicated in the notes and the applicable pricing supplement. The terms of and any additional considerations relating to any extendible maturity notes will be specified in the applicable pricing supplement.

Denomination of Notes

Unless we specify differently in the pricing supplement relating to your note, the denomination of your note will be $2,000, increasing in integral multiples of $1,000 in excess thereof. The denomination of foreign currency notes will be specified in the applicable pricing supplement; however, no foreign currency notes will be issued for less than $2,000 or its equivalent in other currencies or composite currencies.

Redemption and Repayment

Unless otherwise specified in the applicable pricing supplement, we will not provide any sinking fund for your note. Unless the applicable pricing supplement specifies an initial date on which your note may be redeemed by us (a redemption commencement date) the notes will not be redeemable by us prior to their stated maturity. If the applicable pricing supplement specifies a redemption commencement date with respect to such note, the applicable pricing supplement will also specify one or more redemption prices, which will be expressed as a percentage of the principal amount of your note, and the redemption period or periods during which such redemption prices will apply. If your note is redeemable at our option, as specified in the applicable pricing supplement, it will be redeemable at any time on or after the specified redemption commencement date for a limited period, as specified in the applicable pricing supplement, at the specified redemption price applicable to the redemption period for your note together with interest accrued up to the redemption date.

If different prices are specified for different redemption periods, the price we pay will be the price that applies to the redemption period during which your note is redeemed.

If we exercise an option to redeem any note, we will give to the holder written notice of the principal amount of the note to be redeemed, not less than 5 business days nor more than 60 days before the applicable redemption date.

If applicable, the pricing supplement will indicate that you have the option to have us repay your note on a date or dates specified prior to its maturity date. You may elect repayment of your entire note or any portion of the principal amount which would be an authorized denomination for the note, except that any remaining unpaid portion must be at least the minimum denomination for your note. The repayment price will be equal to 100% of the principal amount of your note, together with accrued interest to the date of repayment. If your note is issued with original issue discount, the applicable pricing supplement will specify the amount payable upon a repayment.

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Unless otherwise specified in the applicable pricing supplement, to exercise your right of repayment of your note, the paying agent must receive at least 15 days but not more than 30 days (or if either such day is not a business day, the next business day) prior to the repayment date:

- the note with the form entitled Option to Elect Repayment on the reverse of the note duly completed; or

- a telegram, telex, facsimile transmission or a letter from a member of a national securities exchange or FINRA or a commercial bank or trust company in the United States setting forth the name, address and telephone number of the holder of the note, the principal amount of the note, the principal amount of the note to be repaid, the certificate number or a description of the tenor and terms of the note, a statement that the option to elect repayment is being exercised thereby and a guarantee that the note being repaid, together with the duly completed form entitled Option to Elect Repayment on the reverse of the note, will be received by the paying agent not later than the fifth business day after the date of that telegram, telex, facsimile transmission or letter. However, the telegram, telex, facsimile transmission or letter will only be effective if the note and duly completed form are received by the paying agent by the fifth business day after the date of that telegram, telex, facsimile transmission or letter.

Except in the case of renewable notes, exercise of the repayment option by you will be irrevocable. You may exercise the repayment option for less than the entire principal amount of your notes but, in that event, the principal amount of the notes remaining outstanding after repayment must be an authorized denomination.

Special Requirements for Optional Repayment of Global Notes. If the notes are represented by a global note, the depositary or the depositary s nominee will be the holder of the note and therefore will be the only entity that can exercise a right to repayment. In order to ensure that the depositary s nominee will timely exercise a right to repayment with respect to your note, you must instruct the broker or other direct or indirect participant through which you hold an interest in the note to notify the depositary of your desire to exercise your right to repayment. Different firms have different cut-off times for accepting instructions from their customers and, accordingly, you should consult the broker or other direct or indirect participant through which you hold your interest in the note in order to ascertain the cut-off time by which an instruction must be given in order for timely notice to be delivered to the depositary.

Whether the Defeasance Provisions Apply

Unless otherwise indicated in the applicable pricing supplement, the full defeasance and covenant defeasance provisions of the senior debt indenture described under Description of Debt Securities AIG May Offer Defeasance in the accompanying prospectus will apply to U.S. dollar denominated fixed rate notes.

Information to Be Contained in the Applicable Pricing Supplement

The pricing supplement relating to your note will describe the following terms:

(i) the title of the series of debt securities;

(ii) the specified currency or currencies with respect to your note and, if such specified currency or currencies are not U.S. dollars, certain other terms relating to your note, including the authorized denominations and the exchange rate agent that will determine the relevant exchange rate and certain other information relating to the currency and exchange rate;

(iii) the price, expressed as a percentage of the aggregate principal amount of the notes to which the pricing supplement relates, at which your note will be issued;

(iv) the date on which your note will be issued;

(v) the date on which your note will mature and any term related to any extension of the maturity date;

(vi) whether your note is renewable;

(vii) whether your note is a fixed rate note or a floating rate note;

(viii) if your note is a fixed rate note, the rate per annum at which the note will bear interest, if any, whether the interest rate steps up or converts into a floating rate and the interest payment date or dates, if different from those specified below;

(ix) if your note is a floating rate note, the interest rate basis for the floating rate note and, if applicable, the calculation agent, the index maturity, the spread or spread multiplier, the maximum rate, the minimum rate, the initial interest rate, the interest payment dates, the regular record dates and the interest reset date each of these terms is as described below with respect to such floating rate note;

(x) whether interest on your note is payable in cash or otherwise;

(xi) the business day convention and day count fraction;

(xii) any other terms relating to calculating the interest rate for your note;

(xiii) whether your note is an original issue discount note and, if so, the yield to maturity;

(xiv) whether your note is an indexed note and, if so, the principal amount thereof payable at stated maturity, or the amount of interest payable on an interest payment date, as determined by reference to the applicable index, in addition to certain other information relating to the indexed note;

(xv) whether your note is an amortizing note and, if so, repayment information with respect to installments of principal and interest;

(xvi) whether your note is an extendible maturity note;

(xvii) whether your note may be subject to redemption in whole or in part at our option or repayment at your option prior to the stated maturity and, if so, the provisions relating to such redemption or repayment;

(xviii) whether your note will be issued as a physical note in certificated form;

(xix) whether a global note will be held through the Euroclear System or Clearstream Banking or any other clearing system or financial institution, in addition to, or instead of, The Depository Trust Company; and

(xx) any other terms of your note not inconsistent with the provisions of the senior debt indenture.

If a note is issued as a physical note in certificated form, it may be presented for registration of transfer or exchange at the corporate trust office of the trustee in the Borough of Manhattan, in New York City.

Interest Rates of Notes

Fixed Rate Notes

Each fixed rate note, except any zero coupon note, will bear interest from and including its original issue date or from and including the most recent date to which interest on the note has been paid or made available for payment. Interest will accrue on the principal of a fixed rate note at the fixed yearly rate stated on the face of the note and in the applicable pricing supplement, until the principal is paid or made available for payment. The interest on a fixed rate note will be payable semi-annually or otherwise, on the dates specified in the applicable pricing supplement (we refer to each such date as an interest payment date) and at maturity or upon earlier redemption or repayment. Each payment of interest due on an interest payment date will include interest accrued to but excluding that interest payment date. We will compute interest on fixed rate notes on the basis of a 360-day year of twelve 30-day months (a 30/360 day count fraction) unless otherwise specified in connection with a particular offering of fixed rate notes, in which case we may compute interest under any other day count fraction set forth under Floating Rate Notes Calculation of Interest. We will pay interest on each interest payment date and at maturity or upon earlier redemption or repayment as described below under the subsection entitled Payment of Principal and Interest.

Floating Rate Notes

In this subsection, we use several specialized terms relating to the manner in which floating interest rates are calculated. These terms appear in bold, italicized type the first time they appear, and we define these terms in Special Rate Calculation Terms at the end of this subsection.

Also, please remember that the specific terms of your note as described in the applicable pricing supplement will supplement and may modify or replace the general terms regarding the floating rates of interest described in this subsection. The statements we make in this subsection may not apply to your note.

Each floating rate note will bear interest from and including its original issue date or from and including the most recent date to which interest on the note has been paid or made available for payment, to but excluding the next interest payment date or maturity date, as the case may be, which we refer to as the interest period. Interest will accrue on the principal of a floating rate note at the yearly rate determined according to the interest rate formula stated in the note and in the applicable pricing supplement, until the principal is paid or made available for payment. We will pay interest on each interest payment date and at maturity as described below under the subsection entitled Payment of Principal and Interest.

Base Rates

We currently expect to issue floating rate notes that bear interest at rates based on one or more of the following base rates:

- commercial paper rate;
- prime rate;
- LIBOR;
- EURIBOR;
- treasury rate;
- the CMS rate;
- CMT rate;
- CD rate;

- Consumer Price Index;

- federal funds (effective) rate; and/or

- any other interest rate basis or formula or combination of rates stated in the applicable pricing supplement.

We describe each of these base rates in further detail below. The applicable pricing supplement may designate other base rates. If you purchase a floating rate note, the applicable pricing supplement will specify the base rate that applies to your note.

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Initial Base Rate

For any floating rate note, the base rate in effect from the original issue date to the first interest reset date will be the initial base rate. We will specify the initial base rate, or the manner in which the initial base rate will be determined, in the applicable pricing supplement.

Spread or Spread Multiplier

In some cases, the base rate for a floating rate note may be adjusted:

- by adding or subtracting a specified number of basis points, called the spread, with one basis point being 0.01%; or
- by multiplying the base rate by a specified percentage, called the spread multiplier.

If you purchase a floating rate note, the applicable pricing supplement will specify whether a spread or spread multiplier will apply to your note and, if so, the amount of the spread or spread multiplier.

Maximum and Minimum Rates

The actual interest rate, after being adjusted by the spread or spread multiplier, may also be subject to either or both of the following limits:

- a maximum rate, meaning a specified upper limit that the actual interest rate in effect at any time may not exceed; and/or
- a minimum rate, meaning a specified lower limit that the actual interest rate in effect at any time may not fall below.

If you purchase a floating rate note, the applicable pricing supplement will specify whether a maximum rate and/or minimum rate will apply to your note and, if so, what those rates are.

Whether or not a maximum rate applies, the interest rate on a floating rate note will in no event be higher than the maximum rate permitted by New York law, as it may be modified by U.S. law of general application. Generally, under current New York law, the maximum rate of interest, with some exceptions, is 25% per year on a simple interest basis, but that limit does not apply to notes in which $2,500,000 or more has been invested.

Interest Reset Dates

The rate of interest on each floating rate note will be reset daily, weekly, monthly, quarterly, semi-annually, annually or otherwise as specified in the applicable pricing supplement. The date on which the interest rate resets and the reset rate becomes effective is called the interest reset date. Except as otherwise specified in the applicable pricing supplement, the interest reset date will be as follows:

- for floating rate notes that reset daily, each business day;
- for floating rate notes that reset weekly and are not treasury rate notes, the Wednesday of each week;
- for treasury rate notes that reset weekly, the Tuesday of each week, except as otherwise described under Interest Determination Dates below;

for floating rate notes that reset monthly, the third Wednesday of each month;

for floating rate notes that reset quarterly, the third Wednesday of March, June, September and December of each year;

for floating rate notes that reset semi-annually, the third Wednesday of each of the two months of each year as specified in the applicable pricing supplement; and

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for floating rate notes that reset annually, the third Wednesday of one month of each year as specified in the applicable pricing supplement. For a floating rate note, the interest rate in effect on any particular day will be the interest rate determined with respect to the latest interest reset date that occurs on or before that day.

There are several exceptions, however, to the reset provisions described above. The base rate in effect from the original issue date to the first interest reset date will be the initial base rate. Unless the applicable pricing supplement provides otherwise, for floating rate notes that reset daily or weekly, the base rate in effect for each day following the second business day before an interest payment date to, but excluding, the interest payment date, and for each day following the second business day before the maturity to, but excluding, the maturity, will be the base rate in effect on that second business day.

