AMERICAN INTERNATIONAL GROUP INC
Form DEF 14A
April 04, 2013
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities

Exchange Act of 1934 (Amendment No.)

Filed by the Registrant þ

Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement

¨ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

þ Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Pursuant to §240.14a-12

American International Group, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

þ No fee required.

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

¨ Fee paid previously with preliminary materials.

¨ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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AMERICAN INTERNATIONAL GROUP, INC.

180 Maiden Lane, New York, N.Y. 10038

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD MAY 15, 2013

April 4, 2013

To the Shareholders of

AMERICAN INTERNATIONAL GROUP, INC.:

The Annual Meeting of Shareholders of AMERICAN INTERNATIONAL GROUP, INC. (AIG) will be held at 180 Maiden Lane, New York, New York, on May 15, 2013, at 11:00 a.m., for the following purposes:

1. To elect the thirteen nominees specified under Election of Directors as directors of AIG to hold office until the next annual election and until their successors are duly elected and qualified;

2. To vote upon a proposal to approve the American International Group, Inc. 2013 Omnibus Incentive Plan;

3. To vote, on a non-binding advisory basis, to approve executive compensation;

4. To vote, on a non-binding advisory basis, on the frequency of future executive compensation votes;

5. To act upon a proposal to ratify the selection of PricewaterhouseCoopers LLP as AIG s independent registered public accounting firm for 2013;

6. To act upon a shareholder proposal relating to restricting service on other boards by directors of AIG; and

7. To transact any other business that may properly come before the meeting.

Shareholders of record at the close of business on March 20, 2013 will be entitled to vote at the meeting.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Shareholders to be held on May 15, 2013. The Proxy Statement, Annual Report to Shareholders and other Soliciting Material are available in the Investor Information section of AIG s corporate website at *www.aig.com*.

By Order of the Board of Directors

JEFFREY A. WELIKSON

Secretary

If you plan on attending the meeting, please remember to bring photo identification with you. In addition, if you hold shares in street name and would like to attend the meeting, you must bring an account statement or other acceptable evidence of ownership of AIG Common Stock as of the close of business on March 20, 2013. If you cannot be present at the meeting, please sign and date your proxy and return it at once or vote your shares by telephone or through the internet.

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AMERICAN INTERNATIONAL GROUP, INC.

180 Maiden Lane, New York, N.Y. 10038

PROXY STATEMENT

April 4, 2013

TIME AND DATE	11:00 a.m. on Wednesday, May 15, 2013.
PLACE	180 Maiden Lane, New York, New York 10038.
MAILING DATE	This Proxy Statement, 2012 Annual Report and proxy card or voting instructions were either made available to you over the internet or mailed to you on or about April 4, 2013.
ITEMS OF BUSINESS	To elect the thirteen nominees specified under Election of Directors as directors of AIG to hold office until the next annual election and until their successors are duly elected and qualified; To vote upon a proposal to approve the American International Group, Inc. 2013 Omnibus Incentive Plan; To vote, on a non-binding advisory basis, to approve executive compensation; To vote, on a non-binding advisory basis, on the frequency of future executive compensation votes; To act upon a proposal to ratify the selection of PricewaterhouseCoopers LLP as AIG s independent registered public accounting firm for 2013; To act upon a shareholder proposal relating to restricting service on other boards by directors of AIG; and To transact any other business that may properly come before the meeting.
RECORD DATE	You can vote if you were a shareholder of record at the close of business on March 20, 2013.
INSPECTION OF LIST OF SHAREHOLDERS OF RECORD	A list of the shareholders of record as of March 20, 2013 will be available for inspection during ordinary business hours during the ten days prior to the meeting at AIG s offices, 180 Maiden Lane, New York, New York 10038.
ADDITIONAL INFORMATION	Additional information regarding the matters to be acted on at the meeting is included in this proxy statement.
PROXY VOTING	YOU CAN VOTE YOUR SHARES OVER THE INTERNET OR BY TELEPHONE. IF YOU RECEIVED A PAPER PROXY CARD BY MAIL, YOU MAY ALSO VOTE BY SIGNING, DATING AND RETURNING THE PROXY CARD IN THE ENVELOPE PROVIDED.

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EXECUTIVE SUMMARY

This summary highlights information contained elsewhere in this Proxy Statement. We hope this summary will be helpful to our shareholders in reviewing the proposals. This summary does not contain all of the information you should consider in making a voting decision, and you should read the entire Proxy Statement carefully before voting. These proxy materials are first being sent to shareholders of AIG commencing on or about April 4, 2013. For information on the details of the voting process and how to attend the Annual Meeting, please see Voting Instructions and Information on page 7.

Voting Matters and Vote Recommendation

Matter	Board Vote Recommendation	For More Information, see:
Management Proposals		
Election of 13 Directors	FOR EACH DIRECTOR NOMINEE	Election of Directors, page 14
Approval of the American International Group, Inc. 2013 Omnibus Incentive Plan	FOR	Proposal 2-Approval of American International Group, Inc. 2013 Omnibus Incentive Plan, page 73
Advisory vote on executive compensation	FOR	Proposal 3-Non-Binding Vote to Approve Executive Compensation, page 83
Advisory vote on the frequency of future executive compensation votes	ANNUAL	Proposal 4-Non-Binding Vote on the Frequency of Future Executive Compensation Votes, page 84
Ratification of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2013	FOR	Proposal 5-Ratification of the Selection of PricewaterhouseCoopers LLP, page 87
Shareholder Proposal		
Proposal to restrict service on other boards by AIG directors	AGAINST	Shareholder Proposal, page 90

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2012 Performance Highlights

2012 was a pivotal year for AIG, building on the momentum we achieved in 2011 in our four main priority areas of protecting and enhancing the value of our key businesses, restoring AIG s financial strength, repaying U.S. taxpayers and reducing risk. AIG has repaid government support in full and with a profit. Our performance highlights are set forth in the following table:

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ELECTION OF 13 DIRECTORS

Nominees. The following table provides summary information about each director nominee. Each director is elected annually by a majority of votes cast by the holders of AIG Common Stock, which votes are cast either for or against each director nominee.

						Current Committee Memberships				
Name	**Age**	**Director Since**	**Occupation/Background**	**Indepen-dent**	**Other Public Boards**	**AC**	**CMRC**	**FRMC**	**NCGC**	**RCPPC**
Robert H. Benmosche	68	2009	President and CEO, AIG	No	Credit Suisse Group AG					
W. Don Cornwell	65	2011	Former Chairman and CEO of Granite Broadcasting Corporation	Yes	Avon Products, Inc. Pfizer Inc.		M		M	
John H. Fitzpatrick	56	2011	Secretary General of The Geneva Association; Former Chief Financial Officer, Head of the Life and Health Business Group and Head of Financial Services of Swiss Re	Yes		M		M		
William G. Jurgensen	61	N/A	Former CEO and Director of Nationwide Insurance	Yes	ConAgra Foods, Inc. The Scotts Miracle-Gro Company					
Christopher S. Lynch	55	2009	Independent consultant and former National Partner in Charge of Financial Services of KPMG LLP	Yes	Federal Home Loan Mortgage Corporation	C		M		
Arthur C. Martinez	73	2009	Former Chairman, President and CEO of Sears, Roebuck and Co.	Yes	HSN, Inc. IAC/InterActive Corp International Flavors & Fragrances Inc. Fifth & Pacific Companies, Inc.		C		M	
George L. Miles, Jr.	71	2005	Chairman Emeritus of Chester Engineers, Inc.; Former President and CEO of WQED Multimedia	Yes	HFF, Inc. Harley-Davidson, Inc. WESCO International, Inc. EQT Corporation	M			M	
Henry S. Miller	67	2010	Chairman of Marblegate Asset Management, LLC; Former Chairman and Managing Director of Miller Buckfire & Co., LLC	Yes	Ally Financial Inc.			M		M
Robert S. Miller	71	2009	Former CEO of Hawker Beechcraft, Inc.; Former Executive Chairman of Delphi Corporation	Yes	Symantec Corporation	*	*	*	*	*
Suzanne Nora Johnson	55	2008	Former Vice Chairman of The Goldman Sachs Group, Inc.	Yes	Intuit Inc. Pfizer Inc.		M		C	

					Visa Inc.					
Ronald A. Rittenmeyer	65	2010	Chairman, President and CEO of Expert Global Solutions, Inc.; Former Chairman, CEO and President of Electronic Data Systems Corporation	Yes	Tenet Healthcare Corporation	M	M			
Douglas M. Steenland	61	2009	Former President and CEO of Northwest Airlines Corporation	Yes	Digital River, Inc. Travelport Limited Chrysler Group LLC International Lease Finance Corporation (an AIG subsidiary)			M		C
Theresa M. Stone	68	N/A	Former Executive Vice President and Treasurer of the Massachusetts Institute of Technology; Former Executive Vice President and Chief Financial Officer of Jefferson-Pilot Corporation; Former President of Chubb Life Insurance Company	Yes						

* Mr. Robert Miller is an *ex-officio*, non-voting member.

AC	Audit Committee	RCPPC	Regulatory, Compliance and Public Policy Committee
CMRC	Compensation and Management Resources Committee	C	Chair
FRMC	Finance and Risk Management Committee	M	Member
NCGC	Nominating and Corporate Governance Committee		

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Board Structure and Operations Highlights:

Separate Chairman and Chief Executive Officer positions	Independent Director Nominees: 12 of 13
Total Board meetings in 2012: 20	Total committee meetings in 2012: 67
Directors elected annually	Majority voting in director elections with director resignation policy
All Board committees constituted solely with independent directors	

APPROVAL OF THE AMERICAN INTERNATIONAL GROUP, INC. 2013 OMNIBUS INCENTIVE PLAN

We are asking our shareholders to approve the American International Group, Inc. 2013 Omnibus Incentive Plan (the 2013 Plan). The 2013 Plan replaces the American International Group, Inc. 2010 Stock Incentive Plan which expires at the end of 2013. The 2013 Plan makes additional shares available for use in our compensation programs, which will allow us to align the interests of our executives with shareholders, to make awards designed to comply with Section 162(m) of the Internal Revenue Code and to make a limited amount of cash-based and stock-based awards to our non-employee directors. Your Board of Directors unanimously recommends approval of the 2013 Plan.

ADVISORY VOTE ON EXECUTIVE COMPENSATION

Since 2009, AIG has been subject to statutory restrictions on the structure and amounts of executive compensation. You are being asked to vote for approval of, on an advisory basis, our 2012 executive compensation that was subject to TARP restrictions and oversight by the Special Master for TARP Executive Compensation. The 2012 pay structures for our executive officers reflected our continuing commitment to making compensation decisions that are appropriate in light of AIG s goals and accomplishments, to the extent permitted by law. Your Board of Directors unanimously recommends approval of the 2012 executive compensation.

Beginning in 2013, AIG s executive compensation program is no longer prescribed by law, and AIG is establishing an executive compensation program consistent with its compensation philosophy.

2013 Program Highlights:

Balanced Structure: Market salary, 25% to 35% target short-term incentive opportunity and at least 40% target long-term incentive opportunity.

At least 70% Variable and Incentive-Based: At least 70% of each executive s total target direct compensation opportunity is incentive-based.

Long-Term Incentives Directly Tied to Performance: Long-term incentives are 100% in the form of performance share units that, for 2013, will be earned based on total shareholder return and growth in tangible book value per share measured relative to AIG s peers over a three-year period, with above-median performance required for target payout.

Comprehensive Clawback: All deferred and long-term awards are subject to rigorous clawback triggers, including failures of risk management and material reputational harm to AIG.

Share Ownership Requirements: Five times base salary guideline for Chief Executive Officer and three times base salary guideline for other executive officers; 50% retention of net shares until guideline achieved.

Best Practices. We continue to adhere to compensation best practices:

- No equity grants below 100% of fair market value
- No repricing of underwater stock options or stock appreciation rights
- No dividends or dividend equivalents paid on performance share units unless goals are satisfied
- No tax gross-ups on severance payments or perquisites
- No hedging transactions with respect to our stock
- No excessive pension payments or perquisites or benefits
- No single-trigger change-in-control or severance benefits

FREQUENCY OF FUTURE ADVISORY VOTES ON EXECUTIVE COMPENSATION

Your Board of Directors unanimously recommends an annual advisory vote on executive compensation.

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VOTING INSTRUCTIONS AND INFORMATION

The enclosed proxy is solicited on behalf of the Board of Directors (Board of Directors or Board) of American International Group, Inc., a Delaware corporation (AIG), for use at the AIG Annual Meeting of Shareholders to be held on May 15, 2013, or at any adjournment thereof (Annual Meeting or 2013 Annual Meeting of Shareholders).

When and where is our Annual Meeting?

We will hold our Annual Meeting on Wednesday, May 15, 2013 at 11:00 a.m., Eastern Daylight Saving Time, at our offices at 180 Maiden Lane, New York, New York 10038.

How are we distributing our proxy materials?

We are using the rule of the United States Securities and Exchange Commission (SEC) that allows companies to furnish proxy materials to their shareholders over the internet. In accordance with this rule, on or about April 4, 2013, we sent shareholders of record at the close of business on March 20, 2013, a Notice of Internet Availability of Proxy Materials (Notice) or a full set of proxy materials. The Notice contains instructions on how to access our Proxy Statement and Annual Report for the year ended December 31, 2012 (2012 Annual Report) via the internet and how to vote. If you receive a Notice, you will not receive a printed copy of the proxy materials in the mail. Instead, the Notice instructs you on how to access and review all of the important information contained in the proxy materials. The Notice also instructs you on how you may submit your proxy via the internet. If you received a Notice and would like to receive a copy of our proxy materials, follow the instructions contained in the Notice to request a copy electronically or in paper form on a one-time or ongoing basis. Shareholders who do not receive the Notice will receive either a paper or electronic copy of our Proxy Statement and 2012 Annual Report, which will be sent on or about April 4, 2013.

Who can vote at the Annual Meeting?

You are entitled to vote or direct the voting of your shares of AIG s common stock, par value $2.50 per share (AIG Common Stock), if you were a shareholder of record or if you held AIG Common Stock in street name at the close of business on March 20, 2013. On that date, 1,476,345,110 shares of AIG Common Stock (exclusive of shares held by AIG and certain subsidiaries) were outstanding, held by 37,438 shareholders of record. Each share of AIG Common Stock held by you on the record date is entitled to one vote.

Who is a shareholder of record?

During the ten days prior to the Annual Meeting, a list of the shareholders will be available for inspection at the offices of AIG at 180 Maiden Lane, New York, New York 10038.

- If you hold AIG Common Stock that is registered in your name on the records of AIG maintained by AIG s transfer agent, Wells Fargo Shareowner Services, you are a shareholder of record.

- If you hold AIG Common Stock indirectly through a broker, bank or similar institution, you are not a shareholder of record, but instead hold shares in street name.

What do I need to attend, and vote at, the Annual Meeting?

If you plan on attending the Annual Meeting, please remember to bring photo identification with you, such as a driver s license. In addition, if you hold shares in street name and would like to attend the Annual Meeting, you must bring an account statement or other acceptable evidence of ownership of AIG Common Stock as of the close of business on March 20, 2013, the record date for voting. In order to vote at the Annual Meeting if you hold shares in street name, you will also need a valid legal proxy , which you can obtain by contacting your account representative at the broker, bank or similar institution through which you hold your shares. See How do I vote? for four ways to cast your vote.

What proposals will be voted on at the Annual Meeting?

Five proposals from AIG will be considered and voted on at the Annual Meeting:

1. To elect the thirteen nominees specified under Election of Directors as directors of AIG to hold office until the next annual election and until their successors are duly elected and qualified;

2. To vote upon a proposal to approve the American International Group, Inc. 2013 Omnibus Incentive Plan;

3. To vote, on a non-binding advisory basis, to approve executive compensation;

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4. To vote, on a non-binding advisory basis, on the frequency of future executive compensation votes; and

5. To act upon a proposal to ratify the selection of PricewaterhouseCoopers LLP as AIG s independent registered public accounting firm for 2013.

In addition, one shareholder proposal will be considered and voted on at the Annual Meeting.

6. To act upon a shareholder proposal relating to restricting service on other boards by directors of AIG.

You may also vote on any other business that properly comes before the Annual Meeting.

How does the Board of Directors recommend I vote?

AIG s Board of Directors unanimously recommends that you vote:

1. **FOR** each of the nominees specified under Election of Directors to the Board of Directors.

2. **FOR** the American International Group, Inc. 2013 Omnibus Incentive Plan.

3. **FOR** the proposal to approve, on a non-binding advisory basis, executive compensation.

4. **FOR** an annual advisory vote on executive compensation.

5. **FOR** the proposal to ratify the selection of PricewaterhouseCoopers LLP as AIG s independent registered public accounting firm for 2013.

6. **AGAINST** the shareholder proposal relating to restricting service on other boards by directors of AIG.

How do I vote?

You may cast your vote in one of four ways:

By Submitting a Proxy by Internet. Go to the following website: *www.proxyvote.com*. You may submit a proxy by internet 24 hours a day. To be valid, your proxy by internet must be received by 11:59 p.m., Eastern Daylight Saving Time, on May 14, 2013. Please have your Notice of Internet Availability of Proxy Materials or your proxy card in hand when you access the website and follow the instructions to create an electronic voting instruction form.

By Submitting a Proxy by Telephone. To submit a proxy using the telephone, call 1-800-690-6903 any time on a touch-tone telephone. There is NO CHARGE to you for the call in the United States or Canada. International calling charges apply outside the United States and Canada. You may submit a proxy by telephone 24 hours a day, 7 days a week. Follow the simple instructions provided by the recorded message. To be valid, your proxy by telephone must be received by 11:59 p.m., Eastern Daylight Saving Time, on May 14, 2013.

By Submitting a Proxy by Mail. Mark your proxy card, sign and date it, and return it in the prepaid envelope that has been provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717. To be valid, your proxy by mail must be received by 9:00 a.m., Eastern Daylight Saving Time, on May 15, 2013.

At the Annual Meeting. You can vote your shares in person at the Annual Meeting (see What do I need to attend, and vote at, the Annual Meeting?). If you are a shareholder of record, in order to vote at the Annual Meeting, you must present an acceptable form of photo identification, such as a driver s license. If you hold your shares in street name, you must obtain a legal proxy, as described above under What do I need to attend, and vote at, the Annual Meeting? , and bring that proxy to the Annual Meeting.

How can I revoke my proxy or substitute a new proxy or change my vote?

You can revoke your proxy or substitute a new proxy by:

For a Proxy Submitted by Internet or Telephone

Subsequently submitting in a timely manner a new proxy through the internet or by telephone that is received by 11:59 p.m., Eastern Daylight Saving Time, on May 14, 2013; or

Executing and mailing a later-dated proxy card that is received prior to 9:00 a.m., Eastern Daylight Saving Time, on May 15, 2013; or

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Voting in person at the Annual Meeting.

