

AMERICAN INTERNATIONAL GROUP INC

Form FWP

December 10, 2007

**Filed Pursuant to Rule 433
Dated November 20, 2007
Registration Nos. 333-106040; 333-143992**

December 7, 2007

AMERICAN INTERNATIONAL GROUP, INC.

Floating Rate LIBOR Notes due November 27, 2047

| | |
|--|---|
| Issuer: | American International Group, Inc. |
| Security: | Floating Rate Notes due November 27, 2047 (series AIG-FP) |
| CUSIP: | 02687QDC9 |
| Note Type: | Senior unsecured, SEC registered |
| Trade Date: | December 7, 2007 |
| Settlement Date (T+3): | December 12, 2007 |
| Maturity Date: | November 27, 2047 |
| Accrued Interest: | Accrued interest determined for the period from and including November 27, 2007 to but excluding December 12, 2007 (15 days), calculated using the Interest Rate for the first calculation period equal to 4.79% (inclusive of the 0.25% spread set forth in the definition of Interest Rate) and the Day Count specified below, Total accrued \$63,942.51 |
| Aggregate Principal Amount Offered: | \$32,038,000 (The notes offered hereby are consolidated and form a single series with the \$35,433,000 aggregate principal amount of American International Group, Inc., Medium-Term Notes, Series AIG-FP, Floating Rate LIBOR Notes due November 27, 2047, issued on November 27, 2007) |
| Price to Public (Issue Price): | 100% plus Accrued Interest |
| Underwriting Discount (Gross Spread): | 1.00% |

Interest Rate: Three-month LIBOR 0.25%

Interest Reset Period: Quarterly

Interest Rate Reset: 2 London business days preceding each applicable Interest Reset Date

Interest Payment Dates: February 27, May 27, August 27 and November 27, commencing on February 27, 2008

Interest Reset Date: First day of each calculation period

Day Count: Actual/360

Calculation Agent: AIG Financial Products Corp.

Form: DTC, Book-entry

Initial Interest Rate: 4.79% (Reuters LIBOR01 0.25%; Based on three month LIBOR determined as of 11:00am on November 23, 2007)

Denominations: Minimum of \$1,000 with increments of \$1,000 thereafter; each owner of a beneficial interest in a Note will be required to hold such beneficial interest in a minimum principal amount of \$1,000

Redemption: The notes will be redeemable, in whole or in part, at the option of the Issuer, upon written notice of a minimum of 30 and a maximum of 60 calendar days, on each of the redemption dates and at the corresponding redemption prices (in each case expressed as a percentage of the principal amount) set forth in the following table, together with any accrued interest to the redemption date:

| Redemption Date | Redemption Price |
|-------------------------|-------------------------|
| November 27, 2037 | 105.00% |
| November 27, 2038 | 104.50% |
| November 27, 2039 | 104.00% |
| November 27, 2040 | 103.50% |
| November 27, 2041 | 103.00% |
| November 27, 2042 | 102.50% |
| November 27, 2043 | 102.00% |
| November 27, 2044 | 101.50% |
| November 27, 2045 | 101.00% |
| November 27, 2046 | 100.50% |

Repayment: The notes will be repayable, in whole or in part, at the option of the holder, upon written notice of a minimum of 30 and a maximum of 60 calendar days, on each of the repayment dates and at the corresponding repayment prices (in each case expressed as a percentage of the principal amount) set forth in the following table, together with any accrued interest to the repayment date:

| Repayment Date | Repayment Price |
|--|------------------------|
| November 27, 2008 | 97.50% |
| November 27, 2009 | 97.50% |
| November 27, 2010 | 97.75% |
| November 27, 2011 | 98.00% |
| November 27, 2012 | 98.00% |
| November 27, 2013 | 98.25% |
| November 27, 2014 | 98.50% |
| November 27, 2015 | 98.50% |
| November 27, 2016 | 98.75% |
| November 27, 2017 | 99.00% |
| November 27, 2018 | 99.00% |
| November 27, 2019 | 99.25% |
| November 27, 2020 | 99.50% |
| November 27, 2021 | 99.50% |
| November 27, 2022 | 99.75% |
| November 27, 2023 and each November 27 thereafter to, and including, maturity ... | 100.000% |

In the event that a date in the table above is not a business day, the repayment date will be the next succeeding business day

Business Day: New York

ERISA Considerations: The Notes may not be purchased or held by any employee benefit plan or other plan or account that is subject to the Employee Retirement Income Security Act of 1974, as amended (ERISA) or Section 4975 of the Code (each, a plan), or by any entity whose underlying assets include plan assets by reason of any plan s investment in the entity (a plan asset entity), unless in each case the purchaser or holder is eligible for exemptive relief from the prohibited transaction rules of ERISA and Section 4975 of the Code under a prohibited transaction class exemption issued by the Department of Labor or another applicable statutory or administrative exemption. Each purchaser or holder of the Notes will be deemed to represent that either (1) it is not a plan or plan asset entity and is not purchasing the Notes on behalf of or with plan assets or (2) with respect to the purchase and holding, it is eligible for relief under a prohibited transaction class exemption or other applicable statutory or administrative exemption from the prohibited transaction rules of ERISA and Section 4975 of the Code

Underwriters: UBS Securities LLC \$28,600,000
Deutsche Bank Securities Inc. \$3,438,000

The issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at www.sec.gov. Alternatively, the issuer, any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by calling UBS Securities LLC collect at 212-821-3884 or Deutsche Bank Securities Inc. collect at 212-454-7028.