If any interest reset date for a floating rate note would otherwise be a day that is not a business day, the interest reset date will be postponed to the next day that is a business day. For a EURIBOR note or a LIBOR note, however, if that business day is in the next succeeding calendar month, the interest reset date will be the immediately preceding business day.

Interest Determination Dates

The interest rate that takes effect on an interest reset date will be determined by the calculation agent by reference to a particular date called an interest determination date. Except as otherwise specified in the applicable pricing supplement:

For federal funds (effective) rate notes and prime rate notes, the interest determination date relating to a particular interest reset date will be the first business day immediately preceding that interest reset date.

For LIBOR notes, the interest determination date relating to a particular interest reset date will be the second ***London banking day*** preceding the interest reset date, unless the specified currency is pounds sterling, Australian dollars, Canadian dollars or New Zealand dollars, in which case the interest determination date will be the interest reset date. We refer to an interest determination date for a LIBOR note as a LIBOR interest determination date.

For EURIBOR notes, the interest determination date relating to a particular interest reset date will be the second ***euro business day*** preceding the interest reset date. We refer to an interest determination date for a EURIBOR note as a EURIBOR interest determination date.

For treasury rate notes, the interest determination date relating to a particular interest reset date, which we refer to as a treasury interest determination date, will be the day of the week in which the interest reset date falls on which treasury bills *i.e.*, direct obligations of the U.S. government would normally be auctioned. Treasury bills are usually sold at auction on the Monday of each week, unless that day is a legal holiday, in which case the auction is usually held on the following Tuesday, except that the auction may be held on the preceding Friday. If as the result of a legal holiday an auction is held on the preceding Friday, that Friday will be the treasury interest determination date relating to the interest reset date occurring in the next succeeding week. If the auction is held on a day that would otherwise be an interest reset date, then the interest reset date will instead be the first business day following the auction date.

For commercial paper rate notes, CMS rate notes, CD rate notes and CMT rate notes, the interest determination date relating to a particular interest reset date will be the second business day before that interest reset date.

Calculation of Interest

Calculations relating to floating rate notes will be made by the calculation agent, an institution that we appoint as our agent for this purpose. Unless the applicable pricing supplement provides otherwise, AIG Markets, Inc. will be the calculation agent for the notes; provided that in certain cases an agent or one of its affiliates may be the calculation agent. We may appoint a different institution to serve as calculation agent from time to time after the original issue date of a note without your consent and without notifying you of the change.

For each floating rate note, the calculation agent will determine, on the corresponding interest calculation or determination date, as applicable, the interest rate that takes effect on each interest reset date. In addition, the calculation agent will calculate the amount of interest that has accrued during each interest period. For each interest period, the calculation agent will calculate the amount of accrued interest by multiplying the face amount of the floating rate note by an accrued interest factor for the interest period. This factor will equal the sum of the interest factors calculated for each day during the interest period. The interest factor for each day will be expressed as a decimal and will be calculated by dividing the interest rate (also expressed as a decimal) applicable to that day:

- by 360 (an Actual/360 day count fraction), in the case of commercial paper rate notes, prime rate notes, LIBOR notes (other than those denominated in pounds sterling), EURIBOR notes, CD rate notes and federal funds (effective) rate notes, or as otherwise provided in the applicable pricing supplement;

- by the actual number of days in the year (an Actual/Actual day count fraction), in the case of treasury rate notes, CMS rate notes and CMT rate notes, or as otherwise provided in the applicable pricing supplement; or

- by 365 (an Actual/365 day count fraction), in the case of LIBOR notes denominated in pounds sterling, or as otherwise provided in the applicable pricing supplement.

Upon the request of the holder of any floating rate note, the calculation agent will provide for that note the interest rate then in effect and, if determined, the interest rate that will become effective on the next interest reset date. The calculation agent s determination of any interest rate, and its calculation of the amount of interest for any interest period, will be final and binding in the absence of manifest error.

All percentages resulting from any calculation relating to a note will be rounded upward or downward, as appropriate, to the next higher or lower one hundred-thousandth of a percentage point (for example, 9.876541% (or 0.09876541) would be rounded down to 9.87654% (or 0.0987654) and 9.876545% (or 0.09876545) would be rounded up to 9.87655% (or 0.0987655)). All amounts used in or resulting from any calculation relating to a floating rate note will be rounded upward or downward, as appropriate, to the nearest cent, in the case of U.S. dollars, or to the nearest corresponding hundredth of a unit, in the case of a currency other than U.S. dollars, with one-half cent or one-half of a corresponding hundredth of a unit or more being rounded upward.

In determining the base rate that applies to a floating rate note during a particular interest period, the calculation agent may obtain rate quotes from various banks or dealers active in the relevant market, as described in the following subsections. Those reference banks and dealers may include the calculation agent itself or its affiliates, as well as any agent and its affiliates, and they may include our affiliates.

Interest Calculation Dates

As described above, the interest rate that takes effect on a particular interest reset date will be determined by reference to the corresponding interest determination date. Except for LIBOR notes and EURIBOR notes, however, the determination of the rate will be made no later than the corresponding interest calculation date. The interest calculation date will be the earlier of the following:

- the tenth calendar day after the interest determination date or, if that tenth calendar day is not a business day, the next succeeding business day; and

- the business day immediately preceding the interest payment date or the maturity date or, for any principal amount to be redeemed or repaid, any redemption or repayment date, whichever is the day on which the next payment of interest will be due.

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The calculation agent need not wait until the relevant interest calculation date to determine the interest rate if the rate information it needs to make the determination is available from the relevant sources sooner.

Commercial Paper Rate Notes

If you purchase a commercial paper rate note, your note will bear interest at a base rate equal to the commercial paper rate and adjusted by the spread or spread multiplier, if any, specified in the applicable pricing supplement.

The commercial paper rate will be the ***money market yield*** of the discount rate, for the relevant interest determination date, for U.S. dollar commercial paper having the ***index maturity*** specified in the applicable pricing supplement, as published in ***H.15(519)*** under the heading Commercial paper Nonfinancial. If the commercial paper rate cannot be determined as described above, the following procedures will apply:

If the rate described above does not appear in H.15(519) by 3:00 P.M., New York City time, on the relevant interest calculation date (unless the calculation is made earlier and the rate is available from that source at that time), then the commercial paper rate will be the money market yield of the discount rate, for the relevant interest determination date, for commercial paper having the index maturity specified in the applicable pricing supplement, as published in ***H.15 daily update*** or any other recognized electronic source used for displaying that rate, under the heading Commercial paper Nonfinancial.

If the rate described above does not appear in H.15(519), H.15 daily update or another recognized electronic source by 3:00 P.M., New York City time, on the relevant interest calculation date (unless the calculation is made earlier and the rate is available from one of those sources at that time), the commercial paper rate will be the money market yield of the arithmetic mean of the following offered rates for U.S. dollar commercial paper that has the relevant index maturity and is placed for an industrial issuer whose bond rating is AA, or the equivalent, from a nationally recognized rating agency: the rates offered as of 11:00 A.M., New York City time, on the relevant interest determination date, by three leading U.S. dollar commercial paper dealers in New York City selected by the calculation agent.

If fewer than three dealers selected by the calculation agent are quoting as described above, the commercial paper rate for the new interest period will be the commercial paper rate in effect for the prior interest period. If the initial base rate has been in effect for the prior interest period, however, it will remain in effect for the new interest period.

Prime Rate Notes

If you purchase a prime rate note, your note will bear interest at a base rate equal to the prime rate and adjusted by the spread or spread multiplier, if any, specified in the applicable pricing supplement.

The prime rate will be the rate, for the relevant interest determination date, published in H.15(519) under the heading Bank prime loan. If the prime rate cannot be determined as described above, the following procedures will apply.

If the rate described above does not appear in H.15(519) by 3:00 P.M., New York City time, on the relevant interest calculation date (unless the calculation is made earlier and the rate is available from that source at that time), then the prime rate will be the rate, for the relevant interest determination date, as published in H.15 daily update or another recognized electronic source used for the purpose of displaying that rate, under the heading Bank prime loan.

If the rate described above is not published in H.15(519), H.15 daily update or another recognized electronic source by 3:00 P.M., New York City time, on the relevant interest calculation date (unless the calculation is made earlier and the rate is available from one of those sources at that time), then the prime rate will be the arithmetic mean of the following rates as they appear on the ***Reuters screen US PRIME 1 page***: the rate of

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interest publicly announced by each bank appearing on that page as that bank s prime rate or base lending rate, as of 11:00 A.M., New York City time, on the relevant interest determination date.

If fewer than four of these rates appear on the Reuters screen US PRIME 1 page, the prime rate will be the arithmetic mean of the prime rates or base lending rates, as of the close of business on the relevant interest determination date, of three major banks in New York City selected by the calculation agent. For this purpose, the calculation agent will use rates quoted on the basis of the actual number of days in the year divided by a 360-day year.

If fewer than three banks selected by the calculation agent are quoting as described above, the prime rate for the new interest period will be the prime rate in effect for the prior interest period. If the initial base rate has been in effect for the prior interest period, however, it will remain in effect for the new interest period.

LIBOR Notes

Notes having a coupon based on LIBOR, or the London Interbank Offered Rate, will bear interest at the interest rates specified in the applicable pricing supplement. With respect to all notes other than range accrual notes, the calculation agent will determine LIBOR for each interest determination date as follows:

As of the interest determination date, LIBOR will be the arithmetic mean of the offered rates for deposits in the index currency having the index maturity designated in the applicable pricing supplement, commencing on the second London banking day immediately following that interest determination date, that appear on the Designated LIBOR page, as defined below, as of 11:00 a.m., London time, on that interest determination date, if at least two offered rates appear on the Designated LIBOR page; except that if the specified Designated LIBOR page, by its terms provides only for a single rate, that single rate will be used.

If (i) fewer than two offered rates appear on the Designated LIBOR page and the Designated LIBOR page does not by its terms provide only for a single rate or (ii) no rate appears on the Designated LIBOR page and the Designated LIBOR page by its terms provides only for a single rate, then the calculation agent will request the principal London offices of each of four major reference banks in the London interbank market, as selected by the calculation agent after consultation with us, to provide the calculation agent with its offered quotation for deposits in the index currency for the period of the index maturity specified in the applicable pricing supplement commencing on the second London banking day immediately following the interest determination date or, if pounds sterling is the index currency, commencing on that interest determination date, to prime banks in the London interbank market at approximately 11:00 a.m., London time, on that interest determination date and in a principal amount that is representative of a single transaction in that index currency in that market at that time.

If at least two quotations are provided, LIBOR determined on that interest determination date will be the arithmetic mean of those quotations. If fewer than two quotations are provided, LIBOR will be determined for the applicable interest reset date as the arithmetic mean of the rates quoted at approximately 11:00 a.m., London time, or some other time specified in the applicable pricing supplement, in the applicable principal financial center for the country of the index currency on that interest reset date, by three major banks in that principal financial center selected by the calculation agent, after consultation with us, for loans in the index currency to leading European banks, having the index maturity specified in the applicable pricing supplement and in a principal amount that is representative of a single transaction in that index currency in that market at that time.

If fewer than three major banks in that principal financial center selected by the calculation agent are quoting as set forth above, LIBOR for that interest determination date will be the same as LIBOR for the immediately preceding interest period (or, in the case of the first reset date following the issue date where an initial interest rate was specified in the applicable pricing supplement, that initial interest rate).

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With respect to range accrual notes, the calculation agent will determine LIBOR for each business day during each interest period as follows:

As of each business day during each interest period, LIBOR will be the arithmetic mean of the offered rates for deposits in the index currency having the index maturity designated in the applicable pricing supplement as of 11:00 a.m., London time, on such business day, if at least two offered rates appear on the Designated LIBOR page; except that if the specified Designated LIBOR page, by its terms provides only for a single rate, that single rate will be used.

