

AMERICAN INTERNATIONAL GROUP INC

Form 8-K

May 23, 2008

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 8-K
CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934
Date of Report (Date of earliest event reported): May 21, 2008
AMERICAN INTERNATIONAL GROUP, INC.**

(Exact name of registrant as specified in its charter)

| | | |
|--|--------------------------|-----------------------------------|
| Delaware | 1-8787 | 13-2592361 |
| (State or other jurisdiction of incorporation) | (Commission File Number) | (IRS Employer Identification No.) |

**70 Pine Street
New York, New York 10270**
(Address of principal executive offices)

Registrant's telephone number, including area code: **(212) 770-7000**

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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On May 21 and 22, 2008, the major rating agencies took actions regarding the credit ratings of American International Group, Inc. (AIG) and its subsidiaries, summarized as follows:

Moody's Investors Service (Moody's) downgraded AIG's long-term debt rating from Aa2 to Aa3 and removed it from under review status. The outlook on the long-term debt rating is negative. Also, Moody's downgraded the financial strength ratings of many of AIG's insurance subsidiaries by one notch to either Aa2 or Aa3. The outlook on the financial strength ratings is stable. The Moody's ratings of certain other AIG subsidiaries remain on under review status.

Standard & Poor's Rating Services, a division of the McGraw Hill Companies (S&P), affirmed AIG's AA- long-term debt rating and removed it from CreditWatch Negative. The outlook on AIG's counterparty credit rating is negative. Also, S&P maintained the AA+ financial strength ratings on AIG's insurance subsidiaries. The outlook on the financial strength ratings is negative.

Fitch Ratings (Fitch) affirmed AIG's AA- long-term debt rating and removed it from Rating Watch Negative. The outlook on the long-term debt rating is negative. Also, Fitch maintained the AA+ financial strength ratings of AIG's insurance subsidiaries. The outlook on the financial strength ratings is negative.

Accordingly, the following table presents the credit ratings of AIG and certain of its subsidiaries as of May 23, 2008. In parentheses, following the initial occurrence in the table of each rating, is an indication of that rating's relative rank within the agency's rating categories. That ranking refers only to the generic or major rating category and not to the modifiers appended to the rating by the rating agencies to denote relative position within such generic or major category.

| | Short-term Debt | | | Senior Long-term Debt | | |
|---|----------------------------|-----------------------------|----------------------------|--|---|---|
| | Moody's | S&P | Fitch | Moody's (a) | S&P (b) | Fitch (c) |
| AIG | P-1 (1 st of 3) | A-1+ (1 st of 6) | F1+ (1 st of 5) | Aa3 ^(e) (2 nd of 9) | AA- ^(f) (2 nd of 8) | AA- ^(g) (2 nd of 9) |
| AIG Financial Products Corp. ^(d) | P-1 | A-1+ | | Aa3 ^(e) | AA- ^(f) | |
| AIG Funding, Inc. ^(d) | P-1 | A-1+ | F1+ | | | |
| International Lease Finance Corporation | P-1 | A-1 (1 st of 6) | F1 (1 st of 5) | A1 ^(e) (3 rd of 9) | A+ ^(f) (3 rd of 8) | A (3 rd of 9) |
| American General Finance Corporation | P-1 | A-1 | F1 | A1 ^(e) | A+ ^(f) | A |
| American General Finance, Inc. | P-1 | A-1 | F1 | | | A |

(a) Moody's appends numerical modifiers 1, 2 and 3 to the generic rating categories to show relative

*position within
rating
categories.*

*(b) S&P ratings
may be modified
by the addition
of a plus or
minus sign to
show relative
standing within
the major rating
categories.*

*(c) Fitch ratings
may be modified
by the addition
of a plus or
minus sign to
show relative
standing within
the major rating
categories.*

*(d) AIG guarantees
all obligations
of AIG
Financial
Products Corp.
and AIG
Funding, Inc.*

*(e) Negative
outlook. A
negative outlook
by Moody's
indicates that a
rating may be
lowered but is
not necessarily
a precursor of a
ratings change.*

*(f) Negative
outlook on
Counterparty
Credit Ratings
or Corporate
Credit Ratings.
A negative
outlook by S&P*

indicates that a rating may be lowered but is not necessarily a precursor of a ratings change.

- (g) *Negative outlook on Issuer Default and Senior Unsecured Debt Ratings. A negative outlook by Fitch indicates that a rating may be lowered but is not necessarily a precursor of a ratings change.*
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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**AMERICAN INTERNATIONAL GROUP,
INC.**

(Registrant)

Date: May 23, 2008

By: /s/ Kathleen E. Shannon

Name: Kathleen E. Shannon

Title: Senior Vice President and Secretary