For a Proxy Submitted by Mail

Subsequently executing and mailing another proxy card bearing a later date that is received prior to 9:00 a.m., Eastern Daylight Saving Time, on May 15, 2013; or

Giving written notice of revocation to AIG s Secretary at 180 Maiden Lane, New York, New York 10038 that is received by AIG prior to 9:00 a.m., Eastern Daylight Saving Time, on May 15, 2013; or

Voting in person at the Annual Meeting.

If I submit a proxy by internet, telephone or mail, how will my shares be voted?

If you properly submit your proxy by one of these methods, and you do not subsequently revoke your proxy, your shares will be voted in accordance with your instructions.

If you sign, date and return your proxy card but do not give voting instructions, your shares will be voted as follows: FOR the election of AIG s director nominees specified under Election of Directors ; FOR the approval of the AIG 2013 Omnibus Incentive Plan; FOR the non-binding shareholder resolution on executive compensation; FOR the annual advisory vote on executive compensation; FOR the ratification of the appointment of PricewaterhouseCoopers LLP as AIG s independent registered public accounting firm for 2013; AGAINST the shareholder proposal to restrict service on other boards by AIG s directors; and otherwise in accordance with the judgment of the persons voting the proxy on any other matter properly brought before the Annual Meeting.

If I hold my shares in street name and do not provide voting instructions, can my broker still vote my shares?

Under the rules of the New York Stock Exchange (NYSE), brokers that have not received voting instructions from their customers ten days prior to the Annual Meeting date may vote their customers shares in the brokers discretion on the proposal regarding the ratification of the appointment of independent auditors because this is considered discretionary under NYSE rules. If your broker is an affiliate of AIG, NYSE policy specifies that, in the absence of your specific voting instructions, your shares may only be voted in the same proportion as all other shares are voted with respect to that proposal.

Under NYSE rules, each other proposal, including the election of directors, is a non-discretionary item, which means that member brokers who have not received instructions from the beneficial owners of AIG Common Stock do not have discretion to vote the shares of AIG Common Stock held by those beneficial owners on any of those proposals.

How are votes counted?

Proposal 1 Election of Directors. AIG s By-laws provide that in uncontested elections, directors must receive a majority of the votes cast by the holders of AIG Common Stock. In other words, directors in an uncontested election must receive more votes for their election than against their election. Pursuant to AIG s By-laws and Corporate Governance Guidelines, each nominee who is currently a director has submitted to the Board an irrevocable resignation from the Board that would become effective upon (1) the failure of such nominee to receive the required vote at the Annual Meeting and (2) Board acceptance of such resignation. In the event that a nominee who is currently a director fails to receive the required vote at the Annual Meeting, AIG s Nominating and Corporate Governance Committee will then make a recommendation to the Board on the action to be taken with respect to the resignation. The Board will accept such resignation unless the Committee recommends and the Board determines that the best interests of AIG and its shareholders would not be served by doing so.

Proposal 2 Approval of the American International Group, Inc. 2013 Omnibus Incentive Plan. Adoption of the resolution for approval of the American International Group, Inc. 2013 Omnibus Incentive Plan requires a for vote of a majority of the votes cast by the holders of AIG Common Stock, which votes cast are either for or against the resolution.

Proposal 3 Non-binding Advisory Vote to Approve Executive Compensation. Adoption of the resolution on the non-binding advisory vote to approve executive compensation requires a for vote of a majority of the votes cast by the holders of AIG Common Stock, which votes cast are either for or against the resolution.

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Proposal 4 Non-binding Advisory Vote on the Frequency of Future Executive Compensation Votes. Adoption of the resolution on the non-binding advisory vote on the frequency of future executive compensation votes requires a for vote of a majority of the votes cast by the holders of AIG Common Stock, which votes cast are either for or against the resolution.

Proposal 5 Ratification of the Selection of PricewaterhouseCoopers LLP as AIG s Independent Registered Public Accounting Firm. Ratification of the selection of accountants requires a for vote of a majority of the votes cast by the holders of AIG Common Stock, which votes cast are either for or against the ratification. Neither AIG s Restated Certificate of Incorporation nor AIG s By-laws require that the shareholders ratify the selection of PricewaterhouseCoopers LLP as its independent registered public accounting firm. AIG s Board is requesting shareholder ratification as a matter of good corporate practice. If the shareholders do not ratify the selection, the Audit Committee will reconsider whether or not to retain PricewaterhouseCoopers LLP, but may still retain PricewaterhouseCoopers LLP. Even if the selection is ratified, the Audit Committee in its discretion may change the appointment at any time during the year if it determines that such change would be in the best interests of AIG and its shareholders.

Shareholder Proposal 6 Shareholder Proposal relating to service on other boards by AIG s directors. Approval of the shareholder proposal requires a for vote of a majority of the outstanding shares of AIG Common Stock.

Broker Non-Votes and Abstentions. Because directors are elected by a majority of the votes cast, an abstention will have no effect on the election, although a director who receives more votes against than for his or her election will be required to resign, subject to the process described above under Proposal 1 Election of Directors. In the case of the approval of the American International Group, Inc. 2013 Omnibus Incentive Plan, the non-binding advisory vote to approve executive compensation, the non-binding advisory vote on the frequency of future executive compensation votes and the ratification of the appointment of PricewaterhouseCoopers LLP, only votes cast for or against the proposal will be considered; abstentions, broker non-votes and withheld votes will not be treated as a vote for or against these proposals and therefore will have no effect on the vote. The approval of the shareholder proposal on board service requires a for vote of a majority of the outstanding shares of AIG Common Stock; as a result, abstentions, broker non-votes or withheld votes will have the effect of a vote against the proposal.

How many votes are required to transact business at the Annual Meeting?

A quorum is required to transact business at the Annual Meeting. The holders of a majority of the outstanding shares of AIG Common Stock entitled to vote will constitute a quorum.

Proxies marked as abstaining, and any proxies returned by brokers as non-votes on behalf of shares held in street name because beneficial owners discretion has been withheld as to one or more matters on the agenda for the Annual Meeting, will be treated as present for purposes of determining a quorum for the Annual Meeting.

How do I obtain more information about AIG?

A copy of AIG s 2012 Annual Report to Shareholders, which includes AIG s Annual Report on Form 10-K for the year ended December 31, 2012 (AIG s 2012 Annual Report on Form 10-K) filed with the SEC, has been delivered or made available to shareholders. **You also may obtain, free of charge, a copy of the 2012 Annual Report to Shareholders and AIG s 2012 Annual Report on Form 10-K by writing to American International Group, Inc., 180 Maiden Lane, New York, New York 10038, Attention: Investor Relations.** These documents also are available in the Investors section of AIG s corporate website at *www.aig.com.*

Who pays for the expenses of this proxy solicitation?

AIG will bear the cost of this solicitation of proxies. Proxies may be solicited by mail, email, personal interview, telephone and facsimile transmission by directors, their associates, and certain officers and regular employees of AIG and its subsidiaries. In addition to the foregoing, AIG has retained D.F. King & Co., Inc. to assist in the solicitation of proxies for a fee of approximately $19,500 plus reasonable out-of-pocket expenses and disbursements of that firm. AIG will reimburse brokers and others holding AIG Common Stock in their names, or in the names of nominees, for forwarding proxy materials to their principals.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Proxy Statement and other publicly available documents 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 include statements preceded by, followed by or including words such as believe, anticipate, expect, intend, plan, view, target or estimate. These projections, goals, assumptions and statements may address, among other things:

- the monetization of AIG s interests in International Lease Finance Corporation (ILFC), including whether AIG s proposed sale of up to 90 percent of ILFC will be completed and if completed, the timing and final terms of such sale;
- 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 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:

- changes in market conditions;
- the occurrence of catastrophic events, both natural and man-made;
- significant legal proceedings;

the timing and applicable requirements of any new regulatory framework to which AIG is subject as a savings and loan holding company, and if such a determination is made, as a systemically important financial institution;

concentrations in AIG s investment portfolios;

actions by credit rating agencies;
judgments concerning casualty insurance underwriting and insurance liabilities;

judgments concerning the recognition of deferred tax assets;

judgments concerning deferred policy acquisition costs (DAC) recoverability; and

such other factors discussed in:

Part II, Item 7. Management s Discussion and Analysis of Financial Condition and Results of Operations in AIG s 2012 Annual Report on Form 10-K; and

Part I, Item 1A. Risk Factors in AIG s 2012 Annual Report on Form 10-K.

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.

RELATIONSHIP DURING 2012 WITH THE UNITED STATES DEPARTMENT OF THE TREASURY

Recapitalization of AIG

On January 14, 2011, AIG completed the previously announced series of integrated transactions (the Recapitalization) to recapitalize AIG as contemplated by the Master Transaction Agreement, dated as of December 8, 2010 (the Master Transaction Agreement), among AIG, AM Holdings LLC (formerly known as ALICO Holdings LLC) (the ALICO SPV), AIA Aurora, LLC (the AIA SPV), the Federal Reserve Bank of New York (the FRBNY), the Department of the Treasury and the AIG Credit Facility Trust established for the sole benefit of the United States (the Trust).

As part of the Recapitalization, AIG entered into an agreement (the Registration Rights Agreement) in which it granted certain registration rights to the Department of the Treasury to facilitate dispositions of the shares of AIG Common Stock owned by the Department of the Treasury

2012 Common Stock Offerings by the Department of the Treasury and AIG Purchases of Shares

At the start of 2012, the Department of the Treasury held 77% of the outstanding AIG Common Stock. The Department of the Treasury sold all of its shares of AIG Common Stock in five registered public offerings during 2012. AIG did not receive any of the proceeds from these sales and AIG participated as a purchaser in the first four offerings. As required by the Registration Rights Agreement, AIG paid the underwriting discount as well as certain expenses with respect to the shares sold by the Department of the Treasury (no underwriting discount was paid on the shares purchased by AIG).

The following table presents certain information relating to these offerings (dollars in millions, except share-price data):

	U.S. Treasury			AIG	
Date of Sale	**Price per Share**	**Shares Sold**	**Total Proceeds**	**Shares Purchased**	**Total Purchase Price**
March 13, 2012	$ 29.00	206,896,552	$ 6,000	103,448,276	$ 3,000
May 10, 2012	$ 30.50	188,524,589	$ 5,750	65,573,770	$ 2,000
August 8, 2012	$ 30.50	188,524,590	$ 5,750	98,360,656	$ 3,000
September 14, 2012	$ 32.50	636,923,075	$ 20,700	153,846,153	$ 5,000
December 14, 2012	$ 32.50	234,169,156	$ 7,610		
		1,455,037,962	$ 45,810	421,228,855	$ 13,000

As a result of these 2012 offerings of AIG Common Stock, the Department of the Treasury no longer owns any shares of AIG Common Stock.

Repayments of the Liquidation Preference of the AIA SPV Preferred Interests; Redemption of Participating Return Rights; Amendment of Master Transaction Agreement and Related Agreements

On March 7, 2012, AIG sold 1.72 billion ordinary shares of AIA Group Limited (AIA) for gross proceeds of approximately $6 billion (the AIA Sale). AIG used approximately $5.6 billion of the proceeds of the AIA Sale to pay down a portion of the liquidation preference of the Department of the Treasury s preferred interests in the AIA SPV (AIA SPV Preferred Interests). On March 3, 2012, AIG, the ALICO SPV, the AIA SPV and the Department of the Treasury entered into a letter agreement under which the Department of the Treasury consented to the AIA Sale.

On March 7, 2012, the Master Transaction Agreement was amended (the Amendment). The Amendment entitled the AIA SPV to retain and distribute to AIG the net proceeds in excess of approximately $5.6 billion received by the AIA SPV from the AIA Sale. In addition, the liens on (i) the equity interests in ILFC, (ii) the ordinary shares of AIA held by the AIA SPV subsequent to the closing of the AIA Sale, and (iii) the common equity interests in the AIA SPV were released and such interests and the AIA ordinary shares no longer constituted collateral securing the paydown of the liquidation preference of the Department of the Treasury s AIA SPV Preferred Interests. The release of collateral and modification of agreements were subject to various conditions, including that the AIA SPV and the ALICO SPV would redeem the Department of the Treasury s preferred participating return rights under the applicable SPV limited liability agreements for a total of approximately $127 million. All of the conditions to the release of collateral and modification of agreements were satisfied, and the release of collateral and modification of agreements occurred on March 16, 2012.

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On March 21, 2012, AIG entered into an Agreement to Terminate Intercompany Loan (the Termination Agreement), among AIG, the AIA SPV, the ALICO SPV and the Department of the Treasury. The Termination Agreement provided that immediately after the receipt by the AIA SPV of a partial repayment of the intercompany loan extended by the AIA SPV to AIG, the loan would terminate and no longer be outstanding, and the AIA SPV would use the partial repayment of the loan and cash then held by the AIA SPV to pay down the remaining liquidation preference of the Department of the Treasury s AIA SPV Preferred Interests. On March 22, 2012, the AIA SPV made the final paydown of the liquidation preference of approximately $1.5 billion of the Department of the Treasury s AIA SPV Preferred Interests, the AIA SPV Preferred Interests were retired, and the remaining liens on AIG assets which had secured the paydown of the liquidation preference of the AIA SPV Preferred Interests were released.

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ELECTION OF DIRECTORS

Thirteen directors are to be elected at the Annual Meeting to hold office until the next annual election and until their successors are duly elected and qualified. It is the intention of the persons named in the accompanying form of proxy to vote for the election of the nominees listed below. All of the nominees, except Mr. Jurgensen and Ms. Stone, are currently members of AIG s Board of Directors. It is not expected that any of the nominees will become unavailable for election as a director, but if any should become unavailable prior to the Annual Meeting, proxies will be voted for such persons as the persons named in the accompanying form of proxy may determine in their discretion. Directors will be elected by a majority of the votes cast by the shareholders of the AIG Common Stock, which votes are cast for or against election. Pursuant to AIG s By-laws and Corporate Governance Guidelines, each nominee who is currently a director of AIG has submitted to the Board an irrevocable resignation from the Board that would become effective upon (1) the failure of such nominee to receive the required vote at the shareholder meeting and (2) Board acceptance of such resignation. In the event that a nominee who is currently a director of AIG fails to receive the required vote, AIG s Nominating and Corporate Governance Committee will then make a recommendation to the Board on the action to be taken with respect to the resignation. The Board will accept such resignation unless the Board determines (after consideration of the Nominating and Corporate Governance Committee s recommendation) that the best interests of AIG and its shareholders would not be served by doing so.

In accordance with AIG s Corporate Governance Guidelines, Mr. Offit will retire from the Board of Directors effective at the time that the directors are elected at the 2013 Annual Meeting. Mr. Offit previously served as a director from 2005 until his retirement from the Board of AIG at the 2012 Annual Meeting on May 16, 2012 in accordance with the retirement guideline for AIG directors. After the 2012 Annual Meeting and the resignations from the Board by Mr. Donald H. Layton due to his appointment as Chief Executive Officer of the Federal Home Loan Mortgage Corporation (Freddie Mac) and by Ms. Laurette T. Koellner in connection with her becoming Executive Chairman of International Lease Finance Corporation (an AIG subsidiary), the Board determined, as permitted by AIG s retirement guideline for directors, that it was in the best interests of AIG and its shareholders to ask Mr. Offit to rejoin the Board to serve until the 2013 Annual Meeting of Shareholders. Mr. Offit rejoined the Board on July 11, 2012. The Board wishes to thank Mr. Offit for his significant contributions to AIG.

The principal occupation or affiliation of the nominees for director and any directorships held by such nominee during the past five years are set forth below.

ROBERT H. BENMOSCHE	**President and Chief Executive Officer, AIG**
Director since 2009	Age 68

Mr. Benmosche has been AIG s President and Chief Executive Officer since August 2009. Previously, he served as Chairman and Chief Executive Officer of MetLife, Inc. from September 1998 to February 2006 (Chairman until April 2006). He served as President of MetLife, Inc. from September 1999 to June 2004, President and Chief Operating Officer from November 1997 to June 1998, and Executive Vice President from September 1995 to October 1997. He served as an Executive Vice President of PaineWebber Group Incorporated from 1989 to 1995. Mr. Benmosche is currently a director of Credit Suisse Group AG, where he is a member of the Compensation Committee. In light of Mr. Benmosche s experience managing large, complex, international institutions and his professional experience across industries including insurance, financial services, and operations and technology, AIG s Board has concluded that Mr. Benmosche should be re-elected to the Board.

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W. DON CORNWELL **Former Chairman of the Board and Chief Executive Officer of Granite Broadcasting Corporation**

Director since 2011

Age 65

Mr. Cornwell is the former Chairman of the Board and Chief Executive Officer of Granite Broadcasting Corporation, serving from 1988 until his retirement in August 2009, and Vice Chairman until December 2009. Mr. Cornwell spent 17 years at Goldman, Sachs & Co. where he served as Chief Operating Officer of the Corporate Finance Department from 1980 to 1988 and Vice President of the Investment Banking Division from 1976 to 1988. Mr. Cornwell is currently a director of Avon Products, Inc., where he is Chairman of the Finance and Strategic Planning Committee and a member of the Audit Committee, and Pfizer Inc., where he is Chairman of the Audit Committee and a member of the Compensation, Regulatory and Compliance and Science and Technology Committees. Mr. Cornwell was Chairman of the Board and Chief Executive Officer of Granite Broadcasting when it filed for voluntary reorganization under Chapter 11 of the U.S. Bankruptcy Code in December 2006 and emerged from its restructuring in June 2007. In light of Mr. Cornwell s experience in finance and restructuring, as well as his professional experience across the financial services industry, AIG s Board has concluded that Mr. Cornwell should be re-elected to the Board.

JOHN H. FITZPATRICK **Secretary General of The Geneva Association; Former Chief Financial Officer, Head of the Life and Health Business Group and Head of Financial Services of Swiss Re**

Director since 2011

Age 56

Mr. Fitzpatrick has been Secretary General of The Geneva Association since June 2012. Mr. Fitzpatrick is also Chairman of Oak Street Management Co., LLC, a commercial real estate investment firm, and Oak Family Advisors, LLC, a private wealth management firm since 2010. From 2006 to 2010, Mr. Fitzpatrick was a partner at Pension Corporation and a director of Pension Insurance Corporation Ltd. From 1998 to 2006, he was a member of Swiss Re s Executive Board Committee and served at Swiss Re as Chief Financial Officer, Head of the Life and Health Business Group, and Head of Financial Services. From 1996 to 1998, Mr. Fitzpatrick was a partner in insurance private equity firms sponsored by Zurich Financial Services, Credit Suisse and Swiss Re. From 1990 to 1996, Mr. Fitzpatrick served as the Chief Financial Officer and a Director of Kemper Corporation, a NYSE-listed insurance and financial services organization where he started his career in corporate finance in 1978. From February 2010 until March 2011, Mr. Fitzpatrick was a director of Validus Holdings, Ltd., where he served on the Audit and Finance Committees. Mr. Fitzpatrick is a Certified Public Accountant and a Chartered Financial Analyst. In light of Mr. Fitzpatrick s broad experience in the insurance and reinsurance industry, AIG s Board has concluded that Mr. Fitzpatrick should be re-elected to the Board.