If on any business during an interest period, (i) fewer than two offered rates appear on the Designated LIBOR page and the Designated LIBOR page does not by its terms provide only for a single rate or (ii) no rate appears on the Designated LIBOR page and the Designated LIBOR page by its terms provides only for a single rate (any day on which such rate(s) does not appear shall be referred to herein as a disrupted day , then the calculation agent shall request the principal London offices of each of four major reference banks in the London interbank market, as selected by the calculation agent after consultation with us, to provide the calculation agent with its offered quotation for the rate for deposits in the index currency for the period of the index maturity specified in the applicable pricing supplement, commencing on such disrupted day, to prime banks in the London interbank market at approximately 11:00 a.m., London time, on such disrupted day and in a principal amount that is representative of a single transaction in that index currency in that market at that time.

If at least two quotations are provided, LIBOR determined on that disrupted day will be the arithmetic mean of those quotations. If fewer than two quotations are provided, LIBOR will be determined for the applicable disrupted day as the arithmetic mean of the rates quoted at approximately 11:00 a.m., London time, in the applicable principal financial center of the United States on that disrupted day, by three major banks in that principal financial center selected by the calculation agent, after consultation with us, for loans in the index currency to leading European banks, having the applicable index maturity and in a principal amount that is representative of a single transaction in U.S. dollars in that market at that time.

If fewer than three major banks in that principal financial center selected by the calculation agent are quoting as set forth above, the reference rate for that disrupted day will remain the reference rate (with the applicable index maturity) in effect for the immediately preceding business day in the interest period with respect to which LIBOR (with the applicable index maturity) appeared on the Designated LIBOR page (or, in the case of the original issue date, LIBOR for that disrupted day will be LIBOR (with the applicable index maturity) in effect for the previous business day with respect to which LIBOR (with the applicable index maturity) appeared on the Designated LIBOR page).

The ***index currency*** means the currency specified in the applicable pricing supplement as the currency for which LIBOR will be calculated, or, if the euro is substituted for that currency, the index currency will be the euro. If that currency is not specified in the applicable pricing supplement, the index currency will be U.S. dollars.

Designated LIBOR page means the page on the Reuters screen specified in the applicable pricing supplement, or any other page as may replace that page on that service or such other service as may be nominated by us or the calculation agent as the information vendor, for the purpose of displaying the London interbank rates of major banks for the applicable index currency.

Reuters LIBOR01 rate means that the rate for an interest determination date will be the rate for deposits in U.S. dollars for a period of the designated maturity , specified in the applicable pricing supplement, which appears on the Reuters screen LIBOR01 page, or any other page as may replace such page as a Designated LIBOR page, as of 11:00 a.m., London time, on the day that is two London banking days preceding that interest determination date. If that rate does not appear on the Reuters screen LIBOR01 page, the rate for that interest determination date will be determined as if the parties had specified USD-LIBOR-Reference Banks as the applicable floating rate option.

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USD-LIBOR-Reference Banks means that the rate for an interest determination date will be determined on the basis of the rates at which deposits in U.S. dollars are offered by four major banks in the London interbank market (reference banks) at approximately 11:00 a.m., London time, on the day that is two London banking days preceding that interest determination date to prime banks in the London interbank market for a designated period commencing on that interest determination date and in a designated amount. The calculation agent will request the principal London office of each of the reference banks to provide a quotation of its rate. If at least two of those quotations are provided, the rate for that interest determination date will be the arithmetic mean of the quotations. If fewer than two quotations are provided as requested, the rate for that interest determination date will be the arithmetic mean of the rates quoted by major banks in New York City, selected by the calculation agent, at approximately 11:00 a.m., New York City time, on that interest reset date for loans in U.S. dollars to leading European banks for a designated period commencing on that interest determination date and in a designated amount.

One-month LIBOR means the Reuters LIBOR01 rate with a designated maturity of one month commencing on the interest reset date.

Three-month LIBOR means the Reuters LIBOR01 rate with a designated maturity of three months commencing on the interest reset date.

Six-month LIBOR means the Reuters LIBOR01 rate with a designated maturity of six months commencing on the interest reset date.

Twelve-month LIBOR means the Reuters LIBOR01 rate with a designated maturity of twelve months commencing on the interest reset date.

If no Designated LIBOR page is specified in the applicable pricing supplement, and, if the U.S. dollar is the index currency, LIBOR will be determined as if the Reuters LIBOR01 rate had been specified.

EURIBOR Notes

If you purchase a EURIBOR note, your note will bear interest at a base rate equal to the interest rate for deposits in euros designated as EURIBOR and sponsored jointly by the European Banking Federation and ACI the Financial Markets Association (or any company established by the joint sponsors for purposes of compiling and publishing that rate). In addition, the EURIBOR base rate will be adjusted by the spread or spread multiplier, if any, specified in the applicable pricing supplement. EURIBOR will be determined in the following manner:

EURIBOR will be the offered rate for deposits in euros having the index maturity specified in the applicable pricing supplement, beginning on the interest reset date after the relevant EURIBOR interest determination date, as that rate appears on ***Reuters screen EURIBOR01 page*** as of 11:00 A.M., Brussels time, on the relevant EURIBOR interest determination date.

If the rate described above does not appear on Reuters screen EURIBOR01 page, EURIBOR will be determined on the basis of the rates, at approximately 11:00 A.M., Brussels time, on the relevant EURIBOR interest determination date, at which deposits of the following kind are offered to prime banks in the ***euro-zone*** interbank market by the principal euro-zone office of each of four major banks in that market selected by the calculation agent: euro deposits having the relevant index maturity, beginning on the relevant interest reset date, and in a representative amount. The calculation agent will request the principal euro-zone office of each of these banks to provide a quotation of its rate. If at least two quotations are provided, EURIBOR for the relevant EURIBOR interest determination date will be the arithmetic mean of the quotations.

If fewer than two quotations are provided as described above, EURIBOR for the relevant EURIBOR interest determination date will be the arithmetic mean of the rates for loans of the following kind to leading euro-zone banks quoted, at approximately 11:00 A.M., Brussels time, on that EURIBOR interest determination date, by three major banks in the euro-zone selected by the calculation agent: loans of euros having the relevant index maturity, beginning on the relevant interest reset date, and in a representative amount.

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If fewer than three banks selected by the calculation agent are quoting as described above, EURIBOR for the new interest period will be EURIBOR in effect for the prior interest period. If the initial base rate has been in effect for the prior interest period, however, it will remain in effect for the new interest period.

Treasury Rate Notes

If you purchase a treasury rate note, your note will bear interest at a base rate equal to the treasury rate and adjusted by the spread or spread multiplier, if any, specified in the applicable pricing supplement.

The treasury rate will be the rate for the auction, on the relevant treasury interest determination date, of treasury bills having the index maturity specified in the applicable pricing supplement, as that rate appears on ***Reuters screen USAUCTION10 or USAUCTION11 page*** under the heading Investment Rate. If the treasury rate cannot be determined in this manner, the following procedures will apply:

If the rate described above does not appear on either page by 3:00 P.M., New York City time, on the relevant interest calculation date (unless the calculation is made earlier and the rate is available from that source at that time), the treasury rate will be the ***bond equivalent yield*** of the rate, for the relevant interest determination date, for the type of treasury bill described above, as published in H.15 daily update, or another recognized electronic source used for displaying that rate, under the heading U.S. Government Securities/Treasury Bills/Auction High.

If the rate described in the prior paragraph does not appear in H.15 daily update or another recognized electronic source by 3:00 P.M., New York City time, on the relevant interest calculation date (unless the calculation is made earlier and the rate is available from one of those sources at that time), the treasury rate will be the bond equivalent yield of the auction rate, for the relevant treasury interest determination date and for treasury bills of the kind described above, as announced by the U.S. Department of the Treasury.

If the auction rate described in the prior paragraph is not so announced by 3:00 P.M., New York City time, on the relevant interest calculation date, or if no such auction is held for the relevant week, then the treasury rate will be the bond equivalent yield of the rate, for the relevant treasury interest determination date and for treasury bills having a remaining maturity closest to the specified index maturity, as published in H.15(519) under the heading U.S. government securities/Treasury bills (secondary market).

If the rate described in the prior paragraph does not appear in H.15(519) by 3:00 P.M., New York City time, on the relevant interest calculation date (unless the calculation is made earlier and the rate is available from one of those sources at that time), then the treasury rate will be the rate, for the relevant treasury interest determination date and for treasury bills having a remaining maturity closest to the specified index maturity, as published in H.15 daily update, or another recognized electronic source used for displaying that rate, under the heading U.S. government securities/Treasury bills (secondary market).

If the rate described in the prior paragraph does not appear in H.15 daily update or another recognized electronic source by 3:00 P.M., New York City time, on the relevant interest calculation date (unless the calculation is made earlier and the rate is available from one of those sources at that time), the treasury rate will be the bond equivalent yield of the arithmetic mean of the following secondary market bid rates for the issue of treasury bills with a remaining maturity closest to the specified index maturity: the rates bid as of approximately 3:30 P.M., New York City time, on the relevant treasury interest determination date, by three primary U.S. government securities dealers in New York City selected by the calculation agent.

If fewer than three dealers selected by the calculation agent are quoting as described in the prior paragraph, the treasury rate in effect for the new interest period will be the treasury rate in effect for the prior interest period. If the initial base rate has been in effect for the prior interest period, however, it will remain in effect for the new interest period.

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CMS Rate Notes

The CMS rate means, on any day during an interest payment period, the rate for U.S. dollar swaps with a maturity for a specified number of years, expressed as a percentage in the applicable pricing supplement, which appears on Reuters screen ISDAFIX1 page as of 11:00 a.m., New York City time, on the related interest determination date.

The following procedures will be used if the CMS rate cannot be determined as described above:

If the above rate is no longer displayed on the relevant page, or if not displayed by 11:00 a.m., New York City time, on the interest determination date, then the CMS rate will be a percentage determined on the basis of the mid-market, semi-annual swap rate quotations provided by five leading swap dealers in the New York City interbank market at approximately 11:00 a.m., New York City time, on the interest determination date. For this purpose, the semi-annual swap rate means the mean of the bid and offered rates for the semi-annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating U.S. dollar interest rate swap transaction with a term equal to the maturity of the notes designated in the applicable pricing supplement commencing on that interest determination date with an acknowledged dealer of good credit in the swap market, where the floating leg, calculated on an Actual/360 day count basis, is equivalent to Three-month LIBOR (as defined above). The calculation agent will select the five swap dealers after consultation with us and will request the principal New York City office of each of those dealers to provide a quotation of its rate. If at least three quotations are provided, the CMS rate for that interest determination date will be the arithmetic mean of the quotations, eliminating the highest and lowest quotations or, in the event of equality, one of the highest and one of the lowest quotations.

If fewer than three quotations are provided, the calculation agent will determine the CMS rate in its sole discretion.

CMT Rate Notes

If you purchase a CMT rate note, your note will bear interest at a base rate equal to the CMT rate and adjusted by the spread or spread multiplier, if any, specified in the applicable pricing supplement.

The CMT rate will be the following rate displayed on the ***designated CMT Reuters page*** under the heading ... Treasury Constant Maturities ... Federal Reserve Board Release H.15 ... Mondays Approximately 3:45 P.M., under the column for the ***designated CMT index maturity:***

If the designated CMT Reuters page is ***Reuters screen FRBCMT page***, the rate for the relevant interest determination date; or

If the designated CMT Reuters page is ***Reuters screen FEDCMT page***, the weekly or monthly average, as specified in the applicable pricing supplement, for the week that ends immediately before the week in which the relevant interest determination date falls, or for the month that ends immediately before the month in which the relevant interest determination date falls, as applicable.

If the CMT rate cannot be determined in this manner, the following procedures will apply:

If the applicable rate described above is not displayed on the relevant designated CMT Reuters page by 3:00 P.M., New York City time, on the relevant interest calculation date (unless the calculation is made earlier and the rate is available from one of those sources at that time), then the CMT rate will be the applicable treasury constant maturity rate described above *i.e.*, for the designated CMT index maturity and for either the relevant interest determination date or the weekly or monthly average, as applicable as published in H.15(519).

If the applicable rate described above does not appear in H.15(519) by 3:00 P.M., New York City time, on the relevant interest calculation date (unless the calculation is made earlier and the rate is available from one of those sources at that time), then the CMT rate will be the treasury constant maturity rate, or other

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U.S. treasury rate, for the designated CMT index maturity and with reference to the relevant interest determination date, that:

- is published by the Board of Governors of the Federal Reserve System, or the U.S. Department of the Treasury; and

- is determined by the calculation agent to be comparable to the applicable rate formerly displayed on the designated CMT Reuters page and published in H.15(519).

If the rate described in the prior paragraph does not appear by 3:00 P.M., New York City time, on the relevant interest calculation date (unless the calculation is made earlier and the rate is available from one of those sources at that time), then the CMT rate will be the yield to maturity of the arithmetic mean of the following secondary market offered rates for the most recently issued treasury notes *i.e.*, direct, non-callable, fixed rate obligations of the U.S. government having an original maturity of approximately the designated CMT index maturity and a remaining term to maturity of not less than the designated CMT index maturity minus one year and in a representative amount: the offered rates, as of approximately 3:30 P.M., New York City time, on the relevant interest determination date, of three primary U.S. government securities dealers in New York City selected by the calculation agent. In selecting these offered rates, the calculation agent will request quotations from five of these primary dealers and will disregard the highest quotation (or, if there is equality, one of the highest) and the lowest quotation (or, if there is equality, one of the lowest).

If the calculation agent is unable to obtain three quotations of the kind described in the prior paragraph, the CMT rate will be the yield to maturity of the arithmetic mean of the following secondary market offered rates for treasury notes with an original maturity longer than the designated CMT index maturity, with a remaining term to maturity closest to the designated CMT index maturity and in a representative amount: the offered rates, as of approximately 3:30 P.M., New York City time, on the relevant interest determination date, of three primary U.S. government securities dealers in New York City selected by the calculation agent. In selecting these offered rates, the calculation agent will request quotations from five of these primary dealers and will disregard the highest quotation (or, if there is equality, one of the highest) and the lowest quotation (or, if there is equality, one of the lowest). If two treasury notes with an original maturity longer than the designated CMT index maturity have remaining terms to maturity that are equally close to the designated CMT index maturity, the calculation agent will obtain quotations for the treasury note with the shorter remaining term to maturity.

If fewer than five but more than two of these primary dealers are quoting as described in the prior paragraph, then the CMT rate for the relevant interest determination date will be based on the arithmetic mean of the offered rates so obtained, and neither the highest nor the lowest of those quotations will be disregarded.

If two or fewer primary dealers selected by the calculation agent are quoting as described above, the CMT rate in effect for the new interest period will be the CMT rate in effect for the prior interest period. If the initial base rate has been in effect for the prior interest period, however, it will remain in effect for the new interest period.

CD Rate Notes

If you purchase a CD rate note, your note will bear interest at a base rate equal to the CD rate and adjusted by the spread or spread multiplier, if any, specified in the applicable pricing supplement.

The CD rate will be the rate, on the relevant interest determination date, for negotiable U.S. dollar certificates of deposit having the index maturity specified in the applicable pricing supplement, as published in H.15(519) under the heading CDs (secondary market). If the CD rate cannot be determined in this manner, the following procedures will apply:

If the rate described above does not appear published in H.15(519) by 3:00 P.M., New York City time, on the relevant interest calculation date (unless the calculation is made earlier and the rate is available from that source at that time), then the CD rate will be the rate, for the relevant interest determination date, described

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above as published in H.15 daily update, or another recognized electronic source used for displaying that rate, under the heading CDs (secondary market).

If the rate described above does not appear in H.15(519), H.15 daily update or another recognized electronic source by 3:00 P.M., New York City time, on the relevant interest calculation date (unless the calculation is made earlier and the rate is available from one of those sources at that time), the CD rate will be the arithmetic mean of the following secondary market offered rates for negotiable U.S. dollar certificates of deposit of major U.S. money center banks with a remaining maturity closest to the specified index maturity, and in a representative amount: the rates offered as of 10:00 A.M., New York City time, on the relevant interest determination date, by three leading nonbank dealers in negotiable U.S. dollar certificates of deposit in New York City, as selected by the calculation agent.

If fewer than three dealers selected by the calculation agent are quoting as described above, the CD rate in effect for the new interest period will be the CD rate in effect for the prior interest period. If the initial base rate has been in effect for the prior interest period, however, it will remain in effect for the new interest period.

Consumer Price Index Notes

The Consumer Price Index, or CPI, means, for any interest determination date, the non-seasonally adjusted U.S. City Average All Items Consumer Price Index for All Urban Consumers, published monthly by the Bureau of Labor Statistics of the U.S. Department of Labor (the Bureau of Labor Statistics) and reported on Bloomberg ticker CPURNSA or any successor service (Bloomberg CPURNSA). The Bureau of Labor Statistics makes the majority of its consumer price index data and press releases publicly available immediately at the time of release. This material may be accessed electronically by means of the Bureau of Labor Statistics home page on the Internet at http://www.bls.gov. The Consumer Price Index for a particular month is published during the following month. The Consumer Price Index is a measure of the average change in consumer prices over time for a fixed market basket of goods and services, including food, clothing, shelter, fuels, transportation, charges for doctors and dentists services, and drugs. User fees (such as water and sewer service) and sales and excise taxes paid by the consumer are included in determining consumer prices. Income taxes and investment items such as stocks, bonds and life insurance are not included. The Consumer Price Index includes expenditures by urban wage earners and clerical workers, professional, managerial and technical workers, the self-employed, short-term workers, the unemployed, retirees and others not in the labor force. In calculating the Consumer Price Index, price changes for the various items are averaged together with weights that represent their importance in the spending of urban households in the United States. The contents of the market basket of goods and services and the weights assigned to the various items are updated periodically by the Bureau of Labor Statistics to take into account changes in consumer expenditure patterns.

The Consumer Price Index is expressed in relative terms in relation to a time base reference period for which the level is set at 100.0. The time base reference period is the 1982-1984 average. Because the Consumer Price Index for the period from 1982 1984 is 100, an increase in the price of the fixed market basket of goods and services of 16.5% from that period would be shown as 116.5%. If the Bureau of Labor Statistics rebases the Consumer Price Index when the notes are outstanding, the calculation agent will continue to calculate inflation using 1982-1984 as the base reference period for so long as the current Consumer Price Index continues to be published. Any conversion by the Bureau of Labor Statistics to a new reference base will not affect the measurement of the percent changes in a given index series from one time period to another, except for rounding differences. Rebasing might affect the published headline number often quoted in the financial press, but the inflation calculation for the notes should not be adversely affected by any rebasing because the Consumer Price Index based on 1982-1984 will be calculated using the percentage changes of the rebased Consumer Price Index.

The Bureau of Labor Statistics has made technical and methodological changes to the Consumer Price Index, and is likely to continue to do so. Examples of recent methodological changes include:

the use of regression models to adjust for improvements in the quality of various goods (televisions, personal computers, etc.);

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the introduction of geometric averages to account for consumer substitution within the consumer price index categories; and

changing the housing/shelter formula to increase rental equivalence estimation.

Similar changes in the future could affect the level of the Consumer Price Index and alter the interest payable on the notes.

For each interest payment date, CPI Performance is equal to the annual percentage change in the CPI (as calculated by the Bureau of Labor Statistics) for the period up to and including the stated calendar month prior to the month of the relevant interest payment date (the reference month). For example, if the reference month is specified as the third calendar month prior to the month of the relevant interest payment date, then for an interest payment date in June of any year, the reference month would be March, and the amount of interest paid on the interest payment date in June would be calculated using a CPI Performance that reflects the annual percentage change in the CPI from the March of the prior year to March of the year in which the interest payment date occurs.

The performance of the Consumer Price Index will be calculated as follows:

$$\text{Interest Rate} = \frac{(CPI_F \quad CPI_I)}{CPI_I}$$

where,

CPI_F = CPI for the applicable reference month, as published on Bloomberg CPURNSA;

CPI_I = CPI for the twelfth month, or otherwise as specified in the applicable pricing supplement, prior to the applicable reference month, as published on Bloomberg CPURNSA.

Using the example above, if CPI Performance for the second calendar month prior to the relevant interest payment date was used, then the interest rate payable on September 30, 2013 will reflect the percentage change in the Consumer Price Index from July 2012 to July 2013, plus the applicable spread, if any.

The interest payment on any interest payment date will not be less than 0.00% per annum, unless specified in the applicable pricing supplement.

The following procedures will be followed if the Consumer Price Index cannot be determined as described above:

If the Consumer Price Index is not reported on Bloomberg CPURNSA for a particular month by 3:00 p.m. on the interest determination date, but has otherwise been published by the Bureau of Labor Statistics, the calculation agent will determine the Consumer Price Index as published by the Bureau of Labor Statistics for that month using any other source as the calculation agent deems appropriate.

If the Consumer Price Index is rebased to a different year or period, the base reference period will continue to be the 1982-1984 reference period as long as the 1982-1984 Consumer Price Index continues to be published.

If the Consumer Price Index for the reference month is subsequently revised by the Bureau of Labor Statistics, the calculation agent will continue to use the Consumer Price Index initially published by the Bureau of Labor Statistics on the interest reset date.

If, while the notes are outstanding, the Consumer Price Index is discontinued or substantially altered, as determined by the calculation agent, the applicable substitute index for the notes will be that chosen by the Secretary of the Treasury for the Department of Treasury s Inflation-Linked Treasuries as described at 62 Federal Register 846-874 (January 6, 1997). If none of those securities are outstanding, the calculation agent will determine a substitute index for the notes in accordance with general market practice at the time.

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Federal Funds (Effective) Rate Notes

The federal funds (effective) rate means, for any interest determination date, the rate on that date for federal funds as published in H.15(519) under the heading Federal Funds (effective) as displayed on the Reuters screen FEDFUNDS1 page.

The following procedures will be followed if the federal funds (effective) rate cannot be determined as described above:

If the above rate is not published by 3:00 p.m., New York City time, on the interest determination date, the federal funds (effective) rate will be the rate on that interest determination date as published in the H.15 Daily Update, or other recognized electronic source used for the purpose of displaying the applicable rate, under the heading Federal Funds/Effective Rate .

If the above rate is not yet published in either H.15(519) or the H.15 Daily Update by 3:00 p.m., New York City time, on the interest determination date, the calculation agent will determine the federal funds (effective) rate to be the arithmetic mean of the rates for the last transaction in overnight U.S. dollar federal funds by each of three leading brokers of U.S. dollar federal funds transactions in The City of New York, which may include the agent and its affiliates, selected by the calculation agent, after consultation with us, prior to 9:00 a.m., New York City time, on that interest determination date.

If fewer than three leading brokers of U.S. dollar federal funds transactions in The City of New York selected by the calculation agent are quoting as set forth above, the federal funds rate will remain the federal funds (effective) rate for the immediately preceding interest reset period.

Special Rate Calculation Terms

In this subsection entitled Interest Rates of Notes, we use several terms that have special meanings relevant to calculating floating interest rates. We define these terms as follows:

bond equivalent yield means a yield expressed as a percentage and calculated in accordance with the following formula:

$$\text{bond equivalent yield} = \frac{D \times N}{360 \quad (D \times M)} \times 100$$

where

D means the annual rate for treasury bills quoted on a bank discount basis and expressed as a decimal;

N means 365 or 366, as the case may be; and

M means the actual number of days in the applicable interest period.

business day means, for any note, a day that meets all the following applicable requirements:

for all notes, is a Monday, Tuesday, Wednesday, Thursday or Friday that is not a day on which banking institutions in New York City generally are authorized or obligated by law, regulation or executive order to close;

if the note is a LIBOR note, is also a London banking day;

if the note has a specified currency other than U.S. dollars or euros, is also a day on which banking institutions are not authorized or obligated by law, regulation or executive order to close in the principal financial center of the country issuing the specified currency; and

if the note is a EURIBOR note or has a specified currency of euros, or is a LIBOR note for which the specified currency is euros, is also a ***euro business day***.

designated CMT index maturity means the index maturity for a CMT rate note and will be the original period to maturity of a U.S. treasury security either 1, 2, 3, 5, 7, 10, 20 or 30 years specified in the applicable pricing supplement. If no such original maturity period is so specified, the designated CMT index maturity will be 2 years.

designated CMT Reuters page means the Reuters page specified in the applicable pricing supplement that displays treasury constant maturities as reported in H.15(519). If no Reuters page is so specified, then the applicable page will be Reuters screen FEDCMT. If Reuters screen FEDCMT applies but the applicable pricing supplement does not specify whether the weekly or monthly average applies, the weekly average will apply.