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WILLIAM G. JURGENSEN **Former Chief Executive Officer and Director of Nationwide Insurance**

Age 61

Mr. Jurgensen is a former director and Chief Executive Officer of Nationwide Mutual Insurance Company and Nationwide Financial Services, Inc., serving from May 2000 to February 2009. During this time, he also served as director and Chief Executive Officer of several other companies within the Nationwide enterprise. Prior to his time in the insurance industry, he spent 27 years in the commercial banking industry. Before joining Nationwide, Mr. Jurgensen was an Executive Vice President with BankOne Corporation (now a part of JPMorgan Chase & Co.) where he was responsible for corporate banking products, including capital markets, international banking and cash management. He managed the merger integration between First Chicago Corporation and NBD Bancorp, Inc. and later was Chief Executive Officer for First Card, First Chicago s credit card subsidiary. At First Chicago, he was responsible for retail banking and began his career there as Chief Financial Officer in 1990. Mr. Jurgensen started his banking career at Norwest Corporation (now a part of Wells Fargo & Company) in 1973. The majority of Mr. Jurgensen s career has involved capital markets, securities trading and investment activities, with the balance in corporate banking. Mr. Jurgensen has been a director of ConAgra Foods, Inc. since 2002, where he has served on the Audit Committee and currently serves on the Human Resources and the Nominating, Governance and Public Affairs Committees. He has also been a director of The Scotts Miracle-Gro Company since 2009, where he has served on the Governance and Nominating Committee and currently serves on the Audit and Finance Committees. In light of Mr. Jurgensen s experience in insurance, financial services and risk management, AIG s Board has concluded that Mr. Jurgensen should be elected to the Board.

CHRISTOPHER S. LYNCH **Former National Partner in Charge of Financial Services, KPMG LLP**

Director since 2009

Age 55

Mr. Lynch has been an independent consultant since 2007, providing a variety of services to public and privately held financial intermediaries, including corporate restructuring, risk management, strategy, governance, financial accounting and regulatory reporting and troubled-asset management. Mr. Lynch is the former National Partner in Charge of KPMG LLP s Financial Services Line of Business and Banking and Finance Practice. He held a variety of positions with KPMG from 1979 to 2007, including chairing KPMG s Americas Financial Services Leadership team and being a member of the Global Financial Services Leadership and the U.S. Industries Leadership teams. Mr. Lynch has experience as an audit signing partner under Sarbanes Oxley for some of KPMG s largest financial services clients. He also served as a Partner in KPMG s National Department of Professional Practice and as a Practice Fellow at the Financial Accounting Standards Board. Mr. Lynch is a member of the National Audit Committee Chair Advisory Council of the National Association of Corporate Directors. Mr. Lynch is currently Non-Executive Chairman of the Federal Home Loan Mortgage Corporation, where he is also a member of the Audit and Compensation Committees. In light of Mr. Lynch s experience in finance, accounting and risk management and restructuring, as well as his professional experience across the financial services industry, AIG s Board has concluded that Mr. Lynch should be re-elected to the Board.

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ARTHUR C. MARTINEZ **Former Chairman of the Board, President and Chief Executive Officer, Sears, Roebuck and Co.**

Director since 2009

Age 73

Mr. Martinez is the former Chairman of the Board, President and Chief Executive Officer of Sears, Roebuck and Co., serving from 1995 to 2000. Mr. Martinez was Chairman and Chief Executive Officer of the former Sears Merchandise Group from 1992 to 1995. He served as Chief Financial Officer of Saks Fifth Avenue from 1980 to 1984, as Executive Vice President from 1984 to 1987 and then as Vice Chairman from 1990 to 1992. Mr. Martinez also served as Chairman of the Board of the Federal Reserve Bank of Chicago from 2000 to 2002. Mr. Martinez is currently a director of HSN, Inc., where he is Non-Executive Chairman, IAC/InterActive Corp, where he is Chairman of the Compensation and Human Resources Committee, International Flavors & Fragrances Inc., where he is the Lead Director and a member of the Audit and the Nominating and Governance Committees, and Fifth & Pacific Companies, Inc. (formerly Liz Claiborne, Inc.), where he is Chairman of the Compensation Committee and a member of the Audit Committee. In the past five years, Mr. Martinez has also served as a director of PepsiCo, Inc. from 1999 to 2012 and ABN AMRO Holding N.V. from 2002 to 2010 and was also Chairman from 2006 until 2010. In light of Mr. Martinez s experience in finance and restructuring, AIG s Board has concluded that Mr. Martinez should be re-elected to the Board.

GEORGE L. MILES, JR. **Chairman Emeritus, Chester Engineers, Inc.; Former President and Chief Executive Officer, WQED Multimedia**

Director since 2005

Age 71

Mr. Miles has been Chairman Emeritus since April 2012 and is the former Executive Chairman of Chester Engineers, Inc. serving from October 2010 to April 2012 and the former President and Chief Executive Officer of WQED Multimedia, serving from 1994 to 2010. Mr. Miles served as an Executive Vice President and Chief Operating Officer of WNET/Thirteen from 1984 to 1994. Prior to WNET/Thirteen, he was Business Manager and Controller of KDKA-TV and KDKA Radio in Pittsburgh; Controller and Station Manager of WPCQ in Charlotte; Vice President and Controller of Westinghouse Broadcasting Television Group in New York; and Station Manager of WBZ-TV in Boston. Mr. Miles is currently a director of HFF, Inc., where he is Chairman of the Audit Committee and serves on the Compensation Committee, Harley-Davidson, Inc., where he serves on the Audit and Nominating and Corporate Governance Committees, WESCO International, Inc., where he serves on the Compensation Committee, and EQT Corporation, where he serves on the Executive Committee and as Chairman of the Corporate Governance Committee. Mr. Miles is a Certified Public Accountant. In light of Mr. Miles experience in accounting as well as his professional experience across the operations and technology industry, AIG s Board has concluded that Mr. Miles should be re-elected to the Board.

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HENRY S. MILLER **Chairman, Marblegate Asset Management, LLC; Former Chairman and Managing Director, Miller Buckfire & Co., LLC**

Director since 2010

Age 67

Mr. Miller has been Chairman of Marblegate Asset Management, LLC since 2009. Mr. Miller was co-founder, Chairman and a Managing Director of Miller Buckfire & Co., LLC, an investment bank from 2002 to 2011 and Chief Executive Officer from 2002 to 2009. Prior to founding Miller Buckfire & Co., LLC, Mr. Miller was Vice Chairman and a Managing Director at Dresdner Kleinwort Wasserstein and its predecessor company Wasserstein Perella & Co., where he served as the global head of the firm s financial restructuring group. Prior to that, Mr. Miller was a Managing Director and Head of both the Restructuring Group and Transportation Industry Group of Salomon Brothers Inc. From 1989 to 1992, Mr. Miller was a managing director and from 1990 to 1992, co-head of investment banking at Prudential Securities. Mr. Miller is currently a director of Ally Financial Inc., where he serves on the Risk and Compliance Committee. In light of Mr. Miller s experience in restructuring as well as his professional experience across the financial services industry, AIG s Board has concluded that Mr. Miller should be re-elected to the Board.

ROBERT S. MILLER **Former Chief Executive Officer, Hawker Beechcraft, Inc.; Former Executive Chairman, Delphi Corporation**

Director since 2009

Age 71

Mr. Miller is the former Chief Executive Officer of Hawker Beechcraft, Inc., a manufacturer of aircraft, serving from February 2012 to February 2013. Mr. Miller has also been Chairman of MidOcean Partners, a leading middle market private equity firm, since December 2009. Mr. Miller also served as the Executive Chairman of the Delphi Corporation from 2007 to 2009. He was previously Chairman and Chief Executive Officer of Delphi Corporation from 2005 to 2007. Prior to joining Delphi Corporation, Mr. Miller served in a number of corporate restructuring situations, including as Chairman and Chief Executive Officer of Bethlehem Steel Corporation, Chairman and Chief Executive Officer of Federal Mogul Corporation, Chairman and Chief Executive Officer of Waste Management, Inc., and Executive Chairman of Morrison Knudsen Corporation. He has also served as Vice Chairman and Chief Financial Officer of Chrysler Corporation. Mr. Miller is a director of Symantec Corporation, where he is a member of the Audit and Nominating and Governance Committees. In the past five years, Mr. Miller has also served as a director of Delphi Corporation, Sbarro, Inc. and UAL Corporation (United Airlines). Mr. Miller was Chief Executive Officer of Hawker Beechcraft, Inc. and Chairman and Chief Executive Officer of Delphi Corporation when those companies filed for voluntary reorganization under Chapter 11 of the U.S. Bankruptcy Code in October 2005 and May 2012, respectively. In light of Mr. Miller s experience in managing large, complex, international institutions, his experience in finance, accounting and risk management and restructuring, as well as his professional experience across the financial services industry, AIG s Board has concluded that Mr. Miller should be re-elected to the Board.

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SUZANNE NORA JOHNSON **Former Vice Chairman, The Goldman Sachs Group, Inc.**

Director since 2008 Age 55

Ms. Nora Johnson is the former Vice Chairman of The Goldman Sachs Group, Inc., serving from 2004 to 2007. During her 21 years at Goldman Sachs, she also served as the Chairman of the Global Markets Institute, Head of the Global Investment Research Division and Head of the Global Investment Banking Healthcare Business. Ms. Nora Johnson is currently a director of Intuit Inc., where she is Chairman of the Acquisitions Committee and serves on the Audit and Risk Committee, Pfizer Inc., where she serves on the Audit, Compensation and Science and Technology Committees, and Visa Inc., where she serves on the Compensation Committee and is Chairman of the Nominating and Corporate Governance Committee. In light of Ms. Nora Johnson s experience in managing large, complex, international institutions, her experience in finance as well as her professional experience across the financial services industry, AIG s Board has concluded that Ms. Nora Johnson should be re-elected to the Board.

RONALD A. RITTENMEYER **Chairman, President and Chief Executive Officer, Expert Global Solutions, Inc.; Former Chairman, Chief Executive Officer and President, Electronic Data Systems Corporation**

Director since 2010

Age 65

Mr. Rittenmeyer is Chairman, President and Chief Executive Officer of Expert Global Solutions, Inc. (formerly known as NCO Group, Inc.), a global provider of business process outsourcing services since 2011. Mr. Rittenmeyer is also the former Chairman, Chief Executive Officer and President of Electronic Data Systems Corporation, serving from 2005 to 2008. Prior to that, Mr. Rittenmeyer was a Managing Director of the Cypress Group, a private equity firm, serving from 2004 to 2005. Mr. Rittenmeyer also served as Chairman, Chief Executive Officer and President of Safety-Kleen Corp. from 2001 to 2004. Among his other leadership roles, Mr. Rittenmeyer served as President and Chief Executive Officer of AmeriServe Food Distribution Inc. from 2000 to 2001, Chairman, Chief Executive Officer and President of RailTex, Inc. from 1998 to 2000, President and Chief Operating Officer of Ryder TRS, Inc. from 1997 to 1998, President and Chief Operating Officer of Merisel, Inc. from 1995 to 1996 and Chief Operating Officer of Burlington Northern Railroad Co. from 1994 to 1995. Mr. Rittenmeyer is currently a director of Tenet Healthcare Corporation, where he serves on the Audit, Compensation and Executive Committees. In the past five years, Mr. Rittenmeyer served as a director of Electronic Data Systems Corporation. In light of Mr. Rittenmeyer s experience in managing large, complex, international institutions, his experience in finance and restructuring as well as his professional experience across the financial services industry and railroad industry, AIG s Board has concluded that Mr. Rittenmeyer should be re-elected to the Board.

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DOUGLAS M. STEENLAND	**Former President and Chief Executive Officer, Northwest Airlines Corporation**
Director since 2009	Age 61

Mr. Steenland is the former Chief Executive Officer of Northwest Airlines Corporation, serving from 2004 to 2008, and President, serving from 2001 to 2004. Prior to that, he served in a number of Northwest Airlines executive positions after joining Northwest Airlines in 1991, including Executive Vice President, Chief Corporate Officer and Senior Vice President and General Counsel. Mr. Steenland retired from Northwest Airlines upon its merger with Delta Air Lines, Inc. Prior to joining Northwest Airlines, Mr. Steenland was a senior partner at a Washington, D.C. law firm that is now part of DLA Piper. Mr. Steenland is currently a director of Digital River, Inc., where he is Chairman of the Compensation Committee and serves on the Nominating and Corporate Governance and Finance Committees, Travelport Limited, where he serves on the Compensation, Audit and Executive Committees, Chrysler Group LLC, where he serves as Chairman of the Audit Committee, and International Lease Finance Corporation, an AIG subsidiary, where he previously served as Non-Executive Chairman. In the past five years, Mr. Steenland has also served as a director of Delta Air Lines, Inc. and Northwest Airlines Corporation. Mr. Steenland was President and Chief Executive Officer of Northwest Airlines Corporation when it filed for voluntary reorganization under Chapter 11 of the U.S. Bankruptcy Code in 2005. In light of Mr. Steenland s experience in managing large, complex, international institutions and his experience in restructuring as well as his professional experience in the airline industry, AIG s Board has concluded that Mr. Steenland should be re-elected to the Board.

THERESA M. STONE	**Former Executive Vice President and Treasurer of the Massachusetts Institute of Technology; Former Executive Vice President and Chief Financial Officer of Jefferson-Pilot Corporation; Former President of Chubb Life Insurance Company**
	Age 68

Ms. Stone is the former Executive Vice President and Treasurer of the Massachusetts Institute of Technology (MIT), serving from February 2007 until October 2011. In her role as Executive Vice President and Treasurer, Ms. Stone served as MIT s Chief Financial Officer and was also responsible for MIT s operations, including capital projects, campus planning, facilities operations, information technology, environmental health and safety, human resources, medical services and police. Ms. Stone also served as the Special Assistant to the President of MIT from October 2011 to January 2012. From November 2001 to March 2006, Ms. Stone served as Executive Vice President and Chief Financial Officer of Jefferson-Pilot Corporation (now Lincoln Financial Group). Ms. Stone also served as the President of Chubb Life Insurance Company from 1994 to 1997. Ms. Stone also served as a director of the Federal Reserve Bank of Richmond from 2003 to 2007 and as Deputy Chairman from 2005 to 2007. Ms. Stone began her career as an investment banker, advising clients primarily in the insurance and financial services industries on financial and strategic matters. Ms. Stone served as a director of Progress Energy, Inc. from 2005 to 2012, where she served as Chairman of the Audit and Corporate Performance Committee and a member of the Executive, Finance and Governance Committees. She also served as a director of Duke Energy Corporation during July 2012 following the company s merger with Progress Energy Inc. In light of Ms. Stone s broad experience in both business and academia and her expertise in insurance, finance and management, AIG s Board has concluded that Ms. Stone should be elected to the Board.

All of these nominees have lengthy direct experience in the oversight of public companies as a result of their service on AIG s Board and/or those of other public companies and their involvement in the other organizations described above. This diverse and complementary set of skills, experience and backgrounds creates a highly qualified and independent Board of Directors.

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CORPORATE GOVERNANCE

GOVERNANCE

AIG s Board regularly reviews corporate governance developments and modifies its Corporate Governance Guidelines, charters and practices from time to time. AIG s current Corporate Governance Guidelines are included as Appendix A. AIG s Corporate Governance Guidelines and the charters of the Audit Committee, the Compensation and Management Resources Committee, the Finance and Risk Management Committee, the Nominating and Corporate Governance Committee, and the Regulatory, Compliance and Public Policy Committee are available in the Corporate Governance section of AIG s corporate website at *www.aig.com* or in print by writing to American International Group, Inc., 180 Maiden Lane, New York, New York 10038, Attention: Investor Relations.

AIG s Director, Executive Officer and Senior Financial Officer Code of Business Conduct and Ethics and a Code of Conduct for employees are available, without charge, in the Corporate Governance section of AIG s corporate website at *www.aig.com* or in print by writing to American International Group, Inc., 180 Maiden Lane, New York, New York 10038, Attention: Investor Relations. Any amendment to AIG s Director, Executive Officer and Senior Financial Officer Code of Business Conduct and Ethics and any waiver applicable to AIG s directors, executive officers or senior financial officers will be posted on AIG s website within the time period required by the SEC and the NYSE.

Using the AIG Director Independence Standards, the Board, on the recommendation of the Nominating and Corporate Governance Committee, determined that Mss. Nora Johnson and Stone and Messrs. Cornwell, Fitzpatrick, Jurgensen, Lynch, Martinez, Miles, Henry Miller, Robert Miller, Offit, Rittenmeyer and Steenland are independent under NYSE listing standards and the AIG Director Independence Standards.

In making the independence determinations, the Nominating and Corporate Governance Committee and the Board of Directors considered relationships arising from: (1) contributions by AIG to charitable organizations with which Mss. Nora Johnson and Stone and Mr. Offit or members of their immediate families are affiliated; and (2) in the case of certain directors, investments and insurance products provided to them by AIG in the ordinary course of business and on the same terms made available to third parties. None of these relationships exceeded the thresholds set forth in the AIG Director Independence Standards. In addition, Ms. Koellner, who resigned from the Board in 2012 in connection with becoming Executive Chairman of ILFC, and Mr. Layton, who resigned from the Board in 2012 due to his appointment as Chief Executive Officer of Freddie Mac, were each independent under NYSE listing standards and the AIG Director Independence Standards prior to their respective resignations.

The Nominating and Corporate Governance Committee and the Board of Directors also considered the relationships between AIG and MidOcean, a private equity firm. Mr. Robert Miller is the Chairman of the investment advisor of MidOcean and several AIG affiliates are committed to invest an aggregate of $110,000,000 in two funds advised by the investment advisor of MidOcean and made capital contributions to these funds of $9,093,338 and $400,913 in 2012 and 2013, respectively, pursuant to these commitments. AIG s commitments to invest predate Mr. Miller becoming a director of AIG and his involvement with MidOcean. Mr. Miller has relinquished any profit interest in these funds to the extent arising from any funds contributed by AIG or affiliates of AIG.

AIG s current policy, as reflected in its By-laws, is that the role of the Chairman should be separate from that of the Chief Executive Officer and that the Chairman should be an independent director. AIG believes that this structure is optimal in AIG s current situation because it permits the Chairman to deal with AIG s various stakeholders while permitting the Chief Executive Officer to focus more on AIG s business.

The Board oversees the management of risk through the complementary functioning of the Finance and Risk Management Committee and the Audit Committee and interaction with other committees of the Board. The Finance and Risk Management Committee oversees AIG s enterprise risk management as one of its core responsibilities while the Audit Committee reviews the guidelines and policies governing the process by which AIG assesses and manages risk and considers AIG s major risk exposures and how they are monitored and controlled. The Chairmen of the two committees then coordinate with each other and the Chairmen of the other committees of the Board to help ensure that each committee has received the information that it needs to carry out its responsibilities with respect to risk management. Both the Finance and Risk Management Committee and the Audit Committee report to the Board with respect to any notable risk management issues. The Compensation and Management Resources Committee, in conjunction with AIG s Chief Risk Officer, is responsible for evaluating any risks posed to AIG by its compensation programs.