The term ***euro business day*** means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System, or any successor system, is open for business.

The term ***euro-zone*** means the region comprised of member states of the European Union that adopt the euro in accordance with the Treaty establishing the European Community (signed in Rome on March 25, 1957), as amended by the Treaty on European Union (signed in Maastricht on February 7, 1992), the Treaty of Amsterdam (signed in Amsterdam on October 2, 1997) and the Treaty of Nice (signed in Nice on February 26, 2001).

H.15(519) means the weekly statistical release designated as such, published by the Board of Governors of the Federal Reserve System, or its successor, available through the web site of the Board of Governors of the Federal Reserve System, at http://www.federalreserve.gov/releases/h15/update, or any successor site or publication.

H.15 daily update means the daily update of H.15(519), available through the web site of the Board of Governors of the Federal Reserve System, at http://www.federalreserve.gov/releases/h15/update, or any successor site or publication.

index currency means, with respect to a LIBOR note, the currency specified as such in the applicable pricing supplement. The index currency may be U.S. dollars or any other currency, and will be U.S. dollars unless another currency is specified in the applicable pricing supplement.

index maturity means, with respect to a floating rate note, the period to maturity of the instrument or obligation on which the interest rate formula is based, as specified in the applicable pricing supplement.

London banking day means any day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London.

money market yield means a yield expressed as a percentage and calculated in accordance with the following formula:

$$\text{money market yield} = \frac{D \times 360}{360 \quad (D \times M)} \times 100$$

where

D means the per annum rate for commercial paper quoted on a bank discount basis and expressed as a decimal; and

M means the actual number of days in the applicable interest period.

representative amount means an amount that, in the calculation agent s judgment, is representative for a single transaction in the relevant market at the relevant time.

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Reuters page means the display on the Reuters service, or any successor service, on the page or pages specified in this prospectus supplement or the applicable pricing supplement, or any replacement page or pages on that service.

Reuters screen EURIBOR01 page means the display on the Reuters service, or any successor service, on the page designated as EURIBOR01 or any replacement page or pages on which EURIBOR rates are displayed.

Reuters screen FEDCMT page means the display on the Reuters service, or any successor service, on the page designated as FEDCMT or any replacement page or pages on which CMT rates are displayed.

Reuters screen FEDFUNDS1 page means the display on the Reuters service, or any successor service, on the page designated as FEDFUNDS1 or any replacement page or pages on which U.S. dollar federal funds rates are displayed.

Reuters screen FRBCMT page means the display on the Reuters service, or any successor service, on the page designated as FRBCMT or any replacement page or pages on which CMT rates are displayed.

Reuters screen ISDAFIX1 page means the display on the Reuters service, or any successor service, on the page designated as ISDAFIX1 or any replacement page or pages on which CMS rates are displayed.

Reuters screen USAUCTION10 or USAUCTION11 page means the display on the Reuters service, or any successor service, on the page designated as USAUCTION10 or USAUCTION11 or any replacement page or pages on which U.S. Treasury auction rates are displayed.

Reuters screen US PRIME 1 page means the display on the Reuters service, or any successor service, on the page designated as US PRIME 1 or any replacement page or pages on which prime rates or base lending rates of major U.S. banks are displayed.

If, when we use the terms designated CMT Reuters page, H.15(519), H.15 daily update, Reuters screen EURIBOR01 page, Reuters screen FEDCMT page, Reuters screen FEDFUNDS1 page, Reuters screen FRBCMT page, Designated LIBOR page, Bloomberg CPURNSA, Reuters screen USAUCTION10 page, Reuters screen USAUCTION11 page, Reuters Screen ISDAFIX1 page, Reuters screen US PRIME 1 page or Reuters page, we refer to a particular heading or headings on any of those pages, those references include any successor or replacement heading or headings as determined by the calculation agent.

Payment of Principal and Interest

In addition to the descriptions in this subsection, you should read carefully the subsection entitled Description of Debt Securities AIG May Offer Additional Mechanics Payment and Paying Agents in the accompanying prospectus for certain general procedures that we follow in making payments to you.

Interest and, in the case of amortizing notes, principal will be payable to the registered holder as of the close of business on the regular record date next preceding each interest payment date. However, interest payable at maturity or redemption will be payable to the registered holder to whom principal is payable. In the case of a global note, the registered holder will be the depositary or its nominee. The first payment of interest and, in the case of amortizing notes, principal on any note originally issued between a regular record date and an interest payment date will be made on the interest payment date following the next succeeding regular record date to the registered owner on such next succeeding regular record date.

Unless otherwise indicated in the applicable pricing supplement, the regular record date means, with respect to any floating rate note or fixed rate note, the date one business day prior to each interest payment date. For the purpose of determining the holder at the close of business on a regular record date when business is not being conducted, the close of business will mean 5:00 P.M., New York City time, on that day.

Payment Dates

Interest Payment Dates. Unless otherwise indicated in the applicable pricing supplement and except as provided below, interest will be payable as follows:

- in the case of floating rate notes which reset daily, weekly or monthly, on the third Wednesday of each month or on the third Wednesday of March, June, September and December of each year, as indicated in the applicable pricing supplement;
- in the case of floating rate notes which reset quarterly, on the third Wednesday of March, June, September and December of each year;
- in the case of floating rate notes which reset semi-annually, on the third Wednesday of the two months of each year specified in the applicable pricing supplement;
- in the case of floating rate notes which reset annually, on the third Wednesday of the month specified in the applicable pricing supplement (each, an interest payment date); and
- in each case, at maturity or redemption.

Payments of interest on any fixed rate note or floating rate note with respect to any interest payment date will include interest accrued to but excluding such interest payment date or date of maturity or redemption, as the case may be.

Business Day Convention. Unless the applicable pricing supplement states otherwise, interest payment dates, redemption dates and the maturity date will be governed by the following business day convention, which is described in the first bullet below. Other business day conventions potentially applicable to the notes, which will be specified in the applicable pricing supplement, are further described in the second and third bullets below.

- *Following Business Day.* Any interest payment date, the maturity date or redemption date of a note that would otherwise be due on a day that is not a business day may instead be paid on the next day that is a business day.
- *Modified Following Business Day.* Any interest payment date other than the maturity date or redemption date that would otherwise be due on a day that is not a business day may instead be paid on the next day that is a business day, unless that day falls in the next calendar month, in which case the payment or delivery date will be the first preceding day that is a business day
- *Preceding Business Day.* Any interest payment date other than the maturity date or redemption date that would otherwise be due on a day that is not a business day may instead be paid or delivered on the first preceding day that is a business day.

In the case of the business day conventions described in the second and third bullets above, if an interest payment date falls on a maturity date or redemption date that is not a business day or if the maturity date or redemption date falls on a day that is not a business day, we will make the required payment of principal, premium, if any, and interest on the next succeeding business day, and interest will not continue to accrue until the date of payment made on that next succeeding business day.

In each case, if an interest payment is made on the following or preceding business day in accordance with the procedures described above with the same effect as if paid or delivered on the original due date and without payment of any additional money, the business day convention is unadjusted . Accordingly, the amount of interest accrued and payable on that interest payment date will not be adjusted to reflect the longer or shorter interest period. If an interest payment is made on the following or preceding business day in accordance with the procedures described above and deemed made on that following or preceding business day (not on the original due date), the business day convention is adjusted .

Accordingly, the amount of interest accrued and payable on that interest payment date will be adjusted to reflect the longer or shorter interest period.

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How We Will Make Payments on Global Notes

We will make payments on a global note in accordance with the applicable policies of the depositary as in effect from time to time. Unless otherwise specified in the applicable pricing supplement, the depositary is The Depository Trust Company, New York, New York (DTC). Under DTC s policies, we will make payments directly to DTC or its nominee, and not to any indirect holders who own beneficial interests in the global note. We will do this by making the funds available to the trustee on any interest payment date or at maturity or upon a redemption date. As soon as possible after that, the trustee will make such payments to DTC, and DTC will allocate and make such payments to the holders of the notes in accordance with its existing procedures. An indirect holder s right to receive those payments will be governed by the rules and practices of DTC and the banks or brokers through which the indirect holder holds a beneficial interest in the note. Neither we nor the trustee has any responsibility or liability for such payments by DTC or the banks or brokers.

BOOK-ENTRY AND OTHER INDIRECT HOLDERS SHOULD CONSULT THEIR BANKS, BROKERS OR OTHER FINANCIAL INSTITUTIONS FOR INFORMATION ON HOW THEY WILL RECEIVE PAYMENTS.

We understand that, under DTC s current practice, DTC elects to have all payments on a global note for which it is the depositary made in U.S. dollars, regardless of the specified currency for the payment, unless notified by a bank or broker participating in its book-entry system, through which an indirect holder s beneficial interest in the global note may be held, that it elects to receive payment in the specified currency.

In addition, in the case of imposition of exchange controls or any other circumstances beyond our control, we may pay in U.S. dollars the payments due in other currencies. See the section entitled Considerations Relating to Non-U.S. Dollar Debt Securities in the accompanying prospectus.

Indirect holders who own beneficial interests in a global note denominated in a currency other than U.S. dollars should consult their banks or brokers for information on how to request payment in the specified currency.

How We Will Make Payments on Certificated Notes

Payments Due in U.S. Dollars. If you hold a certificated note, and the interest, principal or any premium due on the note at maturity or upon redemption is due in U.S. dollars, we will make such payment to you in immediately available funds when you surrender such note at the corporate trust office of the trustee in the Borough of Manhattan in New York City. You must present the note to the paying agent in time for the paying agent to make any such payments in accordance with its normal procedures.

If an interest payment due in U.S. dollars on a certificated note is due other than at maturity or upon earlier redemption, we will make the payment by check mailed to the address of the person entitled to such payment as it appears in the security register. Alternatively, we may wire transfer such payment to an account as may have been appropriately designated by such person.

Payments Due in Other Currencies. Unless otherwise specified in the applicable pricing supplement, payments of interest and principal, and premium, if any, with respect to any certificated note to be made in a specified currency other than U.S. dollars will be made by wire transfer in immediately available funds to any account requested by the holder, provided that the account is with a bank located in the country issuing the specified currency or, with respect to notes denominated in euros, in a euro account. To designate an account for wire payment, the holder must give the paying agent appropriate wire instructions at least five business days prior to the payment date. In the case of any interest payment due on an interest payment date, the person giving such instruction must be the holder on the related regular record date. In the case of payment of principal, and premium, if any, and any interest due at maturity, you must surrender the certificated note to the paying agent in time for the paying agent to make such payments in accordance with its normal procedures. See Payments Due in Other Currencies May Be Made in U.S. Dollars below for information on situations where we will make a payment in U.S. dollars even though such payment is due in another specified currency.

Your designation of the account must be made by filing the appropriate information with the trustee at its corporate trust office in the Borough of Manhattan in New York City. Any instructions, once properly given, will remain in effect unless and until new instructions are properly given in the manner described above.

If a holder fails to give instructions as described above, we will notify the holder at the address in the trustee s records and will make the payment within five business days after the holder provides appropriate instructions. Any late payment made in these circumstances will be treated under the senior debt indenture as if made on the due date, and no interest will accrue on the late payment from the due date to the date paid.

We will pay any administrative costs imposed by banks in connection with making payments by wire transfer, but holders of the notes must bear any tax, assessment or governmental charge imposed upon such payments.

Payments Due in Other Currencies May Be Made in U.S. Dollars

Unless otherwise specified in the applicable pricing supplement, any payment due on a note will be made in the specified currency. However, there are a few instances where we will make a payment in U.S. dollars even though it is due in another currency. The following section describes these special situations and how the relevant currency conversion will be made.

Request by Holder. Although a payment on a note in certificated form may be due in a specified currency other than U.S. dollars, we will make the payment in U.S. dollars if the holder asks us to do so. To request U.S. dollar payment, the holder must provide appropriate written notice to the trustee at the trustee s corporate trust office in the Borough of Manhattan in New York City. In the case of any interest payment due on an interest payment date, the request must be made by the person who is the holder on the relevant regular record date and must be made no later than such regular record date. In the case of any other payment, the request must be made by the person who is the holder on the due date of the payment and must be made at least 15 days prior to the payment date. Any request, once properly made, will remain in effect unless and until revoked by notice properly given in the manner described above.

Conversion to U.S. Dollars. When a holder requests that we, in the manner described above, make payments in U.S. dollars of an amount due in another currency, either on a global note or a certificated note as described above, we will use the following process to determine the U.S. dollar amount the holder receives. The exchange rate agent will request currency bid quotations from three (or, if three are not available, two) recognized foreign exchange dealers in New York City on the second business day before the payment date, one of which may be the exchange rate agent, for purchase by the quoting dealer of the specified currency for U.S. dollars for settlement on such payment date. The currency bid quotations will be requested on an aggregate basis, for all holders requesting U.S. dollar payments of amounts payable on the same date in the same specified currency. Each quoting dealer must commit to executing a contract. The U.S. dollar amount the holder receives will be based on the highest currency bid quotation received by the exchange rate agent as of 11:00 A.M., New York City time, on such date of quotation. If the exchange rate agent determines that two currency bid quotations are not available on the second business day, the payment will be made in the specified currency. A holder that requests payment in U.S. dollars will bear all associated currency exchange costs, which will be deducted from the payment.

The exchange rate agent for the notes will be named in the applicable pricing supplement, and may be us or one of our affiliates.

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Currency Exchange Controls. If we are obligated to make any payment in a specified currency other than U.S. dollars, and the specified currency is not available due to the imposition of exchange controls or other circumstances beyond our control, we will be entitled to satisfy our obligation by making the payment in U.S. dollars on the basis of the most recently available noon buying rate for cable transfers of the currency as reported by the Federal Reserve Bank of New York. The foregoing will apply to any note, whether in global or certificated form, and to any payment, including a payment at maturity. Any payment made under the circumstances and in a manner described above will not constitute an event of default under the senior debt indenture.

All determinations referred to above made by the exchange rate agent will be at its sole discretion, unless expressly provided in this prospectus supplement, the accompanying prospectus or the applicable pricing supplement that any determination is subject to our approval. In the absence of manifest error, such determination will be conclusive for all purposes and binding on holders of the notes and on us, and the exchange rate agent will have no liability for those determinations.

Any payment shall be made in the specified currency for such payment unless, at the time of such payment, such currency is not legal tender for the payment of public and private debts in the country issuing such currency on the original issue date, in which case the specified currency for such payment shall be such coin or currency as at the time of such payment is legal tender for the payment of public and private debts in such country, except as provided in the next sentence. If the euro is the specified currency for any payment, the specified currency for such payment shall be such coin or currency as at the time of payment is legal tender for the payment of public and private debts in all European Monetary Union (EMU) Countries, *provided* that, if on any day there are not at least two EMU Countries, or if on any day there are at least two EMU Countries but no coin or currency is legal tender for the payment of public and private debts in all EMU Countries, then the specified currency for such payment shall be deemed not to be available to us on such day.

Book-Entry System

Unless we specify differently in the pricing supplement relating to your notes, your notes will be initially represented by one or more global notes in book-entry form. You should read the section Legal Ownership and Book-Entry Issuance in the accompanying prospectus for general information about this type of arrangement and your rights under such arrangement.

MATERIAL UNITED STATES TAXATION CONSIDERATIONS

This section updates and supplements the material United States federal income tax consequences of owning, selling and disposing of the notes described in Material United States Taxation Considerations Taxation of Debt Securities in the accompanying prospectus. This section also updates and supplements the opinion of Sullivan & Cromwell LLP in the accompanying prospectus and is subject to the limitations set forth therein. Neither this prospectus supplement nor the accompanying prospectus addresses the material United States federal income tax consequences of owning, selling and disposing of indexed notes, which will be described in an applicable pricing supplement.

Withholdable Payments to Foreign Financial Entities and Other Foreign Entities

Beginning in 2014, a 30% withholding tax may be imposed on certain payments to you or certain foreign financial institutions, investment funds and other non-U.S. persons receiving payments on your behalf if you or such institutions fail to comply with certain information reporting requirements (FATCA withholding). Such payments generally will include U.S.-source interest and the gross proceeds from the sale or other disposition of notes that can produce U.S.-source interest. Amounts that you receive on the notes could be subject to this withholding if you are subject to the information reporting requirements and fail to comply with them or if you hold notes through another person (*e.g*., a foreign bank or broker) that is subject to withholding because it fails to comply with these requirements (even if you would not otherwise have been subject to withholding). However, such payments will only include interest paid on and proceeds from the sale or other disposition of notes issued or materially modified on or after January 1, 2014. In addition, withholding will not apply to payments of gross proceeds from a sale or other disposition of notes before January 1, 2017. You should consult your own tax advisors regarding the relevant U.S. law and other official guidance on FATCA withholding.

We will not pay any additional amounts in respect of FATCA withholding, so if this withholding applies, you will receive significantly less than the amount that you would have otherwise received with respect to your notes. Depending on your circumstances, you may be entitled to a refund or credit in respect of some or all of this withholding. However, the refund application process has not yet been finalized, so even if you are entitled to have any such withholding refunded, the required procedures could be cumbersome.

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PLAN OF DISTRIBUTION

Initial Offering and Sale of Notes

Subject to the terms and conditions of the distribution agreement dated the date hereof and entered into with respect to the notes, we are offering the notes on a continuous basis through the agents, which have agreed to use their best efforts to solicit offers to purchase the notes. We have the sole right to accept offers to purchase notes and may reject any proposed purchase of the notes. The agents may also reject any offer to purchase notes. The agents are AIG Global Capital Markets Securities, LLC, ANZ Securities, Inc., Barclays Capital Inc., Bank of New York Mellon Capital Markets, LLC, BNP Paribas Securities Corp., Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC, Deutsche Bank Securities Inc., Goldman, Sachs & Co., HSBC Securities (USA) Inc., ING Financial Markets LLC, J.P. Morgan Securities LLC, Lloyds Securities Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Mizuho Securities USA Inc., Morgan Stanley & Co LLC, nabSecurities, LLC, Natixis Securities Americas LLC, Nomura Securities International, Inc., PNC Capital Markets LLC, RBC Capital Markets, LLC, RBS Securities Inc., Santander Investment Securities Inc., Scotia Capital (USA) Inc., SG Americas Securities, LLC, SMBC Nikko Capital Markets Limited, Standard Chartered Bank, UBS Securities LLC, UniCredit Capital Markets LLC, U.S. Bancorp Investments, Inc. and Wells Fargo Securities, LLC. We may appoint agents, other than and in addition to such named agents. Any other agents will be named in the applicable pricing supplement and will enter into the distribution agreement referred to above. As compensation for an agent s services hereunder, we will pay commissions on notes sold through such agent, which may be in the form of a discount or otherwise, and which will be negotiated between the applicable agent and us at the time of sale and disclosed in the applicable pricing supplement. Standard Chartered Bank will not effect any offers or sales of any notes in the United States unless it is through one or more U.S. registered broker-dealers as permitted by the regulations of FINRA.

We may also sell notes to an agent that will purchase the notes as principal for its own account. Any such sale will be made at a discount to be agreed upon at the time of sale. Any notes that an agent purchases as principal may be resold at the market price or at other prices, including prices based on negotiated transactions, determined by the agent at the time of resale and may be resold to other dealers. Until permitted by appropriate regulatory authority (including FINRA), AIG Global Capital Markets Securities, LLC will not be authorized to purchase the notes as principal. We may also sell notes directly to investors or through other brokers identified in the applicable pricing supplement. No commission will be paid on any notes that we sell directly. Expenses for our printing, rating agency, trustee, legal and accounting fees and other expenses allocable to the offering of the notes, excluding underwriting discounts and commissions, will be specified in the applicable pricing supplement.

An agent, whether acting as agent or principal, may be deemed to be an underwriter within the meaning of the Securities Act of 1933, as amended (the Act). We have agreed to indemnify the agents against certain liabilities, including liabilities under the Act, or to contribute to payments the agents may be required to make in respect of these liabilities. We have agreed to reimburse the agents for customary legal fees and other expenses incurred by them in connection with the offer and sale of the notes.

An agent may sell to dealers who may resell to investors and the agent may pay all or part of the discount or commission it receives from us to the dealers. Such dealers may be deemed to be underwriters within the meaning of the Act.

In connection with the offering, the agents may purchase and sell notes in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by an agent of a greater principal amount of notes than it is required to purchase in the offering. Stabilizing transactions consist of certain bids for or purchases of notes made for the purpose of preventing or retarding a decline in the market price of the notes while the offering is in progress.

The agents also may impose a penalty bid. This occurs when a particular agent repays to the agents a portion of the discount received by it because the agents have repurchased notes sold by or for the account of such agent in stabilizing or short covering transactions.

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These activities by the agents may stabilize, maintain or otherwise affect the market price of the notes. As a result, the price of the notes may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued at any time. These transactions may be effected in the over-the-counter market or otherwise. Each issuance of notes will be a new issue of securities with no established trading market and, unless otherwise stated in the pricing supplement, will not be listed on a securities exchange or quotation system. No assurance can be given as to the liquidity of the trading market for the notes. The agents may from time to time make a market in the notes but are not obligated to do so and may cease at any time.

Although we expect that delivery of the notes generally will be made against payment on the third business day following the date of any contract for sale (such settlement cycle referred to as T+3), we may specify a shorter or longer settlement cycle in the applicable pricing supplement. Under Rule 15c6-1 of the Securities Exchange Act of 1934, as amended, trades in the secondary market generally are required to settle in three business days, unless the parties to a trade expressly agree otherwise. Accordingly, if we have specified a longer settlement cycle in the applicable pricing supplement for an offering of notes, purchasers who wish to trade those notes on the date of the contract for sale, or on one or more of the next succeeding business days as we will specify in the applicable pricing supplement, will be required, by virtue of the fact that those notes will settle in more than T+3, to specify an alternative settlement cycle at the time of the trade to prevent a failed settlement and should consult their own advisers in connection with that election.

After the initial public offering of notes to be resold to investors and other purchasers on a fixed public offering price basis, the public offering price and the discounts offered by the agents to other dealers may be changed.

Unless otherwise indicated in the applicable pricing supplement, the purchase price of the notes will be required to be paid in immediately available funds in The City of New York.

We may enter into hedging transactions in connection with any particular issue of notes, including forwards, futures, options, swaps and repurchase or reverse repurchase transactions with, or arranged by, an agent participating in the distribution of that issue of notes, or an affiliate of that agent. Agents and their affiliates may receive compensation, trading gain or other benefits in connection with such hedging transaction.

Conflicts of Interest. AIG Global Capital Markets Securities, LLC, an AIG subsidiary, is an agent that may participate in the distribution of the notes and will be deemed to have a conflict of interest within the meaning of FINRA Rule 5121. As a result, any distribution of the notes in which AIG Global Capital Markets Securities, LLC, or any other broker-dealer subsidiary of AIG in the future, participates will be conducted in accordance with the requirements of that rule. Neither AIG Global Capital Markets Securities, LLC nor any other broker-dealer subsidiary of AIG in the future will sell notes to any discretionary account without the specific written approval from the accountholder.

AIG Global Capital Markets Securities, LLC and the other agents or their affiliates may in the future engage in transactions with and/or perform various services for us in the ordinary course of their respective businesses. Certain of the agents and their respective affiliates have rendered and may in the future render various investment banking, lending and commercial banking services and other advisory services to us and our subsidiaries. Certain of these relationships involve transactions that are material to us and our affiliates and for which those agents received significant fees. Certain of the agents have received, and may in the future receive, customary compensation from us and our subsidiaries for such services.