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There were twenty meetings of the Board during 2012. The non-management directors meet in executive session, without any management directors present, in conjunction with each regularly scheduled Board meeting. Mr. Robert Miller, as Non-Executive Chairman of the Board, presided at the executive sessions. For 2011 and 2012, all of the directors attended at least 75 percent of the aggregate of all meetings of the Board and of the committees of the Board on which they served. Under AIG s Corporate Governance Guidelines, any director who, for two consecutive calendar years, attends fewer than 75 percent of the regular meetings of the Board and the meetings of all committees of which such director is a voting member will not be nominated for reelection at the annual meeting in the next succeeding calendar year, absent special circumstances that may be taken into account by the Board and the Nominating and Corporate Governance Committee in making its recommendations to the Board.

Directors are expected to attend the annual meeting of shareholders. All directors serving at the time of the 2012 Annual Meeting of Shareholders attended that meeting.

AIG has adopted policies on reporting of concerns regarding accounting and other matters and on communicating with non-management directors. These policies are available in the Corporate Governance section of AIG s corporate website at *www.aig.com*. Interested parties may make their concerns known to the non-management members of AIG s Board of Directors as a group or the other members of the Board of Directors by writing in care of Vice President Corporate Governance, American International Group, Inc., 180 Maiden Lane, New York, New York 10038 or by email to: *boardofdirectors@aig.com*.

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REPORT OF THE NOMINATING AND CORPORATE GOVERNANCE COMMITTEE

Overview

The role of the Nominating and Corporate Governance Committee is to identify individuals qualified to become Board members and recommend these individuals to the Board for nomination, election or appointment as members of the Board and its committees, to advise the Board on corporate governance matters and to oversee the evaluation of the Board and its committees.

Committee Organization

***Committee Charter*.** The Nominating and Corporate Governance Committee s charter is available in the Corporate Governance section of AIG s corporate website at *www.aig.com*.

***Independence*.** The Board of Directors has determined that each member of the Nominating and Corporate Governance Committee is independent, as required by NYSE listing standards.

***Conduct of meetings and governance process*.** During 2012, the Nominating and Corporate Governance Committee held sixteen meetings. In discussing governance initiatives and in preparation for meetings, the Chairman of the Board, the Chairman of the Nominating and Corporate Governance Committee and the Vice President Corporate Governance met and consulted frequently with the other Committee and Board members.

Board Membership and Composition

Nomination and Election of Directors. The Nominating and Corporate Governance Committee evaluated and recommended to the Board of Directors the thirteen nominees discussed under Election of Directors that are standing for election at the 2013 Annual Meeting of Shareholders, based on the criteria set forth in AIG s Corporate Governance Guidelines. A description of the nominees recommended by the Nominating and Corporate Governance Committee is set forth under Election of Directors. The process for identification of director nominees when standing for election for the first time is provided below in Committees Nominating and Corporate Governance Committee.

Independence. The Board of Directors, on the recommendation of the Nominating and Corporate Governance Committee, determined that each of AIG s eleven current non-management directors and two new director nominees is independent within the meaning of the NYSE listing standards. Mr. Benmosche is the only director or director nominee who holds an AIG management position and, therefore, is not an independent director.

Nomination of Mr. Jurgensen and Ms. Stone. The Nominating and Corporate Governance Committee evaluated and recommended to the Board that Mr. Jurgensen and Ms. Stone be nominated for election to the Board. These nominees were brought to the Committee s attention by an executive search firm the Committee engaged to assist in identifying potential director nominees. The Committee believes that Mr. Jurgensen brings his experience in insurance, financial services and risk management to the Board, while Ms. Stone offers her expertise in insurance, finance and management to the Board. The Board determined, on the recommendation of the Nominating and Corporate Governance Committee, to nominate Mr. Jurgensen and Ms. Stone for election to the Board at the 2013 Annual Meeting of Shareholders. For more information on the experiences and backgrounds of Mr. Jurgensen and Ms. Stone, see Election of Directors.

Diversity Consideration. The Nominating and Corporate Governance Committee does not have a specific diversity policy. Rather, the Nominating and Corporate Governance Committee considers diversity in terms of minority status and gender as factors in evaluating director candidates and also considers diversity in the broader sense of how a candidate s experience and skills could assist the Board in light of the Board s then composition.

Conclusion

During 2012, the Nominating and Corporate Governance Committee performed its duties and responsibilities under the Nominating and Corporate Governance Committee charter.

Nominating and Corporate Governance Committee

American International Group, Inc.

Suzanne Nora Johnson, Chairman

W. Don Cornwell

Arthur C. Martinez

George L. Miles, Jr.

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COMMITTEES

The following table sets forth the current membership on each standing committee of the Board and the number of committee meetings held in 2012. Mr. Benmosche does not serve on any committees of the Board. Mr. Robert Miller serves as an *ex-officio* member of each Committee.

Director	Audit Committee	Compensation and Management Resources Committee	Finance and Risk Management Committee	Nominating and Corporate Governance Committee	Regulatory, Compliance and Public Policy Committee
W. Don Cornwell		ü		ü	
John H. Fitzpatrick	ü		ü		
Christopher S. Lynch	ü(C)		ü		
Arthur C. Martinez		ü(C)		ü	
George L. Miles, Jr.	ü			ü	
Henry S. Miller			ü		ü
Robert S. Miller	*	*	*	*	*
Suzanne Nora Johnson		ü		ü(C)	
Morris W. Offit			ü(C)		ü
Ronald A. Rittenmeyer	ü	ü			
Douglas M. Steenland			ü		ü(C)
Number of meetings in 2012	**12**	**11**	**18**	**16**	**7**

ü = Member

C = Chairman

* Mr. Robert Miller is an *ex-officio*, non-voting member.

Audit Committee

The Audit Committee, which held twelve meetings during 2012, assists the Board in its oversight of AIG s financial statements and compliance with legal and regulatory requirements, the qualifications and performance of AIG s independent registered public accounting firm and the performance of AIG s internal audit function. As part of these oversight responsibilities, the Audit Committee discusses with senior management the guidelines and policies by which AIG assesses and manages risk. The Audit Committee is directly responsible for the appointment, compensation, retention and oversight of the work of AIG s independent registered public accounting firm. In its oversight of AIG s internal audit function, the Audit Committee also is involved in performance reviews and determining compensation of AIG s chief internal auditor. The Audit Committee s assistance in the Board of Directors oversight of AIG s compliance with legal and regulatory requirements primarily focuses on the effect of such matters on AIG s financial statements, financial reporting and internal control over financial reporting. In considering AIG s compliance with legal and regulatory requirements, the Audit Committee also takes into account the oversight of legal and regulatory matters by the Regulatory, Compliance and Public Policy Committee.

The Board has determined, on the recommendation of the Nominating and Corporate Governance Committee, that all members of the Audit Committee are independent under both NYSE listing standards and SEC rules. The Board has also determined, on the recommendation of the Nominating and Corporate Governance Committee, that all members of the Audit Committee are financially literate and have accounting or related financial management expertise, each as defined by NYSE listing standards, and are audit committee financial experts, as defined under SEC rules. Although designated as audit committee financial experts, no member of the Committee is an accountant for AIG or, under SEC rules, an expert for purposes of the liability provisions of the Securities Act of 1933, as amended (the Securities Act), or for any other purpose.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee held sixteen meetings in 2012. The Board of Directors has determined that all members of the Nominating and Corporate Governance Committee are

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independent under NYSE listing standards. The primary responsibilities of the Nominating and Corporate Governance Committee are to identify individuals qualified to become Board members and recommend these individuals to the Board of Directors for nomination, election or appointment as members of the Board and its committees, to advise the Board on corporate governance matters and to oversee the evaluation of the Board and its committees. The Nominating and Corporate Governance Committee also periodically reviews and makes recommendations to the Board regarding the form and amount of director compensation.

The AIG Corporate Governance Guidelines include characteristics that the Nominating and Corporate Governance Committee considers important for nominees for director and information for shareholders with respect to director nominations. AIG s Corporate Governance Guidelines are included as Appendix A. The Nominating and Corporate Governance Committee will consider director nominees recommended by shareholders and will evaluate shareholder nominees on the same basis as all other nominees. Shareholders who wish to submit nominees for director for consideration by the Nominating and Corporate Governance Committee for election at the 2014 Annual Meeting of Shareholders may do so by submitting in writing such nominees names, in compliance with the procedures described in Other Matters Shareholder Proposals for 2014 Annual Meeting in this Proxy Statement.

Compensation and Management Resources Committee

The Compensation and Management Resources Committee, which held eleven meetings during 2012, is responsible for determining and approving the compensation awarded to AIG s Chief Executive Officer (subject to ratification or approval by the Board), approving the compensation awarded to the other senior executives under its purview and reviewing and approving the performance measures and goals relevant to such compensation. The Compensation and Management Resources Committee is also responsible for making recommendations to the Board with respect to AIG s compensation programs for senior executives and other employees, for evaluating, in conjunction with AIG s Chief Risk Officer, any risks posed to AIG by its compensation programs, and for oversight of AIG s management development and succession planning programs. These responsibilities, which may not be delegated to persons who are not members of the Compensation and Management Resources Committee, are set forth in the Committee s charter, which is available in the Corporate Governance section of AIG s corporate website at *www.aig.com*.

Forty-one key employees are currently under the purview of the Compensation and Management Resources Committee, including all of the current executive officers named in the 2012 Summary Compensation Table. Nonetheless, in determining 2012 compensation the Committee also reviewed certain actions for two other groups of employees: Senior Partners and the Top 100 employees (as defined below) who, during most of 2012, fell within the purview of the Special Master for TARP Executive Compensation (the Special Master). This Top 100 group comprises our senior executive officers and the 20 other most highly paid employees, based on 2011 compensation (the Top 25 group), and the remainder of AIG s 100 most highly compensated employees and executive officers based on 2011 compensation (the Top 26-100 group). As a result of the Treasury Department s disposition of all of its remaining shares of AIG Common Stock in December 2012, AIG s compensation programs ceased to be subject to the oversight of the Special Master. Mr. Benmosche participates in meetings of the Compensation and Management Resources Committee and makes recommendations with respect to the annual compensation of employees under the Committee s purview other than himself. Pursuant to AIG s By-laws, the Board ratifies or approves the determination of the Compensation and Management Resources Committee as to the compensation paid or to be paid to AIG s Chief Executive Officer.

The Compensation and Management Resources Committee does not determine the compensation of the Board of Directors. The compensation of directors is recommended by the Nominating and Corporate Governance Committee and is approved by the Board.

To provide independent advice, the Compensation and Management Resources Committee engaged Frederic W. Cook & Co. (the Cook firm) as a consultant and has used the services of the Cook firm since 2005. The Compensation and Management Resources Committee directly engaged the Cook firm to provide independent, analytical and evaluative advice about AIG s compensation programs for senior executives, including comparisons to industry peers and comparisons to best practices in general. A senior consultant of the Cook firm regularly attends Committee meetings and provides information on compensation trends along with specific views on AIG s compensation programs. For services related to board and executive officer compensation, the Cook firm was paid $121,220.25 in 2012.

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The Cook firm has provided advice to the Nominating and Corporate Governance Committee on AIG director compensation and market practices with respect to director compensation. The Cook firm reports directly to the Chairman of the Compensation and Management Resources Committee. Other than services provided to the Compensation and Management Resources Committee and the Nominating and Corporate Governance Committee, neither the Cook firm nor any of its affiliates provided any other services to AIG.

The Board has determined, on the recommendation of the Nominating and Corporate Governance Committee, that all members of the Compensation and Management Resources Committee are independent under NYSE listing standards and SEC rules.

Other Committees

The Finance and Risk Management Committee held eighteen meetings in 2012. The Finance and Risk Management Committee assists the Board in its oversight responsibilities by reviewing and making recommendations to the Board with respect to AIG s financial and investment policies, provides strategic guidance to management as to AIG s capital structure, the allocation of capital to its businesses, methods of financing its businesses and other related strategic initiatives. The Finance and Risk Management Committee also reports to and assists the Board in overseeing and reviewing information regarding AIG s enterprise risk management, including the significant policies, procedures, and practices employed to manage liquidity risk, credit risk, market risk, operational risk and insurance risk. The Finance and Risk Management Committee s charter is available in the Corporate Governance section of AIG s corporate website at *www.aig.com*.

The Regulatory, Compliance and Public Policy Committee held seven meetings in 2012. The Regulatory, Compliance and Public Policy Committee assists the Board in its oversight of AIG s handling of legal, regulatory and compliance matters and reviews AIG s position and policies that relate to current and emerging corporate social responsibility and political and public policy issues. The Regulatory, Compliance and Public Policy Committee s charter is available in the Corporate Governance section of AIG s corporate website at *www.aig.com*.

The Special Technology Committee held three meetings in 2012. The Special Technology Committee was established to provide oversight with respect to information technology projects and initiatives. The Special Technology Committee comprises Mr. Rittenmeyer, as Chairman, and Messrs. Martinez and Miles.

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COMPENSATION OF DIRECTORS

In 2012, the annual retainer for each non-management director was $150,000 and an annual award of Deferred Stock Units (DSUs) in an amount of $50,000. Mr. Robert Miller, as Chairman and an *ex-officio* member of all standing committees of the Board, received an additional annual retainer of $500,000, which decreased to $250,000 effective October 1, 2012. In 2012, the chairman of each committee received an annual committee retainer of $15,000, except the chairman of the Audit Committee, who received $25,000. For each other member of each committee, the annual committee retainer was $5,000. Commencing in October 2012, non-management directors were given the ability to elect to receive annual retainer amounts and committee retainer amounts in the form of DSUs. See Committees for information on current committee memberships and committee memberships during 2012.

Each DSU provides that one share of AIG Common Stock will be delivered when a director ceases to be a member of the Board and includes dividend equivalent rights that entitle the director to a quarterly payment, in the form of DSUs, equal to the amount of any regular quarterly dividend that would have been paid by AIG if the shares of AIG Common Stock underlying the DSUs had been outstanding. DSUs were granted under the 2010 Stock Incentive Plan (2010 Stock Incentive Plan).

In March 2013, the Nominating and Corporate Governance Committee completed a review of AIG non-management director compensation. Based on this review, the Nominating and Corporate Governance Committee recommended to the Board, and the Board approved, the following changes to components of AIG s non-management director compensation to be effective as of the date of the Annual Meeting:

- An increase in the annual grant of DSUs from $50,000 to $90,000;
- An increase in the retainer for the Chairman of the Compensation and Management Resources Committee from $15,000 to $20,000; and
- The extension of the AIG Matching Gifts Program to the non-management directors on the same terms and conditions that apply to AIG employees.

Under director stock ownership guidelines, non-management directors should own a number of shares of AIG Common Stock (including deferred stock and DSUs) with a value at least equal to five times the annual retainer for non-management directors.

Mr. Benmosche did not receive any compensation for his service as a director.

The Cook firm provided advice to the Nominating and Corporate Governance Committee with respect to AIG director compensation and related market practices.

The following table contains information with respect to the compensation of the individuals who served as non-management directors of AIG for all or part of 2012.

2012 Non-Management Director Compensation

Non-Management Members of the Board in 2012	Fees Earned or Paid in Cash(1)	Stock Awards(2)	Total
W. Don Cornwell	$ 160,000	$ 49,999	$ 209,999
John H. Fitzpatrick	$ 160,000	$ 49,999	$ 209,999
Laurette T. Koellner	$ 586,738	$ 49,999	$ 636,737
Donald H. Layton	$ 80,000	$ 0	$ 80,000
Christopher S. Lynch	$ 180,000	$ 49,999	$ 229,999

Arthur C. Martinez	$ 175,000	$ 49,999	$ 224,999
George L. Miles, Jr.	$ 168,846	$ 49,999	$ 218,845
Henry S. Miller	$ 160,000	$ 49,999	$ 209,999
Robert S. Miller	$ 587,500	$ 49,999	$ 637,499
Suzanne Nora Johnson	$ 166,153	$ 49,999	$ 216,152
Morris W. Offit	$ 163,461	$ 42,299	$ 205,760
Ronald A. Rittenmeyer	$ 175,000	$ 49,999	$ 224,999
Douglas M. Steenland	$ 317,782	$ 49,999	$ 367,781

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(1) This column represents annual retainer fees and committee and committee chairman retainer fees. For Ms. Koellner, the amount includes $501,738 for her service as Executive Chairman of ILFC for part of the year but does not include (i) $143,763.20, which represents the value of shares of AIG Common Stock delivered when she ceased to be a member of the Board in accordance with the terms of DSUs previously granted and reported and (ii) $6,612.12, which represents a cash payment with respect to warrant equivalents granted to Ms. Koellner related to DSUs issued prior to the dividend of warrants by AIG to its shareholders on January 13, 2011. For Mr. Layton, the amount does not include (i) $82,812.84 which, represents the value of shares of AIG Common Stock delivered when he ceased to be a member of the Board in accordance with the terms of DSUs previously granted and reported and (ii) $6,612.12, which represents a cash payment with respect to warrant equivalents granted to directors related to DSUs granted prior to the warrant distribution. For Ms. Nora Johnson, the amount includes a prorated annual committee chairman retainer for service as Chairman of the Nominating and Corporate Governance Committee for part of the year. For Mr. Offit, the amount does not include (i) $90,341.28, which represents the value of shares of AIG Common Stock delivered when he ceased to be a member of the Board on May 16, 2012 in accordance with the terms of DSUs previously granted and reported, (ii) $8,575.17, which represents a cash payment with respect to warrant equivalents granted to him related to DSUs granted prior to the warrant distribution and (iii) $2,740.50, which represents the delivery of previously granted and reported deferred AIG Common Stock, the deferral of which ended when he ceased to be a member of the Board. For Mr. Steenland, the amount includes (i) $153,167, which represents the annual retainer fees for his service as Non-Executive Chairman for part of the year and a director of ILFC and (ii) a prorated annual committee chairman retainer fee for his service as Chairman of the Regulatory, Compliance and Public Policy Committee. In January 2013, Mr. Miles received a net payment for his retainer fees to adjust for the fact that he had been Chairman of the Nominating and Corporate Governance Committee for only part of 2012.

(2) This column represents the grant date fair value of DSUs granted in 2012 to directors, based on the closing sale price of AIG Common Stock on the date of grant. For Mr. Offit, the amount represents a prorated amount of the annual grant of $50,000 made to non-management directors on the date that he rejoined the Board.

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The following table sets forth information with respect to the option and stock awards outstanding at December 31, 2012 for the non-management directors of AIG.