In the ordinary course of their various business activities, the agents and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and securities activities may involve securities and/or instruments of AIG. If any of the agents or their affiliates has a lending relationship with us, certain of those agents or their affiliates routinely hedge, and certain other of those agents or their affiliates may hedge, their credit exposure to us consistent with their customary risk management policies. Typically, these agents and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the notes offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of the notes offered hereby. The agents and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

As previously announced, we have been conducting a review of our dealings with certain counterparties with which we did securities and related business before and during the recent financial crisis to determine what legal claims we may have to recover from counterparties that harmed us by their conduct. These counterparties include a number of financial institutions, including certain of the agents and various of their affiliates. In connection with this review, we have entered into agreements with a number of such counterparties, including certain agents, tolling the statute of limitations in respect of claims we may have against those counterparties and, in some cases, that the counterparties may have against us. In addition, we have formally commenced litigation against one of the agents with respect to related matters.

Selling Restrictions

No action has been or will be taken by us or any agent that would permit a public offering of the notes, or possession or distribution of this prospectus supplement, the accompanying prospectus, any applicable pricing supplement or any other offering or publicity material relating to the notes, in any country or jurisdiction outside the United States where, or in any circumstances in which, action for that purpose is required. Accordingly, the notes may not be offered or sold, directly or indirectly, and this prospectus supplement, the accompanying prospectus, any applicable pricing supplement and any other offering or publicity material relating to the notes may not be distributed or published, in or from any country or jurisdiction outside the United States except under circumstances that will result in compliance with applicable laws and regulations.

European Economic Area

This prospectus supplement and the accompanying prospectus have been prepared, and any applicable pricing supplement will be prepared, on the basis that any offer of notes in any Member State of the European Economic Area (EEA) which has implemented the Prospectus Directive (each, a Relevant Member State) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of notes. Accordingly, any person making or intending to make an offer in that Relevant Member State of notes which are the subject of an offering contemplated in this prospectus supplement, the accompanying prospectus or any applicable pricing supplement may only do so in circumstances in which no obligation arises for AIG or any agent to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither AIG nor any agent has authorized, nor do they authorize, the making of any offer of notes in circumstances in which an obligation arises for AIG or any agent to publish a prospectus for such offer.

In relation to each Relevant Member State, each agent has represented and agreed, and each further agent appointed under the program will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the Relevant Implementation Date) it has not made and will not make an offer to the public of notes which are the subject of the offering contemplated by this prospectus supplement, the accompanying prospectus and any applicable pricing supplement in the Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer to the public of such notes in that Relevant Member State:

(a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the relevant agent or agents nominated by AIG for any such offer; or

(c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of notes referred to in (a) to (c) above shall require AIG or any agent to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an offer to the public in relation to any notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the notes to be offered so as to enable an investor to decide to purchase or subscribe for the notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, and the expression Prospectus Directive means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression 2010 PD Amending Directive means Directive 2010/73/EU.

The EEA selling restriction is in addition to any other selling restrictions set out below.

We have not authorized and do not authorize the making of any offer of the notes through any financial intermediary on our behalf, other than offers made by the agents with a view to the final placement of the notes as contemplated in the distribution agreement; accordingly, no purchaser of the notes, other than the agents, is authorized to make any further offer of the notes on our behalf or on behalf of the agents, except in each case for dealers as set forth above in the fourth paragraph of this section entitled Plan of Distribution and as set forth under the sub-section Market Making Resales By Subsidiaries of AIG below.

United Kingdom

This prospectus supplement and the accompanying prospectus are only being distributed to and directed at, and any applicable pricing supplement will only be distributed to and directed at, (i) persons who are outside the United Kingdom, (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the Order) or (iii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as relevant persons). The notes will only be available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire the notes will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this prospectus supplement, the accompanying prospectus, any applicable pricing supplement or any of their contents.

Each agent has represented and agreed that, and each further agent appointed under the program will be required to represent and agree, that:

(a) in relation to any notes which have a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000, as amended (the FSMA), by AIG;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the notes which are the subject of the offering contemplated by this prospectus supplement, the accompanying prospectus and any applicable pricing supplement in circumstances in which Section 21(1) of the FSMA does not apply to AIG; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the notes in, from or otherwise involving the United Kingdom.

These selling restrictions are in addition to any other selling restrictions set out in this prospectus supplement, the accompanying prospectus and any applicable pricing supplement.

Hong Kong

The contents of this prospectus supplement, the accompanying prospectus and the applicable pricing supplement have not been reviewed by any regulatory authority in Hong Kong. Investors are advised to exercise caution in relation to the offer. If investors are in any doubt about any of the contents of this prospectus supplement, the accompanying prospectus and the applicable pricing supplement, they should obtain independent professional advice.

This offer is not being made in Hong Kong, by means of any document, other than (1) to persons whose ordinary business it is to buy or sell shares or debentures (whether as principal or agent); (2) to professional investors within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the SFO) and any rules made under the SFO; or (3) in other circumstances which do not result in the document being a prospectus as defined in the Companies Ordinance (Cap. 32) of Hong Kong (the CO) or which do not constitute an offer to the public within the meaning of the CO.

There is no advertisement, invitation or document relating to the notes which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to notes which are or are intended to be disposed of only to persons outside Hong Kong or only to the persons or in the circumstances described in the preceding paragraph.

Japan

The notes offered in this prospectus supplement, the accompanying prospectus and the applicable pricing supplement have not been and will not be registered under the Financial Instruments and Exchange Law of Japan. The notes have not been offered or sold and will not be offered or sold, directly or indirectly, in Japan or to or for the account of any resident of Japan (including any corporation or other entity organized under the laws of Japan), except (i) pursuant to an exemption from the registration requirements of the Financial Instruments and Exchange Law and (ii) in compliance with any other applicable requirements of Japanese law.

Singapore

This prospectus supplement, the accompanying prospectus and the applicable pricing supplement have not been registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Chapter 289 of the Singapore Statutes (the Securities and Futures Act). Accordingly, neither this prospectus supplement nor any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the notes may be circulated or distributed, nor may the notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to the public or any member of the public in Singapore other than in circumstances where the registration of a prospectus is not required and thus only (1) to an institutional investor or other person falling within section 274 of the Securities and Futures Act, (2) to a relevant person (as defined in section 275 of the Securities and Futures Act) or to any person pursuant to section 275(1A) of the Securities and Futures Act and in accordance with the conditions specified in section 275 of that Act, or (3) pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act. No person receiving a copy of this prospectus supplement, the accompanying prospectus and the applicable pricing supplement may treat the same as constituting any invitation to him/her, unless in the relevant territory such an invitation could be lawfully made to him/her without compliance with any registration or other legal requirements or where such registration or other legal requirements have been complied with. Each of the following relevant persons specified in Section 275 of the Securities and Futures Act who has subscribed for or purchased the notes, namely a person who is:

(a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor, or

(b) a trust (other than a trust the trustee of which is an accredited investor) whose sole purpose is to hold investments and of which each beneficiary is an individual who is an accredited investor, should note that securities of that corporation or the beneficiaries rights and interest in that trust may not be transferred for 6 months after that corporation or that trust has acquired the notes under Section 275 of the Securities and Futures Act pursuant to an offer made in reliance on an exemption under Section 275 of the Securities and Futures Act unless (i) the transfer is made only to institutional investors, or relevant persons as defined in Section 275(2) of that Act, or arises from an offer referred to in Section 275(1A) of that Act (in the case of a corporation) or in accordance with Section 276(4)(i)(B) of that Act (in the case of a trust); (ii) no consideration is or will be given for the transfer; or (iii) the transfer is by operation of law.

South Korea

The notes may not be offered, sold and delivered directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in South Korea or to any resident of South Korea except pursuant to the applicable laws and regulations of South Korea, including the Financial Investment Services and Capital Markets Act and the Foreign Exchange Transaction Law and the decrees and regulations thereunder. The notes have not been registered with the Financial Services Commission of South Korea for public offering in South Korea. Furthermore, the notes may not be re-sold to South Korean residents unless the purchaser of the notes complies with all applicable regulatory requirements (including but not limited to government approval requirements under the Foreign Exchange Transaction Law and its subordinate decrees and regulations) in connection with their purchase.

Taiwan

The notes have not been and will not be registered with the Financial Supervisory Commission of Taiwan, the Republic of China (Taiwan), pursuant to relevant securities laws and regulations and may not be offered or sold in Taiwan through a public offering or in any manner which would constitute an offer within the meaning of the Securities and Exchange Act of Taiwan or would otherwise require registration with or the approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorized to offer or sell the notes in Taiwan.

Market-Making Resales By Subsidiaries of AIG

If permitted by appropriate regulatory authority (including FINRA), this prospectus supplement, the accompanying prospectus and the applicable pricing supplement may in the future be used by AIG Global Capital Markets Securities, LLC, or other subsidiaries of AIG, in connection with the offers and sales of the notes in market-making transactions. In such market-making transactions, subsidiaries of AIG may resell the notes they acquire from other holders after the original offering and sale of the notes. Resales of this kind may occur in the open market or may be privately negotiated, at prevailing market prices at the time of resale or at related or negotiated prices. In these transactions, subsidiaries of AIG may act as principal or agent. Subsidiaries of AIG may receive compensation in the form of discounts and commissions from both the purchaser and seller. Subsidiaries of AIG may also engage in transactions of this kind and may use this prospectus supplement and the accompanying prospectus and the applicable pricing supplement for this purpose.

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We do not expect to receive any proceeds from market-making transactions. We do not expect that AIG Global Capital Markets Securities, LLC or any other subsidiary of AIG that is permitted to engage in these transactions will pay any proceeds from market-making resales to us.

In this prospectus supplement, an offering of the notes refers to the initial offering of the notes made in connection with their original issuance, and does not refer to any subsequent resales of the notes in market-making transactions.

Except for notes issued upon a reopening of a previous series, each series of offered notes will be a new issue of notes and will have no established trading market. Any agents to whom notes are sold for public offering and sale may make a market in such notes, but such agents will not be obligated to do so and may discontinue any market-making at any time without notice. The notes may or may not be listed on a securities exchange. No assurance can be given that there will be a market for the notes.

Information about the trade and settlement dates, as well as the purchase price, for a market-making transaction will be provided to the purchaser in a separate confirmation of sale. Unless we or an agent informs you in your confirmation of sale that your note is being purchased in its original offering and sale, you may assume that you are purchasing your note in a market-making transaction.

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VALIDITY OF THE NOTES

Unless otherwise specified in the applicable pricing supplement, the validity of the notes will be passed upon for us by our corporate counsel, who may be James J. Killerlane III, an Associate General Counsel and Assistant Secretary of AIG, or any other person holding the title of General Counsel or Associate General Counsel of AIG to be specified in the applicable pricing supplement. Mr. Killerlane is regularly employed by AIG, participates in various AIG employee benefit plans under which he may receive shares of common stock and currently beneficially owns less than 1 percent of the outstanding shares of common stock. If specified in the applicable pricing supplement, the validity of the notes may be passed upon for us by Sullivan & Cromwell LLP, New York, New York. The validity of the notes will be passed upon for any agents by Cleary Gottlieb Steen & Hamilton LLP, New York, New York. Cleary Gottlieb Steen & Hamilton LLP has from time to time provided, and may provide in the future, legal services to AIG and its affiliates.

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PROSPECTUS

American International Group, Inc.

Debt Securities

Common Stock

Preferred Stock

Depositary Shares

American International Group, Inc. (AIG) may offer to sell senior debt securities, common stock or preferred stock, either separately or represented, in the case of preferred stock, by depositary shares. Any series of debt securities or preferred stock may be convertible into or exercisable or exchangeable for common stock or another series of preferred stock or other securities of AIG or debt or equity securities of one or more other entities. AIG may offer and sell debt securities, common stock or preferred stock, or in the case of the preferred stock, depositary shares from time to time in amounts, at prices and on terms that will be determined at the time of the applicable offering. AIG s common stock is listed on the New York Stock Exchange and trades under the symbol AIG .

AIG may issue all or a portion of the debt securities in the form of one or more permanent global certificates. The common stock and preferred stock will be issued in direct registration form on the books and records of AIG.

The United States Department of the Treasury, as a selling shareholder, may use this prospectus in connection with its resale of shares of common stock from time to time in amounts, at prices and on terms that will be determined at the time of the applicable offering. Information about the selling shareholder and its resale of shares of common stock, including the relationship between the selling shareholder and AIG and the amounts, prices and other terms of the applicable offering, will be included in the applicable prospectus supplement.

This prospectus describes some of the general terms that may apply to these securities and the general manner in which they may be offered. The specific terms of any securities to be offered, and the specific manner in which they may be offered, will be described in a supplement to this prospectus. This prospectus may not be used to sell securities unless accompanied by a prospectus supplement.

Investing in the securities involves certain risks. See Risk Factors referred to on page 1 to read about certain factors you should consider before buying the securities.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

AIG may offer and sell these securities directly to or through one or more underwriters, dealers and agents, or directly to purchasers, on an immediate, continuous or delayed basis.

The date of this prospectus is June 29, 2012.

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Unless otherwise mentioned or unless the context requires otherwise, all references in this prospectus to the Company, AIG, we, our, us similar references mean American International Group, Inc. and its subsidiaries.

AIG is responsible only for the information contained in this prospectus, any prospectus supplement, any related free writing prospectus issued or authorized by AIG and the documents incorporated by reference in this prospectus or any prospectus supplement. Neither AIG nor the selling shareholder has authorized anyone to provide you with any other information, and AIG and the selling shareholder take no responsibility for any other information that others may give you. AIG is offering to sell the securities, and the selling shareholder is offering to sell shares of common stock, only under the circumstances and in jurisdictions where offers and sales are permitted. The information contained in this prospectus, any prospectus supplement and in the documents incorporated herein or therein by reference is accurate only as of the date on the front of those documents, regardless of the time of delivery of those documents or any sale of the securities.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This prospectus and other publicly available documents, including the documents incorporated herein by reference, may include, and AIG s officers and representatives may from time to time make projections, goals, assumptions and statements that may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These projections, goals, assumptions and statements are not historical facts but instead represent only AIG s belief regarding future events, many of which, by their nature, are inherently uncertain and outside AIG s control. These projections, goals, assumptions and statements may address, among other things:

- the timing of the disposition of the ownership position of the United States Department of the Treasury (Treasury) in AIG;
- the cash flow projections and fair value for AIG s interest in Maiden Lane III LLC;
- the monetization of AIG s interests in International Lease Finance Corporation (ILFC);
- AIG s exposures to subprime mortgages, monoline insurers, the residential and commercial real estate markets, state and municipal bond issuers and sovereign bond issuers;

AIG s exposure to European governments and European financial institutions;

AIG s strategy for risk management;

AIG s ability to retain and motivate its employees;

AIG s generation of deployable capital;

AIG s return on equity and earnings per share long-term aspirational goals;

AIG s strategies to grow net investment income, efficiently manage capital and reduce expenses;

AIG s strategies for customer retention, growth, product development, market position, financial results and reserves; and

the revenues and combined ratios of AIG s subsidiaries.

It is possible that AIG s actual results and financial condition will differ, possibly materially, from the results and financial condition indicated in these projections, goals, assumptions and statements. Factors that could cause AIG s actual results to differ, possibly materially, from those in the specific projections, goals, assumptions and statements include:

actions by credit rating agencies;

changes in market conditions;

the occurrence of catastrophic events;

significant legal proceedings;

concentrations in AIG s investment portfolios, including its municipal bond portfolio;

judgments concerning casualty insurance underwriting and reserves;

judgments concerning the recognition of deferred tax assets;

judgments concerning deferred policy acquisition costs recoverability;

judgments concerning the recoverability of aircraft values in ILFC s fleet; and

such other factors as are discussed throughout Part I, Item 2. Management s Discussion and Analysis of Financial Condition and Results of Operations of AIG s Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2012 and in Part I, Item 1A. Risk Factors and throughout Part II, Item 7. Management s Discussion and Analysis of Financial Condition and Results of Operations of AIG s Annual Report on Form 10-K for the year ended December 31, 2011, as amended by Amendment No. 1 and Amendment No. 2 on Form 10-K/A filed on February 27, 2012 and March 30, 2012, respectively (collectively, the Annual Report on Form 10-K) and discussed throughout Exhibit 99.2, Management s Discussion and Analysis of Financial Condition and Results of Operations of AIG s Current Report on Form 8-K dated May 4, 2012.

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AIG is not under any obligation (and expressly disclaims any obligation) to update or alter any projections, goals, assumptions or other statements, whether written or oral, that may be made from time to time, whether as a result of new information, future events or otherwise.

WHERE YOU CAN FIND MORE INFORMATION

AIG is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the Exchange Act), and files with the Securities and Exchange Commission (the SEC) proxy statements, Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, as required of a U.S. publicly listed company. You may read and copy any document AIG files at the SEC s public reference room in Washington, D.C. at 100 F Street, NE, Room 1580, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. AIG s SEC filings are also available to the public through:

The SEC s website at www.sec.gov; and

The New York Stock Exchange, 20 Broad Street, New York, New York 10005.

AIG s common stock is listed on the New York Stock Exchange and trades under the symbol AIG .

AIG has filed with the SEC a registration statement on Form S-3 relating to the securities. This prospectus is part of the registration statement and does not contain all the information in the registration statement. Whenever a reference is made in this prospectus to a contract or other document, please be aware that the reference is not necessarily complete and that you should refer to the exhibits that are part of the registration statement for a copy of the contract or other document. You may review a copy of the registration statement at the SEC s public reference room in Washington, D.C. as well as through the SEC s internet site noted above.

The SEC allows AIG to incorporate by reference the information AIG files with the SEC (other than information that is deemed furnished to the SEC) which means that AIG can disclose important information to you by referring to those documents, and later information that AIG files with the SEC will automatically update and supersede that information as well as the information contained in this prospectus. AIG incorporates by reference the documents listed below and any filings made with the SEC under Section 13(a), 13(c), 14, or 15(d) of the Exchange Act until all the securities are sold (except for information in these documents or filings that is deemed furnished to the SEC):

(1) Annual Report on Form 10-K for the year ended December 31, 2011 filed on February 23, 2012, Amendment No. 1 on Form 10-K/A filed on February 27, 2012 and Amendment No. 2 on Form 10-K/A filed on March 30, 2012.

(2) The Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2012 filed on May 3, 2012.

(3) The definitive proxy statement on Schedule 14A filed on April 5, 2012 and the definitive additional materials on Schedule 14A filed on May 10, 2012.

(4) Current Reports on Form 8-K filed on January 11, 2012, February 23, 2012, March 5, 2012, March 6, 2012, March 8, 2012, March 13, 2012, March 13, 2012, March 22, 2012, March 22, 2012, April 10, 2012, May 3, 2012, May 4, 2012, May 10, 2012, May 10, 2012, May 16, 2012, May 24, 2012, June 21, 2012 and June 29, 2012.

(5) The description of common stock in the registration statement on Form 8-A, dated September 20, 1984, filed pursuant to Section 12(b) of the Exchange Act, and the description of the share

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purchase rights associated with the common stock in the registration statement on Form 8-A, dated March 9, 2011, filed pursuant to Section 12(b) of the Exchange Act.

AIG will provide without charge to each person, including any beneficial owner, to whom this prospectus is delivered, upon his or her written or oral request, a copy of any or all of the reports or documents referred to above that have been incorporated by reference into this prospectus excluding exhibits to those documents unless they are specifically incorporated by reference into those documents. You can request those documents from AIG s Investor Relations Department, 180 Maiden Lane, New York, New York 10038, telephone 212-770-6293, or you may obtain them from AIG s corporate website at *www.aig.com*. Except for the documents specifically incorporated by reference into this prospectus, information contained on AIG s website or that can be accessed through its website does not constitute a part of this prospectus. AIG has included its website address only as an inactive textual reference and does not intend it to be an active link to its website.

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ABOUT AMERICAN INTERNATIONAL GROUP, INC.

AIG, a Delaware corporation, is a leading international insurance organization serving customers in more than 130 countries. AIG companies serve commercial, institutional and individual customers through one of the most extensive worldwide property-casualty networks of any insurer. In addition, AIG companies are leading providers of life insurance and retirement services in the United States. AIG s principal executive offices are located at 180 Maiden Lane, New York, New York 10038, and its main telephone number is (212) 770-7000. AIG s internet address for its corporate website is *www.aig.com*. Except for the documents referred to under Where You Can Find More Information in this prospectus or any accompanying prospectus supplement which are specifically incorporated by reference into this prospectus or any accompanying prospectus supplement, information contained on AIG s website or that can be accessed through its website is not incorporated into and does not constitute a part of this prospectus or any accompanying prospectus supplement. AIG has included its website address only as an inactive textual reference and does not intend it to be an active link to its website.

RISK FACTORS

Before investing in any securities offered hereby, you should consider carefully each of the risk factors set forth in Part I, Item 1A. Risk Factors of the Annual Report on Form 10-K (see Where You Can Find More Information in this prospectus).

USE OF PROCEEDS

Unless otherwise indicated in any prospectus supplement, AIG intends to use the net proceeds from the sale of any securities for general corporate purposes.

AIG will not receive any proceeds from the sale of shares of common stock by the selling shareholder.

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DESCRIPTION OF DEBT SECURITIES AIG MAY OFFER

References to AIG, us, we or our in this section mean American International Group, Inc. and do not include the subsidiaries of America International Group, Inc. Also, in this section, references to holders mean those who own debt securities registered in their own names, on the books that we or the applicable trustee maintain for this purpose, and not those who own beneficial interests in debt securities registered in street name or in debt securities issued in book-entry form through one or more depositaries. When we refer to you in this prospectus, we mean all purchasers of the securities being offered by this prospectus, whether they are the holders or only indirect owners of those securities.

Debt Securities Will Be Senior and Unsecured

The senior debt securities will not be subordinated to any of our other obligations or be secured by any of our property or assets or the property or assets of our subsidiaries. Thus, by owning a debt security, you are one of our unsecured creditors.

The senior debt securities will be issued under our senior debt indenture described below and will rank equally with all of our other unsecured and unsubordinated debt.

The Senior Debt Indenture

The senior debt securities are governed by a document called an indenture the senior debt indenture. The senior debt indenture is a contract between AIG and The Bank of New York Mellon, which acts as trustee.

The trustee has two main roles:

1. The trustee can enforce the rights of holders against us if we default on our obligations under the terms of the senior debt indenture or the debt securities. There are some limitations on the extent to which the trustee acts on behalf of holders, described below under Events of Default Remedies If an Event of Default Occurs.

2. The trustee performs administrative duties for us, such as sending interest payments and notices to holders, and transferring a holder s debt securities to a new buyer if a holder sells.

The senior debt indenture and its associated documents contain the full legal text of the matters described in this section. The senior debt indenture and the debt securities are governed by New York law. A copy of the senior debt indenture is an exhibit to our registration statement. See Where You Can Find More Information above for information on how to obtain a copy.

General

We may issue as many distinct series of debt securities under the senior debt indenture as we wish. The provisions of the senior debt indenture allow us not only to issue debt securities with terms different from those previously issued but also to reopen a previous issue of a series of debt securities and issue additional debt securities of that series. We may issue debt securities in amounts that exceed the total amount specified on the cover of your prospectus supplement at any time without your consent and without notifying you.

This section summarizes the material terms of the debt securities that are common to all series, although the prospectus supplement which describes the terms of each series of debt securities may also describe differences from the material terms summarized here.

Because this section is a summary, it does not describe every aspect of the debt securities. This summary is subject to and qualified in its entirety by reference to all the provisions of the senior debt indenture, including definitions of certain terms used in the senior debt indenture. In this summary, we describe the meaning of only some of the more important terms. For your convenience, we also include references in parentheses to certain sections of the senior debt indenture. Whenever we refer to particular sections or defined terms of the senior debt indenture in this prospectus or in the prospectus supplement, such sections or defined terms are incorporated by reference here or in the prospectus supplement. You must look to the senior debt indenture for the most complete description of what we describe in summary form in this prospectus.

This summary also is subject to and qualified by reference to the description of the particular terms of your series of debt securities described in the prospectus supplement. Those terms may vary from the terms describe