Stock and Option Awards Outstanding at December 31, 2012

Non-Management Members of the Board in 2012	Option Awards(1)	Deferred Stock(2)	Deferred Stock Units(3)
W. Don Cornwell	0	0	3,273
John H. Fitzpatrick	0	0	3,273
Laurette T. Koellner	0	0	0
Donald H. Layton	0	0	0
Christopher S. Lynch	0	0	4,480
Arthur C. Martinez	0	0	4,480
George L. Miles, Jr.	250	90	4,738
Henry S. Miller	0	0	4,480
Robert S. Miller	0	0	4,480
Suzanne Nora Johnson	0	0	7,569
Morris W. Offit	250	0	1,372
Ronald A. Rittenmeyer	0	0	4,480
Douglas M. Steenland	0	0	4,480

(1) Represents outstanding option awards made by AIG in 2005 and 2006. All options are exercisable, but have exercise prices far in excess of the value of AIG Common Stock at year-end 2012 ($35.30). The exercise price of the options ranges from $1,250.00 to $1,253.39.

(2) No deferred stock was awarded in 2012. Deferred stock shown was awarded in 2007 and prior years. Receipt of deferred stock is deferred until the director ceases to be a member of the Board.

(3) DSUs shown include DSUs awarded in 2012 and prior years, director s fees deferred into DSUs and DSUs awarded as dividend equivalents. Receipt of shares of AIG Common Stock underlying DSUs is deferred until the director ceases to be a member of the Board. DSUs granted prior to April 2010 were granted under the Amended and Restated 2007 Stock Incentive Plan (2007 Stock Incentive Plan) and DSUs granted after April 2010 were granted under the 2010 Stock Incentive Plan.

COMPENSATION AND MANAGEMENT RESOURCES COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

During his or her service on the Compensation and Management Resources Committee, no member served as an officer or employee of AIG at any time or had any relationship with AIG requiring disclosure as a related-party transaction under SEC rules. During 2012, none of AIG s executive officers served as a director of another entity, one of whose executive officers served on the Compensation and Management Resources Committee; and none of AIG s executive officers served as a member of the compensation committee of another entity, one of whose executive officers served as a member of the Board of Directors of AIG.

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OWNERSHIP OF CERTAIN SECURITIES

AIG Common Stock

The following table contains information regarding the only persons who, to the knowledge of AIG, beneficially own more than five percent of AIG Common Stock at January 31, 2013.

Name and Address	Shares of Common Stock Beneficially Owned Number	Percent
Fairholme Capital Management, L.L.C. (FCM); Fairholme Funds, Inc. (FFI); Bruce R. Berkowitz 4400 Biscayne Blvd., 9th Floor Miami, FL 33137	110,209,093(1)	7.3%

(1) Based on a Schedule 13G filed on February 14, 2013 by each entity or individual listed. Item 4 to this Schedule 13G provides details as to the voting and investment power of each person or entity as well as the right of each to acquire AIG Common Stock within 60 days. Each of FFI, FCM and Mr. Berkowitz disclaims beneficial ownership of these shares, except to the extent of their pecuniary interest. All information provided in Ownership of Certain Securities with respect to the group is provided based solely on the information set forth in the Schedule 13G. In each case, this information may not be accurate or complete and AIG takes no responsibility therefore and makes no representation as to its accuracy or completeness as of the date hereof or any subsequent date. Includes 24,346,799 shares issuable upon the exercise of warrants to purchase AIG Common Stock at an exercise price of $45 per share.

The following table summarizes the ownership of AIG Common Stock by the current and nominee directors, by the executive officers named in the 2012 Summary Compensation Table in Executive Compensation 2012 Compensation and by the directors and current executive officers as a group. None of the shares of AIG Common Stock listed in the following table have been pledged as security.

	AIG Common Stock Owned Beneficially as of January 31, 2013 Amount and Nature of Beneficial Ownership(1)(2)	Percent of Class
Robert H. Benmosche	186,886	.01
W. Don Cornwell	5,773	(3)
William N. Dooley	51,644	(3)
John H. Fitzpatrick	3,273	(3)
Peter D. Hancock	38,421	(3)
David L. Herzog	7,870	(3)
William G. Jurgensen	0	0
Christopher S. Lynch	7,650	(3)
Arthur C. Martinez	4,480	(3)
George L. Miles, Jr.	5,078	(3)
Henry S. Miller	4,480	(3)
Robert S. Miller	4,480	(3)
Suzanne Nora Johnson	7,569	(3)
Morris W. Offit	43,259	(3)
Ronald A. Rittenmeyer	4,480	(3)
Douglas M. Steenland	4,480	(3)

Theresa M. Stone	0	0
Jay S. Wintrob	158,817	.01
All Directors and Executive Officers of AIG as a group (24 individuals)	745,144	.05

(1) Amount of equity securities shown includes (i) shares of AIG Common Stock subject to options which may be exercised within 60 days as follows: Herzog 6,795 shares, Dooley 11,745 shares, Miles 250 shares, Offit 250 shares, Wintrob 17,995 shares and all directors and current executive officers of AIG as a group 44,916 shares; (ii) shares receivable upon the exercise of warrants which may be exercised within

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60 days as follows: Benmosche 400 warrants, Herzog 293 warrants, Dooley 13,797 warrants, Hancock 5,804 warrants, Offit 1,200 warrants, Wintrob 49,231 warrants and all directors and current executive officers of AIG as a group 83,890 warrants; (iii) DSUs granted to each non-employee director with delivery of the underlying AIG Common Stock deferred until such director ceases to be a member of the Board as follows: Cornwell 3,273 shares, Fitzpatrick 3,273 shares, Lynch 4,480 shares, Martinez 4,480 shares, Miles 4,738 shares, Henry Miller 4,480 shares, Robert Miller 4,480 shares, Nora Johnson 7,569 shares, Offit 1,372 shares, Rittenmeyer 4,480 shares and Steenland 4,480 shares; and (iv) 90 shares granted to Miles as a non-employee director with delivery deferred until he ceases to be a member of the Board. Excludes TARP RSUs that were settled in cash. For details on TARP RSUs, see Compensation Discussion and Analysis 2012 Compensation Structure Direct Compensation Components 2012 Incentive Compensation TARP RSUs.

(2) Amount of equity securities shown excludes the following securities owned by or held in trust for members of the named individual s immediate family as to which securities such individual has disclaimed beneficial ownership: Dooley 762 shares, Hancock 32 shares, Wintrob 200 shares and all directors and current executive officers of AIG as a group 994 shares.

(3) Less than .01 percent.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires directors, certain officers, and greater than ten percent holders of AIG Common Stock to file reports with respect to their ownership of AIG equity securities. Based solely on the review of the Forms 3, 4 and 5 and amendments thereto furnished to AIG and certain representations made to AIG, AIG believes that the only filing deficiencies under Section 16(a) by its directors, officers, and greater than ten percent holders during 2012 were one late filing by each of Messrs. Michael R. Cowan, William N. Dooley, Peter D. Hancock, David L. Herzog, Jeffrey J. Hurd, Thomas A. Russo, Sid Sankaran, Brian T. Schreiber, Charles S. Shamieh and Jay S. Wintrob, in each case for a single Stock Salary payment; and two late filings by each of Mr. Joseph Cook and Mr. Shamieh, in each case, for an award of SARs under the 2009 LTIP Plan and the 2010 LTIP Plan, respectively.

RELATIONSHIPS AND RELATED-PARTY TRANSACTIONS

Transactions in 2012 with the Department of the Treasury

For a discussion of the transactions between AIG and the Department of the Treasury in 2012, see Relationship During 2012 with the United States Department of the Treasury.

Co-Investments with AIG

AIG previously established employee investment funds to permit selected employees to participate alongside AIG s merchant banking, venture capital and similar funds. Such employee investment funds have a fee structure that is generally more favorable than that offered by AIG to non-employees. AIG employees who have invested in these funds include two employees who were executive officers during 2012. These investment funds are managed by PineBridge Investments LLC, which was a wholly owned subsidiary of AIG until it was sold on March 26, 2010. In 2012, each of these funds issued capital calls and distributions. A named executive invested in a similar fund, the SunAmerica Venture Fund 2000, L.P., and received tax distributions related to such fund in 2012. See the 2012 Summary Compensation Table, note 4 in 2012 Compensation.

Employment Agreement

On June 21, 2012, AIG named former AIG director Ms. Koellner to the role of Executive Chairman of ILFC, an AIG subsidiary, and Ms. Koellner resigned from the Board of Directors of AIG. In connection with Ms. Koellner s commencement of employment with ILFC, AIG and Ms. Koellner entered into an employment agreement that sets forth certain terms of her employment with ILFC. The employment agreement provides that while serving as ILFC s Executive Chairman, Ms. Koellner is entitled to receive a base cash salary of $950,000 per year and an annual short-term incentive opportunity with a target value of $400,000 (with the target value pro-rated for 2012 to an amount no less than $200,000). In addition, Ms. Koellner is entitled to receive a long-term incentive opportunity for 2012 with a target value of $550,000. Ms. Koellner is entitled to benefits from ILFC consistent with her position and to reimbursement of reasonable business expenses.

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Related-Party Transactions Approval Policy

The Board of AIG has adopted a related-party transaction approval policy. Under this written policy, any transaction that involves more than $120,000 and would be required to be disclosed in AIG s Proxy Statement, between AIG or any of its subsidiaries and any director or executive officer, or their related persons, must be approved by the Nominating and Corporate Governance Committee. In determining to approve a related-party transaction, the Nominating and Corporate Governance Committee considers:

- Whether the terms of the transaction are fair to AIG and on terms at least as favorable as would apply if the other party was not or did not have an affiliation with a director, executive officer or employee of AIG;

- Whether there are demonstrable business reasons for AIG to enter into the transaction;

- Whether the transaction would impair the independence of a director; and

- Whether the transaction would present an improper conflict of interest for any director, executive officer or employee of AIG, taking into account the size of the transaction, the overall financial position of the director, executive officer or employee, the direct or indirect nature of the interest of the director, executive officer or employee in the transaction, the ongoing nature of any proposed relationship and any other factors the Nominating and Corporate Governance Committee or its chairman deems relevant.

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EXECUTIVE COMPENSATION

REPORT OF THE COMPENSATION AND MANAGEMENT RESOURCES COMMITTEE

Overview

The Compensation and Management Resources Committee determines and approves the compensation awarded to AIG s Chief Executive Officer (subject to ratification or approval by the Board) and approves the compensation awarded to the other key employees under its purview, oversees AIG s compensation and benefits programs for key and other employees and makes recommendations to the Board where appropriate, oversees AIG s management development and succession planning programs and produces this Report on annual compensation. In carrying out these responsibilities, our objective is to maintain responsible compensation practices that attract, develop and retain high-performing senior executives and other key employees.

Risk and Compensation Plans

AIG is committed to continually evaluating and enhancing its risk management control environment, risk management processes and enterprise risk management functions, including through enhancements to its risk governance framework. AIG s compensation practices are essential parts of AIG s approach to risk management, and the Committee regularly monitors AIG s compensation programs to ensure they align with sound risk management principles. Since 2009, the Committee s charter has expressly included the Committee s duty to meet periodically to discuss and review, in consultation with the Chief Risk Officer, the relationship between AIG s risk management policies and practices and the incentive compensation arrangements applicable to senior executives.

Risk Assessment

Because AIG was a TARP recipient during 2012, AIG was required to comply with the executive compensation requirements set forth in the TARP Standards for Compensation and Corporate Governance (the TARP Standards) and the interpretations of those standards by the Special Master for TARP Executive Compensation (the Special Master), who is appointed by the Secretary of the Treasury. AIG repaid all of its TARP obligations as of December 14, 2012, and the TARP Standards ceased to apply after that date. We refer to the period beginning January 1, 2012 and ending December 14, 2012 as the 2012 TARP Period.

To comply with the TARP Standards with respect to the 2012 TARP Period, the Committee is required to provide a narrative description of how the senior executive officer (SEO) compensation plans do not encourage the SEOs to take unnecessary and excessive risks that threaten the value of AIG (including how the SEO plans do not encourage behavior focused on short-term results rather than long-term value creation), the risks posed by the employee compensation plans and how these risks were limited (including how the employee compensation plans do not encourage behavior focused on short-term results rather than long-term value creation) and how AIG has ensured that the employee compensation plans do not encourage the manipulation of AIG s reported earnings to enhance the compensation of any employee. Going forward, the Committee and AIG s Chief Risk Officer will continue to discuss, evaluate and review AIG s compensation plans applicable to the SEOs for consistency with AIG s risk management policies and practices.

In accordance with the TARP Standards, the Committee instructed AIG s Chief Risk Officer to conduct an assessment of AIG s compensation plans. The Committee then met with AIG s Chief Risk Officer on multiple occasions to discuss the assessment and to further discuss, evaluate and review the compensation plans. The Committee also discussed the process with its independent consultant, the Cook firm, who participated in the Committee meetings in which the assessments were discussed and who had previously advised that the process was thorough and well designed.

Senior Executive Officer Compensation Plans

The Committee reviewed, with AIG s Chief Risk Officer, the SEO compensation plans and made all reasonable efforts to ensure that these plans do not encourage SEOs to take unnecessary and excessive risks that threaten the value of AIG. During the review, the Committee and the Chief Risk Officer focused on any features that could encourage behavior focused on short-term results rather than long-term value creation.

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Our SEOs participated in 2012 compensation structures approved and determined by the Special Master, which generally consisted of cash salary, equity-based awards (including Stock Salary, described under Compensation Discussion and Analysis 2012 Compensation Structure Direct Compensation Components Stock Salary, and performance-based incentive compensation) as well as benefits categorized as perquisites or other compensation under the SEC rules that could not exceed specified limits set by the Special Master. AIG provides the SEOs with retirement benefits under various defined benefit and defined contribution plans, including the AIG tax-qualified 401(k) plan, AIG Retirement Plan (the Qualified Retirement Plan), AIG Non-Qualified Retirement Income Plan (the Non-Qualified Retirement Plan) and Supplemental Executive Retirement Plan (the SERP). Certain of the SEOs also have balances under legacy non-qualified defined contribution plans. Pursuant to the Special Master s determinations, the accrual of benefits under these retirement plans, other than the tax-qualified plans, were frozen for the SEOs during the 2012 TARP Period, although they continued to receive age and service credit for the purpose of vesting in previously accrued benefits. During the 2012 TARP Period, the TARP Standards also prohibited the SEOs from receiving any severance or other benefits as a result of a termination of employment or a change in control. Because the TARP Standards ceased to apply as of December 14, 2012, our SEOs would have received the severance and other benefits described under Potential Payments on Termination had they experienced a termination of employment (including following a change of control) on December 31, 2012.

As described in the Compensation Discussion and Analysis that follows, the Special Master approved the 2012 compensation structures for AIG s SEOs and amounts payable or potentially payable to them. The approved structures contained numerous features that emphasize long-term value creation and help prevent unnecessary or excessive risk-taking. The majority of compensation is performance-based and paid in equity. Such equity-based compensation is subject to transfer restrictions and, in certain cases, was tied to repayment of AIG s TARP financial assistance.

The approved structures for three of our SEOs included variable incentive awards granted based on performance, including the achievement of objective performance criteria tailored to each individual. For these SEOs (who do not include our Chief Executive Officer), therefore, we focused on developing and reviewing performance metrics in consultation with the Office of the Special Master that encourage appropriate levels of risk-taking and emphasize behavior focused on long-term value creation. With a view towards proactive risk management, AIG established a working group (the Working Group) in 2010 to develop and review the SEOs annual performance metrics. The Working Group includes, among others, AIG s Chief Risk Officer, Chief Financial Officer, director of Human Resources and director of the Internal Audit Division. For 2012, the performance metrics of our Chief Financial Officer emphasized repaying AIG s TARP obligations, implementing finance-related technology initiatives, and preparing for additional regulatory supervision, including through the establishment of a capital plan and a risk appetite statement. The Working Group was also thoroughly engaged in the development of performance metrics for our other SEOs. These metrics included the achievement of risk management goals, as recommended by AIG s Chief Risk Officer, such as supporting a robust compliance framework; leading organizational transformations to increase risk diversification; and collaborating with AIG s enterprise risk management function to effectively address risk tolerances and understand risks associated with our products.

The Committee retained discretion to reduce the amount of any incentive compensation on the basis of individual or company-wide performance, and all incentive compensation that we paid to our SEOs for 2012 is subject to clawback if the payments were based on materially inaccurate financial statements or any other materially inaccurate performance metric criteria, or if the individual is terminated due to misconduct that occurred during the period in which the payment was earned.

Employee Compensation Plans

The Committee reviewed, with AIG s Chief Risk Officer, the employee compensation plans to eliminate any features that would encourage the manipulation of AIG s reported earnings to enhance the compensation of any employee and made all reasonable efforts to limit any unnecessary risks these plans pose to AIG. As recommended by AIG s Chief Risk Officer, the Committee focused its review of employee compensation plans on incentive-based compensation plans and their administration. The Committee previously directed AIG human resources to work to streamline and reduce the total number of incentive-based compensation plans across the company to facilitate better governance and monitoring. In line with this directive, the number of plans was reduced to 113 in January 2013, representing a decrease of about 40% compared to January 2012. This reduction was accomplished through termination and consolidation of existing plans and targeted implementation

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of new plans. Information for these 113 plans, which covered approximately 63,000 employees, was collected, with programs applicable to the same business unit and containing similar design features sometimes combined to facilitate review. The Committee s review was guided by the work of AIG human resources professionals, who identified the incentive plans and received training from AIG risk officers to develop a profile for each plan based on evaluation of features such as number of participants, mix of incentive pay compared to salary, performance and vesting periods and performance goals. AIG risk officers worked with human resources and assigned a risk rating of low, intermediate or high to each plan. After taking into account the analysis carried out by AIG human resources, risk officers reviewed all new plans as well as any plans classified as high risk or intermediate risk, as well as a sampling of low-risk plans. They produced a final classification of the plans as follows:

Business Unit	Low Risk	Intermediate Risk	High Risk	Total
AIG (Corporate Managed)	16	0	0	16
AIG Property Casualty	43	2	0	45
AIG Life and Retirement	37	0	0	37
UGC	2	0	0	2
ILFC	3		0	3
Functional Groups	9	1	0	10
Total	110	3	0	113

All plans established during 2012, as well as almost all of the other plans, were categorized as low risk. While these plans vary in structure and payout, the incentive pay is generally discretionary or based on strict performance parameters. Other features incorporated into these plans that mitigate risk include capped payouts, consideration of qualitative aspects of performance, multi-year vesting periods and use of equity and deferrals.

As of January 2013, no plans were categorized as high risk and three plans were categorized as intermediate risk.

One of the intermediate risk plans is closed to new participants and is in the process of vesting and paying out previously awarded incentive compensation opportunities. This plan was within tolerable risk limits because it contains design features that mitigate risk, including oversight from a steering committee and a requirement that all payments under the plan be approved by AIG s Chief Risk Officer and Chief Financial Officer. The other two plans classified as intermediate risk are both sales compensation plans in AIG Property Casualty that have a potential for high ratios of maximum payouts relative to base salary. Risk controls for these plans are being implemented and include close monitoring of any 2013 payments and regular management review of targets to mitigate the risk of inappropriately high incentive payouts.

In addition, the Committee, together with the Chief Risk Officer and the Working Group, developed and reviewed separately the performance metrics used in granting incentive awards to the Top 25 (other than the SEOs, whose performance metrics are discussed above) and the Top 26-100 under the compensation structures approved by the Special Master. We determined that these metrics do not pose unnecessary risks to AIG or encourage the manipulation of AIG s reported earnings to enhance the compensation of any of these employees. We further concluded that AIG has continued to make strides over the past year in the oversight of its compensation plans and should continue to focus on reducing the number of incentive-based compensation plans and improve the documentation of all active plans to ensure that these plans do not expose AIG to unnecessary and excessive risks that threaten the value of AIG.

Certifications

The Compensation Discussion and Analysis that follows discusses the principles the Committee has been using to guide its compensation decisions for senior executives. The Committee has reviewed and discussed the Compensation Discussion and Analysis with management. The Cook firm has also reviewed and discussed the Compensation Discussion and Analysis on behalf of the Committee with management and outside counsel. Based on such review and discussions, the Committee recommended to the Board that the Compensation Discussion and Analysis be included in this Proxy Statement and in AIG s 2012 Annual Report on Form 10-K.

The Committee certifies that all incentive compensation granted in respect of the 2012 TARP Period to the SEOs and Top 100 was awarded based on the achievement of objective performance criteria developed and reviewed by the Committee in consultation with the Office of the Special Master, and that such grants were appropriate in light of AIG s overall circumstances at the time.

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In addition, the Committee certifies the following, in each case with respect to the 2012 TARP Period:

1. It has reviewed with the Chief Risk Officer the SEO compensation plans and has made all reasonable efforts to ensure that these plans do not encourage SEOs to take unnecessary and excessive risks that threaten the value of AIG;

2. It has reviewed with the Chief Risk Officer the employee compensation plans and has made all reasonable efforts to limit any unnecessary risks these plans pose to AIG; and

3. It has reviewed the employee compensation plans to eliminate any features of these plans that would encourage the manipulation of reported earnings of AIG to enhance the compensation of any employee.

Compensation and Management Resources Committee
American International Group, Inc.

Arthur C. Martinez, Chairman
W. Don Cornwell
Suzanne Nora Johnson
Ronald A. Rittenmeyer

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COMPENSATION DISCUSSION AND ANALYSIS

Overview

2012 represented a pivotal year in AIG history. Our employees facilitated the profitable sale of the Department of the Treasury s investment in AIG and achieved full-year profits for the third straight year despite Storm Sandy, the second largest single catastrophe event for AIG in the United States. Their work during the year in divesting non-core assets, strengthening our core businesses and improving our investment portfolio performance and liquidity has AIG positioned for a strong future, and 2012 compensation decisions recognized these results where possible within the legally prescribed structure. The 2012 accomplishments include:

Exited from Government Ownership	Department of the Treasury ownership of AIG Common Stock reduced to zero with its final sale of shares in December 2012
	Returned more than $205 billion in government financial support by December 2012, compared to $182.3 billion in financial support extended
Strengthened Core Businesses	Improved insurance operating income by more than $500 million over prior year
	AIG Property Casualty improved 2012 current accident year loss ratio, excluding catastrophe losses and prior year development
	Made strategic investment in People s Insurance Company (Group) of China Limited (PICC) and acquired Woodbury Financial Services, Inc. and Service Net
Executed Strategic Divestitures	Remaining interests in Maiden Lane II LLC and Maiden Lane III LLC monetized and sold remaining interest in AIA Group Limited
	Entered into agreement to sell 80.1% of ILFC for $4.2 billion, with an option for the purchaser to acquire an additional 9.9% stake
Improved Liquidity and Capital	Collected approximately $5.2 billion in cash distributions from subsidiaries
	Amended, restated and increased syndicated, revolving four-year credit facility in October 2012
Accessed Capital Markets & Repurchased Common Stock	Issued $2 billion in unsecured notes in the first quarter of 2012
	Purchased approximately 421 million shares of AIG Common Stock for approximately $13 billion in four public offerings by the Department of the Treasury

Since 2009, AIG has been subject to the restrictive limits on the structure and amounts of compensation established by statute pursuant to TARP. Accordingly, the 2012 pay structures and amounts for AIG s Top 25 employees were prescribed by law, as interpreted by the Special Master.

2013 Compensation Program

In December 2012, the Department of the Treasury completed its final sale of AIG Common Stock, reducing its ownership of AIG Common Stock to zero. Accordingly, the TARP-related restrictions on executive compensation no longer apply, and AIG is permitted to establish a 2013 executive compensation program consistent with its compensation philosophy.

Our 2013 executive compensation program is based on a structure of a market-competitive base salary, 25% to 35% target short-term incentive opportunity and at least 40% target long-term incentive opportunity. An executive s total direct compensation target is determined based on the individual s position, skills and experience, demonstrated performance and market practice and is then allocated in accordance with the compensation structure. We believe this structure provides an appropriate balance of fixed and variable pay, drives achievement of AIG s short- and long-term business strategies and aligns the economic interests of our executives with the long-term interests of AIG and our shareholders.

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Base Salary: Annual base salary is paid in cash and represents the sole fixed component of an executive s total direct compensation. An executive s base salary is established based on his or her experience, performance and salaries for comparable positions at competitors, but will not exceed 30% of the executive s total direct compensation opportunity. This allocation is intended to fairly compensate the executive for the responsibilities of his or her position, achieve an appropriate balance of fixed and variable pay and provide the executive with sufficient liquidity to discourage excessive risk-taking.

2013 Executive Compensation Structure

at Target

Short-Term Incentive: Approximately 30% of an executive s compensation opportunity consists of a target annual cash award opportunity tied to enterprise, business unit/function and individual performance. Earned awards range from 0 to 187.5% of target based on performance against pre-established metrics and AIG s company-wide relative performance rating process. 50% of any amounts earned by an executive are paid at the end of the annual performance period, with the remaining 50% deferred for one year consistent with evolving best practices in the financial services industry.

Long-Term Incentive: Long-term incentives comprise at least 40% of an executive s compensation opportunity. Our 2013 long-term incentive program consists of awards of performance share units that are earned based on AIG performance over a three-year period. Earned performance share units range from 0 to 150% of the target grant based on achieving total shareholder return and growth in tangible book value per share measured relative to AIG s peers, with above median performance required, in each case, for payout at target. Once earned, performance share units vest ratably over three years and are settled in AIG Common Stock (or, at the election of AIG, cash). This structure aligns the long-term economic interests of our executives with those of our shareholders by providing a meaningful portion of compensation in AIG Common Stock and appropriately accounting for the time horizon of risks.

Comprehensive Clawback: All deferred and long-term incentive awards are subject to rigorous clawback provisions covering financial restatements, materially inaccurate performance metrics, failures of risk management and material reputational harm to AIG.

Share Ownership Requirements: Under the 2013 structure, executive officers must retain 50% of the after-tax shares they receive as compensation until they achieve a specified ownership level of AIG Common Stock, further fostering an ownership culture focused on long-term performance. These levels are set at five times the new base salary level for our Chief Executive Officer and three times the new base salary level for other executive officers. Executive officers are required to comply with the share ownership requirements until six months after they cease to be executive officers, even if they are no longer employed by AIG.

***Resulting Features*.** Our 2013 compensation structure results in the following features:

At least 70% of total compensation is variable and incentive-based. Short-term and long-term incentives represent at least 70% of each executive s total target direct compensation opportunity, and the full amount of such incentive compensation is at risk based on performance and the value delivered to AIG s stockholders.

At least 75% of target incentives and 55% of target total compensation is deferred and subject to clawback. 50% of any earned short-term incentive award is deferred for one year following the end of the annual performance period, and 100% of any long-term incentive award is deferred over five years.

The majority of incentive pay is long-term. More than half of each executive s incentive compensation opportunity is based on performance over a three-year period and paid over a five-year period.

Long-term incentives are directly linked to company performance. Long-term incentives are 100% in the form of performance share units that, for 2013, will be earned based on achieving total shareholder return and growth in tangible book value per share measured relative to AIG s peers, with above-median performance required, in each case, for payout at target.

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Continuation of Best Practices. We continue to adhere to compensation best practices:

No equity grants below 100% of fair market value

No dividends or dividend equivalents paid on performance share units unless goals are satisfied

No hedging transactions with respect to our stock

No single-trigger change-in-control or severance benefits

No repricing of underwater stock options or stock appreciation rights

No tax gross-ups on severance payments or perquisites

No excessive pension payments or perquisites or benefits

2012 Compensation Overview

The 2012 compensation structure and amounts for AIG s Top 25 group were publicly announced by the Special Master on April 6, 2012. The Committee s decisions for the Top 25 were effectively confined to proposing total compensation amounts to the Special Master (within a structure permitted by TARP and the related regulations) and to approving year-end incentive awards up to the amounts allowed by the Special Master. The following table shows the approved 2012 annualized compensation rates and target incentive amounts for Messrs. Benmosche, Herzog, Dooley, Hancock and Wintrob as determined by the Special Master and the actual incentive awards for 2012 as determined by the Committee. We refer to the executives listed on this table as AIG s named executives.

			Structure and Maximum Amounts Approved by Special Master(1)		
	Robert H. Benmosche	**David L. Herzog**	**William N. Dooley**	**Peter Hancock**	**Jay Wintrob**
2012 Special Master Approved Structure					
Cash Salary(**2**)	$ 3,000,000	$ 495,000	$ 450,000	$ 1,800,000	$ 495,000
Stock Salary(**2**)	$ 7,500,000	$ 4,734,000	$ 5,550,000	$ 5,200,000	$ 5,315,000
Target Incentive(**3**)	$ 0	$ 1,071,000	$ 0	$ 1,000,000	$ 1,190,000
Total	$ 10,500,000	$ 6,300,000	$ 6,000,000	$ 8,000,000	$ 7,000,000
2012 Committee Awarded Incentive					
% of Target	n/a	100%	n/a	100%	100%
Amount(**3**)	$ 0	$ 1,071,000	$ 0	$ 1,000,000	$ 1,190,000

(1) ***The 2012 Summary Compensation Table contains important information.*** The manner in which the Special Master and the Committee administered 2012 compensation for the named executives is different from the manner in which SEC rules require the compensation to be presented in the 2012 Summary Compensation Table. For further discussion, see 2012 Compensation 2012 Summary Compensation Table.

(2) ***2012 pay structures for our named executives were prescribed by law and do not reflect a compensation framework chosen by AIG.*** AIG did not determine the appropriate compensation elements and allocation for our named executives. Instead, the 2012 pay structures were dictated by federal law, as interpreted by the Special Master. Under the TARP Standards, incentives could comprise only a limited portion of a named executive s compensation, and all incentive pay had to be in the form of unvested TARP RSUs (described under 2012 Compensation Structure Direct Compensation Components 2012 Incentive Compensation). As a result, most of our named executives compensation for 2012 consisted of cash salary and Stock Salary in amounts determined by the Special Master. The approved cash salary rate for Mr. Benmosche was effective as of his date of hire, August 10, 2009. His approved Stock Salary rate, along with the approved cash salary and Stock Salary rates for Messrs. Herzog, Dooley, Hancock and Wintrob became effective January 1, 2012, the effective date required by the Special Master s determination. As further described under 2012 Compensation Structure Direct Compensation Components Stock Salary, there is no guarantee that the named executives will realize the approved amounts of this pay element. The

ultimate value of Stock Salary is determined by the value of AIG Common Stock over a period of years and cannot be immediately monetized (until August 2014, for Mr. Benmosche).

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(3) ***Federal law effectively prohibited any named executive who retires before the end of 2014 from receiving any incentive compensation for 2012.*** Federal law required mandatory two years future service for any 2012 incentives paid to our named executives, which cannot be waived in the event of voluntary or involuntary retirement. As a result, there was no legally permissible incentive compensation that we could deliver to a named executive who retires before the end of 2014. Because Messrs. Benmosche and Dooley may retire before the end of the required minimum two-year vesting period, the Special Master approved, as in 2011, a compensation structure for each that substituted Stock Salary for the prior TARP RSU target incentive while keeping their total annual direct compensation opportunity constant.

Compensation Philosophy and Design of Compensation Framework

In 2010, the Committee approved a comprehensive compensation philosophy that centers around the following:

Attracting and retaining the strongest employees for AIG s various business needs by providing competitive and consistent compensation opportunities.

Creating a culture of performance management and pay-for-performance by providing total direct compensation opportunities that reward the performance of AIG, AIG s business units and individual employees.

Managing total direct compensation to provide a market-competitive, performance driven structure through a four-part program that takes into account base salary, annual incentives, long-term incentives and benefits and perquisites.

Motivating all AIG employees to achieve sustainable increases in AIG s intrinsic value, which represents a balance of profitability, growth and risk, to drive long-term value creation for shareholders.

Aligning the long-term economic interests of key employees with those of shareholders by ensuring that a meaningful component of each key employee s compensation is represented by AIG securities.

Avoiding incentives that encourage employees to take unnecessary or excessive risks that could threaten the value of AIG by appropriately balancing risk and reward as well as rewarding both annual and long-term performance.

Maintaining strong corporate governance practices by meeting evolving standards of compensation governance and complying with regulations applicable to employee compensation.

These objectives apply enterprise-wide, but we were required to implement them differently for our named executives while subject to the statutory compensation restrictions. In particular, the Special Master was required to determine the 2012 compensation structure and amounts payable or potentially payable for each of the named executives and to conclude that the compensation structures will not result in payments that are inconsistent with the purposes of Section 111 of the Emergency Economic Stabilization Act of 2008 (EESA) or TARP, and will not otherwise be contrary to the public interest. In doing so, the Special Master was required to consider the following six principles:

Risk. Compensation should avoid incentives that encourage employees to take unnecessary or excessive risks that could threaten the value of AIG.

Taxpayer Return. Compensation should reflect the need for AIG to remain a competitive enterprise and to retain and recruit talented employees so that AIG could ultimately repay its TARP obligations.

Appropriate Allocation. Compensation should be appropriately allocated to different components, such as salary and short- and long-term incentives, and forms, such as cash and equity, based on the role of each employee and other relevant circumstances.

Performance-based Compensation. An appropriate portion of compensation should be performance-based, and the performance metrics should be measurable, enforceable, and actually enforced if not met.

Comparable Structures and Payments. Compensation should be consistent with compensation for executives in similar positions at entities that are similarly situated, including at financially distressed institutions.

Employee Contributions to AIG s Value. Compensation should reflect current and prospective contributions of the employee to AIG s value.

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Because 2012 compensation for AIG employees was subject to the determinations of the Special Master, during that time, the Committee s approach for those employees also focused on these principles.

The Special Master had discretion to determine the appropriate weight or relevance of each principle, depending on her views of the facts and circumstances surrounding the compensation structure or payment for a particular employee. To the extent that two or more principles were inconsistent in a particular situation, the Special Master exercised discretion to determine the relative weight to be accorded to each principle.

In the course of applying these principles, the Special Master was permitted to take into account other compensation structures and other compensation earned, accrued, or paid, including compensation and compensation structures that are not subject to the restrictions of EESA. For example, the Special Master was permitted to consider payments by AIG under valid contracts entered into before the enactment of EESA.

As required by EESA, AIG held a non-binding shareholder advisory vote at its 2012 Annual Meeting of Shareholders to approve the compensation of AIG s named executives. This shareholder resolution was approved by over 99 percent of the votes cast. Although the Committee reviewed the outcome of the vote, the result did not impact compensation decisions in light of the authority of the Special Master to determine the specific 2012 compensation structures and amounts payable or potentially payable for AIG s named executives.

2012 Compensation Structure Direct Compensation Components

Cash Salary. Beginning in 2009, the Special Master determined that compensation for Top 25 employees and the remainder of AIG s 100 most highly compensated employees and executive officers (the Top 26-100) should be primarily performance-based and therefore required that cash salaries be generally limited to $500,000, except in certain exceptional cases. AIG s historical practice had been to pay a limited portion of overall compensation in the form of base salary. However, under the prescribed structure for the Top 25, cash salary was the only source of liquid compensation AIG could provide to the Top 25 that was not dependent on the future performance of AIG Common Stock. As a result, the limitation on cash salary resulted in cash compensation opportunities for members of the Top 25 in the past three years that were lower than ever before, as a percentage of total compensation, and that were significantly lower than AIG s competitors. AIG anticipates that cash salaries for its executives will increase in 2013, as AIG returns to market-competitive salaries.

Stock Salary. As a result of the Special Master s determinations, in 2009, AIG implemented a program of regular grants of vested stock or units that has become generally referred to as Stock Salary. The ultimate value of Stock Salary is determined by the value of AIG Common Stock over a period of years, and the Special Master has therefore determined that this compensation is both performance-based and consistent with the long-term interest of shareholders. In large part, Stock Salary took the place of what would otherwise have been annual and long-term cash, stock and performance-based incentive programs.

Stock Salary took the form of regular bi-weekly or semi-monthly grants of immediately vested stock or units. The amount of stock or units awarded on each grant date was based on the dollar value of the Stock Salary earned over the period since the preceding grant date. Furthermore, each grant of Stock Salary remains subject to transfer or payment restrictions over a multi-year period. The periods of restriction for Stock Salary paid to AIG s named executives in 2012 are as follows:

- For Mr. Benmosche, transfer restrictions will lapse in August 2014, on the fifth anniversary of the date of hire.

- For Messrs. Herzog, Dooley, Hancock and Wintrob, payment restrictions will lapse on one third of the Stock Salary each year, starting on the first anniversary of grant.

Consistent with 2011, the 2012 determination for Messrs. Herzog, Dooley, Hancock and Wintrob provided that Stock Salary would take the form of either AIG Common Stock or units based on the value of AIG Common Stock. The 2012 determination for Mr. Benmosche required that grants of Stock Salary continue to be made on the terms specified in his August 16, 2009 letter agreement with AIG, except that additional Stock Salary was substituted for a TARP RSUs opportunity. Under the letter agreement, on each grant date, Mr. Benmosche was awarded shares of restricted AIG Common Stock in an amount determined by dividing the dollar value of the Stock Salary earned since the preceding grant date by the market price of AIG Common Stock on the date of grant.

AIG does not intend to grant Stock Salary in 2013 or future years, because we are no longer subject to the TARP restrictions. We believe that providing a larger portion of total compensation in incentives structured to

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reward both annual and long-term enterprise, business unit/function and individual performance will better align our executives with shareholder interests and appropriately balance risk and reward.

2012 Incentive Compensation. As prescribed by law, under their 2012 approved compensation structures, named executives eligible for incentives could receive such pay only in the form of TARP RSUs.

TARP RSUs. TARP RSUs are a form of incentive compensation defined by applicable regulation under the name long-term restricted stock. In order to qualify as TARP RSUs, the award must generally have at least a two-year vesting period and may only become transferable or payable in 25 percent increments in proportion to AIG s repayment of its TARP obligations. For TARP RSUs awarded to members of the Top 25 for 2012 performance, the Special Master extended the vesting period to three years, with pro rata vesting permitted after two years. The Committee, accordingly, determined that 2012 TARP RSU awards would vest 50 percent after two years and 50 percent after three years. Because AIG has fully repaid its TARP obligations as of December 14, 2012, on the vesting dates for such awards, 100 percent of the TARP RSUs then vesting will be payable.

AIG does not intend to award TARP RSUs in the future, and our 2013 incentive program includes a heightened emphasis on long-term performance. We believe that providing a significant portion of executives compensation based on performance metrics over a three-year period and subject to an additional vesting period will drive long-term value creation for our shareholders and better align with risk mitigation principles.

Performance Determination. AIG utilizes a company-wide relative performance rating (RPR) process, whereby individual performance is compared against a defined peer performance group generally comprised of at least 50 individuals with similar job roles and levels of responsibility. During roundtable discussions, managers compare individual performance to that of others in the defined peer performance group and assign employees an RPR between 1 (top performance) and 5 (unsatisfactory performance) using a guideline distribution. Ten percent of employees in a peer performance group receive a 1 ranking, 20 percent a 2 , 50 percent a 3 and 20 percent a 4 or 5 .

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For the named executives, the applicable peer performance group consists of eight direct reports to the Chief Executive Officer. Because this peer performance group is too small to meet the guideline distribution, assignment of an RPR by the Chief Executive Officer does not strictly follow guideline distribution. The RPR results in a range of potential incentive payout; an RPR of 1 results in guideline payout of 130 to 150 percent of target subject to adjustment for pool funding for the year based on annual company or business unit performance, a 2 120 to 140 percent, a 3 80 to 120 percent, a 4 20 to 80 percent and a 5 no payout. Because of the guideline distribution underlying the RPR process, it is possible that achievement of all goals does not result in a maximum or even target payout.

In addition, members of the Top 25 and Top 26-100 were subject to a cross check such that a minimum achievement of 50 percent was required to be eligible for any incentive payout and a minimum achievement of 75 percent was required to be eligible for payout at or above target. The named executives, however, could not have received more than their target amounts, even if their RPR and achievement against goals qualified them for a higher award. TARP RSUs were awarded through the RPR process, which, for members of the Top 25, included achievement against individual performance criteria reviewed and approved by the Committee in consultation with the Special Master. However, notwithstanding the full or partial satisfaction of the performance criteria, the Committee retained the discretion to reduce any employee s incentive award on the basis of its overall evaluation of the employee s or AIG s performance. The RPR process and performance criteria used for each named executive eligible to receive TARP RSUs are summarized under Committee Compensation Decisions for 2012 Incentive Awards.

Clawback. TARP RSUs awarded for 2012 performance and amounts paid thereunder are subject to clawback if later determined to have been based on materially inaccurate financial statements or any other materially inaccurate performance metrics, or if the named executive is terminated due to misconduct that occurred during 2012.

Timing. Consistent with past practice under the TARP Standards, AIG granted TARP RSUs awards to Messrs. Herzog, Hancock and Wintrob on December 17, 2012 on the basis of preliminary individual scorecards assessing achievement against performance criteria. Individual performance scorecards were finalized during the first quarter of 2013, and on March 12, 2013, the Committee confirmed the TARP RSU awards.

Historic Compensation Components

In January 2012, Messrs. Herzog, Dooley, and Wintrob received $206,563, $1,239,375 and $1,239,375, respectively, upon the vesting of awards previously earned for the 2004-2006 performance period under AIG s Senior Partners Plan. As of year-end 2012, Messrs. Herzog, Dooley and Wintrob each had additional outstanding awards under the Senior Partners Plan that had been earned in prior performance periods but were not yet vested; these awards vested and were paid in January 2013. No awards remain outstanding under the Senior Partners Plan. These awards are described in greater detail in Post-Employment Compensation Nonqualified Deferred Compensation.

Messrs. Herzog, Dooley and Wintrob also received the final installments of previously earned awards under AIG s Partners Plan and the AIG Deferred Compensation Profit Participation Plan in January 2012. AIG s Partners Plan operated for successive overlapping two-year performance periods. Participants received Performance RSUs that entitled them to earn shares of AIG Common Stock based on the average of the percentage increase of AIG s diluted adjusted earnings per share for the first year of the performance period over the prior year and the percentage increase of AIG s diluted adjusted earnings per share for the second year of the performance period over the first year. Outstanding Performance RSUs for the 2006-2007 performance period were earned and one half vested after the fourth anniversary of the first day of the performance period and were

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paid out promptly thereafter, in January 2010. The other half vested on the sixth anniversary and were paid out promptly thereafter in January 2012. Messrs. Herzog, Dooley and Wintrob received 123 shares, 230 shares and 432 shares, respectively, upon the vesting of such awards, as well as $386.16, $722.09 and $1,356.27, respectively, representing the value of warrant equivalents, before withholdings, delivered pursuant to the anti-dilution adjustment previously made to such awards to reflect the issuance of a warrant dividend paid by AIG to shareholders in January 2011. No awards remain outstanding under AIG s Partners Plan.

The Deferred Compensation Profit Participation Plan was the predecessor to the Partners Plan. In 2007 participants were awarded time-vested RSUs based upon the number of plan units they had been granted. Fifty percent of these time-vested RSUs vested in May 2009 and the remainder vested in May 2010. An incremental allocation of RSUs equal to 20 percent or 35 percent of the RSUs initially allocated was made in 2009, and these incremental RSUs vested and were paid out promptly thereafter in January 2012. Messrs. Herzog, Dooley and Wintrob received 189 shares, 256 shares and 480 shares, respectively, upon the vesting of such awards, as well as $593.37, $803.71 and $1,506.97, respectively, representing the value of warrant equivalents, before withholdings, delivered pursuant to the warrant anti-dilution adjustment described above. No awards remain outstanding under the DCPPP.

Compensation Structure Indirect Compensation Components

Welfare and Other Indirect Benefits. AIG s senior executives generally participate in the same broad-based health, life and disability benefit programs as AIG s other employees.

Retirement Benefits. AIG provides a number of retirement benefits to eligible employees, including both defined contribution plans (such as 401(k) plans) and traditional pension plans (called defined benefit plans). These plans can be either tax-qualified or non-qualified. For the 2012 TARP Period, the Special Master required there be no further accruals under any non-qualified plan for employees in the Top 25 and Top 26-100 (but permitted continued age and service credit for the purpose of vesting in previously accrued benefits).

AIG s only active defined contribution plan for the named executives is a 401(k) plan, which is tax-qualified. The plan was amended effective January 1, 2012 to provide all participants a match of 100% of the first 6% of their eligible compensation contributed up to the Internal Revenue Service compensation limit ($250,000 for 2012). Accordingly, for the named executives in 2012, AIG matched a percentage of their contributions to the 401(k) plan up to $15,000. In addition, some named executives have balances under legacy nonqualified defined contribution plans. These plans are described in greater detail in Post-Employment Compensation Nonqualified Deferred Compensation.

AIG s defined benefit plans include the Qualified Retirement Plan, the Non-Qualified Retirement Plan and the SERP. Each of these plans provides for a yearly benefit based on years of service and average final salary and, for the Qualified Retirement Plan and the Non-Qualified Retirement Plan, also based on pay credits and interest credits. As described above, the named executives could not accrue benefits under the non-qualified plans until the end of the 2012 TARP Period, and AIG is not permitted to restore the service accrual for the period during which the named executives were subject to the prohibition. These plans and their benefits are described in greater detail in Post-Employment Compensation Pension Benefits.

Perquisites and Other Compensation. To facilitate the performance of their management responsibilities, AIG provides some employees, including the named executives, with automobile allowances, parking, annual health exams, legal services, financial and tax planning and other benefits categorized as perquisites or other compensation under the SEC rules.

The Special Master generally limited the amount of perquisites and other compensation for employees in the Top 100 to $25,000 per year while AIG remained subject to the TARP restrictions. In addition, all payments of tax gross-ups to these employees were prohibited, except in connection with expatriate arrangements.

Termination Benefits and Policies. Mr. Benmosche does not participate in AIG s severance programs. AIG provides severance benefits to other executives in order to offer competitive total compensation packages, ensure executives ongoing retention when considering potential transactions that may create uncertainty as to their future employment with AIG and enable AIG to obtain a release of employment-related claims. However, during the 2012 TARP Period, pursuant to the Special Master s determination, none of the named executives could have received any severance or other benefits as a result of termination or a change in control.

Before the end of the 2012 TARP Period, the Committee established the 2012 Executive Severance Plan (the 2012 ESP), which replaced AIG s prior Executive Severance Plan established in March 2008. The 2012 ESP

extends to AIG executives in grade level 27 or above and other executives who participated in the prior plan. Each of Messrs. Herzog, Hancock, Dooley and Wintrob is eligible based on both his grade level and prior eligibility under the prior plan, but none was eligible to receive benefits under the 2012 ESP until the expiration of the 2012 TARP Period. Under the terms of his employment agreement, Mr. Benmosche is not permitted to participate in the 2012 ESP.

The 2012 ESP provides for severance payments and benefits if terminated by AIG without Cause or if a qualifying executive terminates for Good Reason, including, for qualifying executives, after a Change in Control. In the event of a qualifying termination, a participant is generally eligible to receive severance in an amount equal to the product of a multiplier times the sum of salary and three-year-average annual incentives. The multiplier is either 1 or 1.5 depending on the executive s grade level and increases to 1.5 or 2 for qualifying terminations within two years following a Change in Control. However, in any event, executives in grade level 27 or above who participated in the prior plan, which includes Messrs. Herzog, Hancock, Dooley and Wintrob, may not receive less than the severance they would have received under the prior plan. In April 2013, the 2012 ESP was amended for better consistency across participants in calculating the three-year-average annual incentives portion of the severance formula. For any year in which a participant was in the Top 25, this calculation will use the participant s annual short-term incentive target for the year of termination (rather than the participant s TARP RSUs award) as described in more detail under 2012 Compensation Potential Payments on Termination.

Committee Compensation Decisions for 2012

Total Direct Compensation Opportunity. AIG based its 2012 compensation proposals largely on the 2011 structures determined by the Special Master for Top 25 employees. For Mr. Benmosche, AIG proposed the same total opportunity of $10.5 million as set forth in his August 16, 2009 letter agreement with AIG and approved by the Special Master in 2009. AIG believed that this level was appropriate and significantly less than actual historic compensation of Chief Executive Officers at AIG and at other large insurance companies and Mr. Benmosche s total compensation at his prior employer. Because Mr. Benmosche stated he may retire before the end of the minimum two-year vesting period required by regulation for any TARP RSUs he would have earned, the Special Master continued Mr. Benmosche s 2011 compensation structure, which did not include a TARP RSU component. A similar request was made for Mr. Dooley. The Special Master approved these amounts payable as proposed by AIG. For 2013, both Messrs. Benmosche and Dooley will participate in our current executive compensation structures, with at least 70% of target total direct compensation being incentive-based.

AIG had several discussions with the Special Master regarding the appropriate total opportunity for each Top 25 employee. These discussions focused on three major factors: the amount of total direct compensation, the appropriate allocation between cash and non-cash compensation components and the form and transferability of the non-cash components. The Special Master determined total compensation opportunities of $6,300,000, $6,000,000, $8,000,000 and $7,000,000 for Messrs. Herzog, Dooley, Hancock and Wintrob, respectively. These compensation levels were in line with AIG s proposals, although in certain cases, the Special Master determined that a portion of the compensation should be reallocated from the proposed Stock Salary level to TARP RSUs.

Cash Salary. For 2012, the Special Master maintained the salaries for Messrs. Herzog, Dooley and Wintrob at their 2011 levels of $495,000, $450,000 and $495,000, respectively. These cash salaries were in line with AIG s proposal, although they remained substantially lower than the salary levels for these individuals in effect prior to the involvement of the Special Master in AIG s compensation process. For each of Messrs. Benmosche and Hancock, the amount of his cash salary was established under the terms of his respective letter agreement.

Stock Salary. For Mr. Benmosche, the Special Master approved a Stock Salary level of $7,500,000. This level was proposed by AIG in light of Mr. Benmosche s potential retirement prior to the minimum two-year vesting period required by regulation for any TARP RSUs.

For Messrs. Herzog, Dooley, Hancock and Wintrob, the Special Master determined the amount of their total opportunity that was to be in the form of Stock Salary and also established the related transfer restrictions.

Incentive Awards. For Messrs. Herzog, Hancock and Wintrob, the Special Master required that incentive awards take the form of TARP RSUs granted based on achievement of objective performance metrics. The performance metrics, and associated weights, for these named executives were established in April 2012 and reviewed favorably by the Office of the Special Master. Although Mr. Benmosche was not eligible to receive any incentive awards, the Committee also established performance metrics for Mr. Benmosche in April 2012. The metrics were established across four categories financial, strategic, operational and organizational and were selected to reflect objectives key to the creation of shareholder value to facilitate the profitable sale of the Department of the Treasury s investment in AIG, growth in the core insurance businesses and preparation for additional regulatory supervision.

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For Mr. Benmosche, President and Chief Executive Officer, performance criteria were based on AIG-wide company performance. These metrics included:

Metric	*Significant Achievements*
Financial	
Achieve growth in tangible book value per share (excluding accumulated other comprehensive income (AOCI)) in line with pre-established peer group	Exceeded goal based on growth in tangible book value per share (excluding AOCI) above the 75th percentile of peer group through the first nine months of 2012. Full year data is not yet available for certain non-U.S. based peer companies.
Achieve total shareholder return (TSR) in line with pre-established peer group	Exceeded goal by achieving TSR above the 75th percentile of peer group.
Achieve AIG-wide adjusted pre-tax operating income (PTOI): $9.4 billion	19% below target.
Maintain or improve financial strength ratings by the four major ratings agencies	Achieved. Maintained all four financial strength ratings.
Strategic	
Successfully emerge from government ownership and enable the Department of Treasury to sell its shares of AIG Common Stock at a profit	Exceeded goal. Department of Treasury ownership of AIG Common Stock reduced to zero with its final sale of shares in December 2012. Returned more than $205 billion in government financial support by December 2012, compared to $182.3 billion in financial support extended.
Facilitate repayment of the Department of Treasury s preferred interests in the American International Assurance special purpose vehicle	Exceeded goal. Fully repaid ahead of schedule.
Position International Lease Finance Corporation (ILFC) for sale	Achieved by improving ILFC s balance sheet through deleveraging and demonstrating access to diverse sources of liquidity. In December 2012, AIG entered into an agreement to sell 80.1% of ILFC for $4.2 billion, with an option for the purchaser to acquire an additional 9.9% stake.
Operational	
Execute successful reorganization of AIG Life and Retirement	Achieved. Announced a new organizational structure in April 2012 with distinct product divisions, centralized product development resources, shared annuity and life operations platforms and a unified distribution organization with access to all AIG Life and Retirement products. Appointed executives to lead distribution organization, to begin building operations centers of excellence for life insurance, annuity and securities processing, to drive innovative product development and to lead the newly formed Institutional Markets division.
Prepare for supervision by the Federal Reserve by ensuring that AIG has the resources to execute on readiness initiatives	Achieved. Established a Federal Reserve liaison group, a Federal Reserve Supervision Program Management Office, an executive steering group and program heads in AIG functions and businesses to oversee readiness initiatives and completed resource assessment and hired experienced personnel where necessary.

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Achieve substantially all key finance transformation milestones within acceptable timeframe and budget	Achieved finance transformation milestones in a timely manner and on budget by achieving above-target savings; deploying tax workflow tool; advancing the AIG Property Casualty finance transformation program; and initiating implementation of an AIG treasury target operating model and management system.
Develop and implement AIG Property and Casualty claims strategy and implement structural drivers project and enhanced reserving process	Achieved. Created a global claims, operations and systems leadership team, aligned functional strategy with AIG Property and Casualty business goals and transformed AIG s global fraud program.
	Implemented structural drivers project and enhanced reserving process by establishing subject matter experts responsible for analyzing and driving change around the key drivers of losses, revising the 2012 calendar to perform more efficient, bottom-up analysis of structural drivers for reserving each year.
Organizational	
Complete succession planning for AIG leadership team, including the executive group, business unit leadership and functional leadership	Achieved goal by developing principles for identifying critical positions for review by the executive group and the Compensation and Management Resources Committee and driving ongoing reviews for AIG executives in grade level 25 and above.
Significantly increase diversity for AIG executives in grade level 26 and above	Achieved goal by increasing the overall representation of women in grade level 26 and above and developing the talent pipeline at AIG by among other things, piloting a program to identify, track, advance and promote underrepresented groups.

For Mr. Herzog, Chief Financial Officer of AIG, performance criteria were based on AIG-wide financial and fiscal management measures. These metrics included:

Metric	*Significant Achievements*
Financial (30%)	
Oversee sale of $17.1 billion of the Department of Treasury s stake in AIG, maintain satisfactory stress test results and achieve subsidiary distribution target of $4.7 billion while maintaining sufficient liquidity at AIG parent	Exceeded target achievement by overseeing sale of $54 billion of the Department of Treasury s stake, achieving satisfactory stress test results, and achieving subsidiary dividends 13% above target.
Achieve the following business goals:	
AIG-wide adjusted PTOI: $9.4 billion	19% below target.
Expense reduction for finance function: $64 million	4% above target.
Implement a plan for real estate cost reductions in the New York metro area	Implemented a plan that will reduce real estate expense in New York metro area by 2014.
Strategic (25%)	
Achieve key Enterprise Finance Transformation milestones: deploy tax workflow tool; advance the AIG Property Casualty finance transformation program; and initiate implementation of an AIG treasury target operating model and management system	Completed key milestones in a timely manner and on budget.

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Operational (35%)	
Establish AIG capital plans and policies and statement of risk tolerance, meet readiness requirement for consolidated Federal Reserve Board reporting, and perform scheduled stress testing within shorter timeframes	Established AIG s annual capital plan, fully met reporting requirements, and successfully prepared to perform stress testing within shorter timeframes. Committee noted that shorter timeframes for stress testing was delayed for reasons unrelated to executive s performance.
Organizational (10%)	
Implement diversity strategy for Global Finance, including filling key leadership roles, implementing women s initiatives and demonstrating progress on diversity in senior leadership	Focused on historically underrepresented candidates for high-level positions, held forums and workshops to advance women in the financial community, and appointed several women to key leadership roles.

For Mr. Hancock, Chief Executive Officer of AIG Property Casualty, performance metrics related to the performance of AIG Property Casualty. These metrics included:

Metric	***Significant Achievements***
Financial (30%)	
Improve risk-adjusted profitability to breakeven level	Not fully achieved, but there was a significant improvement in risk-adjusted profitability over 2011. The shortfall was due to prior year development, which was not included in the goal, legacy items impacting current year results, and higher attritional losses and expenses. The Committee noted off-setting financial achievements, including payment of the largest dividends to AIG since 2006, maintenance of strong financial strength ratings by the major rating agencies and substantial improvements in current accident year underwriting performance.
Contribute to successful sale of AIG equity and continue to communicate AIG s strategic direction to investors and equity analysts	Exceeded goal by participating in investor calls during U.S. Treasury equity sales during 2012, and communicating AIG Property Casualty s strategic vision to investors and equity analysts.
Comply with AIG policies regarding Sections 302 and 404 of Sarbanes Oxley, through timely and accurate completion of all related certifications; communication of material information to management; oversight of internal control over financial reporting; and timely documentation and effective evaluation of internal and disclosure controls	Achieved goal. Timely complied and reported, with no material weaknesses or significant deficiencies.
Strategic (20%)	
Grow Direct Marketing Value of New Business (VoNB) in direct marketing on a fully allocated basis by $310 million, and develop a new training program to support long-term profitability (10%)	Partially achieved the VoNB goal on a fully allocated basis ($156 million) and on a marginally allocated basis ($261 million), with the shortfall primarily due to reduced spending on marketing. The Committee noted that VoNB on a marginally allocated basis was a more appropriate measure of economic value creation from incremental marketing investment beyond fixed costs.

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	Successfully implemented VoNB as an accepted intrinsic value metric with regular reporting and implemented a training program to support direct marketing under the AIG brand.
Build roadmap for business expansion in China, Brazil and India, in order to position AIG Property Casualty for meaningful growth in developing economies over the next five years (10%)	Achieved. Realigned AIG Property Casualty s geographic organization, which enabled greater emphasis on developing economies. Built roadmaps for AIG Property Casualty s expanded presence in China, Brazil and India.
Operational (25%)	
Improve efficiency of claims organization by adhering to best practices and reducing lost economic opportunities in the claims process	Exceeded goal. Unified the claims and operations and systems functions under a single management team to improve customer service, capitalize on shared strategic initiatives and drive improvement in loss ratios.
	Developed programs to reduce claims spend by standardizing best practices and minimizing proven cost drivers.
	Initiated the design of a claims operating model for the business and continued building and deploying one global claims platform.
	Moved the management of certain environmental liability businesses written prior to 2004 from Commercial Insurance to a separate claims organization.
Adopt a global underwriting framework designed to deliver risk insight, to utilize predictive modeling and technical pricing tools and to achieve the highest quality of underwriting governance	Achieved. Established a global underwriting framework to build a robust underwriting foundation and hired a Chief Underwriting Officer to lead a committee to drive consistent and transparent underwriting.
	Implemented consistent underwriting guidelines, launched technical pricing tools in multiple business lines within the Commercial Insurance business, and established a global underwriting quality function to deploy a consistent, risk-based approach to underwriting reviews across all regions and products.
Execute on findings from project undertaken in 2011 to enhance AIG Property Casualty s understanding of key structural drivers of insurance losses, and promote ownership of the project at the business unit level	Exceeded goal. Executed by implementing results of a study to mitigate medical costs and by building a workers compensation model to test drivers.
	Established key structural driver subject-matter experts responsible for analyzing and driving change around the key drivers of loss.

Continued to enhance data quality and data mining tools to support the success of the structural drivers approach.

Completed initiative to place actuaries into two functions: the Portfolio Analytics and Pricing Actuarial function and the Finance Actuarial function to strengthen the role of actuaries and bring them to the front line of the product development and underwriting processes.

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	Implemented an enhanced reserving review process that includes an annual analysis of structural drivers across business units.
Support and promote a robust compliance framework and program to ensure readiness for Federal Reserve regulation that complements and supports the overall AIG compliance framework	Exceeded goal. Reorganized compliance function into a single cohesive unit, appointed new leadership, simplified and standardized compliance oversight processes, and led monthly meetings to ensure that AIG Property Casualty s activities remain within AIG s overall risk tolerance.
	Created workstreams to collaborate with AIG s overall Federal Reserve regulatory compliance framework and appointed a Federal Reserve supervision head in AIG Property Casualty.
Organizational (25%)	
Expand diversity and inclusion throughout AIG Property Casualty	Exceeded goal by implementing diverse slating guidelines to expand the talent pool for senior positions as well as a program to focus on the development of strong diverse leaders in AIG Property Casualty.
	Promoted diverse and inclusive teams among industry partners and clients through event sponsorship and speaking engagements focused on increasing diversity.
Promote newly created Science Office to blend science driven innovation with decision making	Exceeded goal by filling approximately 90 positions in the Science Office with diverse skill sets and industry experiences.
Support the successful transition of new United Guaranty Corporation (UGC) CEO and COO	Exceeded goal by helping UGC s new leadership team to exceed planned VoNB, increase rates, and efficiently and effectively manage claims.

For Mr. Wintrob, President and Chief Executive Officer of AIG Life and Retirement, performance metrics related to the performance of AIG Life and Retirement. These metrics included:

Metric	*Significant Achievements*
Financial (25%)	
Achieve the following business goals:	
Premiums, deposits and other considerations: $24.970 billion	16% below target.
VoNB: $68 million	$80 million below target.
Adjusted PTOI: $3.741 billion	5% above target.
Maintain financial strength ratings by the four major ratings agencies	Achieved. Maintained all four financial strength ratings.
Distributions to AIG: $2.374 billion	20% above target.
Comply with AIG policies regarding Sections 302 and 404 of Sarbanes Oxley, through timely and accurate completion of all related certifications; communication of material information to management; oversight of internal control over financial reporting; and timely documentation and effective evaluation of internal and disclosure controls	Achieved goal. Timely complied and reported, with no material weaknesses or significant deficiencies.

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Strategic (17.5%)	
Lead AIG Life and Retirement transformation and development of annuity, life insurance and securities processing platform. Achieve measurable progress in combining American General Life Insurance Company (American General) and American General Life and Accident Insurance Company (AGLA) life administration and product development platforms and utilizing lower cost locations (10%)	Exceeded goal. Filled key positions for AIG Life and Retirement s transformation, including for the newly created Chief Operations Officer position.
	Led creation of life insurance, annuity and securities processing centers of excellence.
	Led in-depth assessment of American General and AGLA s businesses, developed an integration plan (including steps to consolidate operations and IT systems, streamlining processes; consolidating operations personnel) and united the businesses under common leadership.
	Led migration of annuity operation positions to lower cost location.
Effectively continue process of addressing the short and long-term impact of low interest rates on new and existing business and products (7.5%)	Achieved goal. Action was taken across AIG Life and Retirement s business and product lines to address the low interest rate environment by, among other things, converting flexible premium contracts to single premium contracts, lowering guaranteed minimum interest rates, increasing interest spread on new and existing universal life products and reducing commissions and other actions to reduce or eliminate deposits into contracts with higher guaranteed minimum interest rates.
Operational (32.5%)	
Lead and promote the merger of seven life insurance legal entities into one company prior to July 1, 2013 to achieve capital efficiencies, increase risk diversification, achieve cost savings and simplify the legal structure (12.5%)	Exceeded goal. Merger of six life insurance legal entities into American General Life Insurance Company was completed on December 31, 2012.
Work with AIG s enterprise risk management and finance functions to ensure: a common understanding of the variable annuity/guaranteed income solution products and associated risks; that hedging and overall risk management programs are understood and effectively address agreed-upon risk tolerances; and that financial reporting is understood (10%)	Achieved goal. Maintained ongoing dialogue between AIG Life and Retirement and the enterprise risk management and finance functions through regular meetings, and worked with the functions to create a new head of variable annuity risk management within the enterprise risk management function.
	Reduced effective statutory capital requirements through the consolidation of the seven life insurance legal entities into one entity, creating a buffer against volatility in risk-based capital ratio.
Actively participate in considering and developing the resources, processes, systems and reports necessary to be ready for Federal Reserve regulation (10%)	Achieved goal. Established a Federal Reserve Executive Steering Committee, composed of AIG Life and Retirement senior leaders and representatives of the AIG Fed-ready leadership team, and Federal Reserve Liaison Group that meets biweekly.

Conducted mock Federal Reserve examinations in the variable and fixed annuity businesses with participation from key business and functional leaders.

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	Dedicated staff to work on workstreams and augmented internal resources with external resources where necessary to prepare for Federal Reserve regulation.
Organizational (25%)	
Lead, promote and execute a series of steps that constitute the core framework of AIG Life and Retirement s transformation, including clarifying its mission, goals, strategies and organizational structure and appointing key leadership to drive innovation in product development (15%)	Exceeded goal. Implemented new organization structure that included a new management structure, distinct product divisions, centralized product development resources, shared annuity and life operations platforms, a unified all-channel distribution organization with access to all AIG Life and Retirement products, and integration of the recently acquired Woodbury Financial Services.
Work with AIG Benefit Solutions and AIG Property Casualty Consumer divisions to fully realize potential synergies from combining the benefits businesses, including designing and initiating the necessary administration and systems platforms (10%)	Achieved goal. Carved out AIG Benefit Solutions as separate business unit with direct reporting to the Chief Executive Officer of AIG Life and Retirement as well as matrix reporting to AIG Property Casualty Consumer.
	Led the development of a detailed plan for the benefits businesses, and designed and began to implement a new administrative system that will lower costs, reduce complexity, consolidate data, and allow products to be introduced to the market faster and improve efficiency and service levels.

AIG does not have a formulaic level of performance necessary for an employee to earn a minimum or maximum payout under the incentive component. As described under 2012 Compensation Structure Direct Compensation Components 2012 Incentive Compensation, TARP RSUs were awarded to the named executives through the RPR process and achievement against goals was part of that process.

Consistent with past practice under the TARP Standards, the Committee made compensation determinations in December 2012 on the basis of preliminary individual scorecards and RPRs for Messrs. Herzog, Hancock and Wintrob. Final scorecards and RPRs were prepared during the first quarter of 2013, and the Committee reviewed any changes and confirmed the TARP RSU grants. Based on 2012 performance, Messrs. Herzog, Hancock and Wintrob each met the 75 percent minimum achievement threshold to be eligible for incentive payout at or above target and each earned an RPR of 3 or higher, qualifying each for payout at target. The Committee therefore determined to award incentive compensation at the target amounts to Messrs. Herzog, Hancock and Wintrob (whose awards could not exceed the target amounts authorized by the Special Master).

Non-GAAP Financial Measures

Certain of the operating performance measurements used by AIG management are non-GAAP financial measures under SEC rules and regulations. GAAP is the acronym for accounting principles generally accepted in the United States. AIG uses the following operating performance measures because it believes they enhance understanding of the underlying profitability and trends of AIG and its business segments. AIG also believes such measures allow for more meaningful comparison with its insurance competitors. The non-GAAP financial measures presented may not be comparable to similarly-named measures reported by other companies.

AIG. Adjusted pre-tax operating income (loss) (PTOI) is calculated by excluding the following items from pre-tax operating income (loss): income (loss) from discontinued operations, net loss (gain) on sale of divested businesses, income from divested businesses, legacy FIN 48 and other tax adjustments, legal reserves (settlements) related to legacy crisis matters, deferred income tax valuation allowance (releases) charges, amortization of the Federal Reserve Bank of New York prepaid commitment fee asset, changes in fair value of AIG Life and Retirement fixed income securities designated to hedge living benefit liabilities, change in benefit reserves and deferred policy acquisition costs (DAC), value of business acquired (VOBA), and sales inducement assets (SIA) related to net realized capital (gains) losses, (gain) loss on extinguishment of debt, net realized capital (gains) losses, non-qualifying derivative hedging activities, excluding net realized capital (gains) losses, and bargain purchase gain. Legacy crisis matters include favorable and unfavorable settlements related to events leading up to and resulting from our September 2008 liquidity crisis. It also includes legal fees incurred by AIG as the plaintiff in connection with such legal matters.

AIG Property Casualty. Risk-adjusted profitability is underwriting profit or loss plus net investment income in excess of the cost of capital. Underwriting profit or loss is on a GAAP basis and is normalized for natural catastrophe losses by using modeled average annual losses. Cost of capital is the product of the capital deployed and the capital rate. The capital deployed is derived by reducing AIG Property Casualty shareholders equity by Accumulated other comprehensive income (loss). Value of new business (VoNB) is the present value of projected future after-tax profits where profits are calculated as net income minus change in required capital and capital is based on the company s modeling of capital needed to support the specific business. VoNB for United Guaranty Corporation is calculated differently on a before-tax basis and is the present value of projected premiums minus the present value of projected future losses and a percentage expense component.

AIG Life and Retirement. *Premiums*, deposits and other considerations (PDOC) is a non-GAAP financial measure which includes life insurance premiums and deposits on annuity contracts and mutual funds. VoNB is the present value, measured at point of sale, of projected after-tax statutory profits emerging in the future from new business sold in the period, less the cost of holding required capital in excess of regulatory reserves to support this business. Adjusted pre-tax operating income (loss) (PTOI) is calculated by excluding the following items from pre-tax operating income (loss): legal settlements related to legacy crisis matters described above, changes in fair values of fixed maturity securities designated to hedge living benefit liabilities, net realized capital (gains) losses, and changes in benefit reserves and DAC, VOBA, and SIA related to net realized capital (gains) losses. PTOI is further adjusted for changes in fair value of AIG Life and Retirement s interest in Maiden Lane II LLC, alternative investment income above or below budget, reduced net investment income from asset sales in conjunction with programs to utilize capital loss tax carryforwards, net investment income related to certain legacy investments and restructuring charges.

Committee Compensation Decisions for 2013

As described under Compensation Discussion and Analysis Overview 2013 Compensation Program, AIG s 2013 executive compensation program consists of three primary components: annual base salary, a short-term incentive opportunity and a long-term incentive opportunity. Each executive s annual base salary is paid in cash and is established based on his or her experience, performance and salaries for comparable positions at competitors. Annual base salary is the only fixed component, and does not exceed 30 percent of total direct compensation. Approximately 30 percent of an executive s total direct compensation consists of a target short-term incentive opportunity tied to enterprise, business unit/function and individual performance. The earned annual cash award will range from 0 to 187.5 percent of target based on actual performance and AIG s RPR process, and 50 percent of the earned award will be deferred for one year. At least 40 percent of an executive s total direct compensation consists of a target long-term incentive opportunity in the form of performance share units that, for 2013, will be earned based on total shareholder return and growth in tangible book value per share, measured relative to AIG s peers over a three-year performance period. Once earned, the performance share units vest ratably over three years and are settled in AIG Common Stock (or, at the election of AIG, cash). All deferred and long-term incentive awards are subject to clawback provisions covering financial restatements, materially inaccurate performance metrics, failures of risk management (including in a supervisory role) and material reputational harm to AIG.

In April 2013, the Committee determined 2013 annual base salaries, short-term incentive opportunities and long-term incentive opportunities, including authorizing the grant of performance share units under the 2010 Stock Incentive Plan, for each of the named executives as follows:

	Robert H. Benmosche	David L. Herzog	William N. Dooley	Peter Hancock	Jay Wintrob
Annual Base Salary	$ 2,000,000	$ 1,000,000	$ 1,000,000	$ 1,350,000	$ 1,200,000
Target Short-Term Incentive	$ 4,000,000	$ 2,000,000	$ 2,000,000	$ 2,700,000	$ 2,400,000
Target Long-Term Incentive	$ 7,000,000	$ 4,000,000	$ 4,000,000	$ 4,950,000	$ 4,400,000
Total	$ 13,000,000	$ 7,000,000	$ 7,000,000	$ 9,000,000	$ 8,000,000

The 2013 base salaries are effective on April 1, 2013 for Messrs. Benmosche and Hancock and January 1, 2013 for the other named executives.

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Process for Compensation Decisions

Role of the Committee. The Committee determines and approves the compensation of AIG s Chief Executive Officer, and the Board approves or ratifies the amounts to be awarded to him. After considering the recommendation of AIG s Chief Executive Officer, the Committee also approves the compensation of other key employees under its purview, which includes all of the other named executives. Currently, there are 41 employees under the Committee s purview. For 2012, the Committee also reviewed and approved the compensation of all employees in the Top 25 and Top 26-100; as described above, decisions regarding the structure (and, for the Top 25, amount) of compensation for these employees was required to be approved by the Special Master.

The Committee also makes recommendations to the Board with respect to AIG s compensation programs for other key employees and oversees AIG s management development and succession planning programs.

Attendance at Committee meetings generally includes internal legal and human resources executives and their staff members (depending upon agenda items), outside counsel and the Committee s independent consultant; beginning in October 2009 and ending upon the Department of the Treasury s final sale of AIG Common Stock in December 2012, attendance also regularly included representatives of the Department of the Treasury.

Consultants. To provide independent advice, the Committee has used the services of the Cook firm since 2005. A senior consultant of the Cook firm regularly attends the Committee s meetings and is instructed to provide independent, analytical and evaluative advice about AIG s compensation programs for senior executives, including views of how the program and proposals compare to market practices in financial services and general industry and to best practices. The Cook firm responds on a regular basis to questions from the Committee and the Committee s other advisors, providing its opinions with respect to the design and implementation of current or proposed compensation programs, including the 2013 executive compensation structure. The Cook firm also participated in the Committee meetings in which the compensation risk assessments were conducted and previously advised that the process was thorough and well designed. In light of new SEC and NYSE rules, in March 2013, the Committee reviewed various items related to the Cook firm s relationship to AIG, the members of the Committee and AIG s executive officers. The Committee confirmed that neither the Cook firm nor any of its affiliates provides any other services to AIG or its management except with respect to director compensation, and that the Cook firm had no business or personal relationship with any member of the Committee or executive officer that raised a conflict of interest with respect to the Cook firm s work for the AIG Board. The Committee also received information on the fees paid to the Cook firm by AIG as a percentage of the Cook firm s total revenue and the Cook firm s ownership of any AIG Common Stock. Considering this information, the Committee determined that the Cook firm is independent and that its work has not raised any conflict of interest.

In 2012, the Committee also considered materials prepared by Johnson Associates related to market compensation levels and various aspects of AIG s efforts to comply with the TARP Standards and the requirements of the Special Master. Johnson Associates was engaged by AIG to assist with this work. In particular, Johnson Associates prepared reports presenting market comparisons of total compensation levels for employees in the Top 25 and select positions within the Top 26-100. These reports were provided to the Special Master and considered by the Committee in its compensation decisions. The Committee performed a review of Johnson Associates services similar to the review of the Cook firm described above. The Committee noted that the Cook firm reviewed the reports prepared by Johnson Associates prior to consideration by the Committee and determined that this appropriately addressed any conflict of interest raised by Johnson Associates work or business relationship with AIG.

Consideration of Competitive Compensation Levels. Since 2009, based on the direction of the staff of the Office of the Special Master, the Committee has considered information based on a wider range of peer companies than the Committee had used in prior years. In 2012, the Committee considered information from data disclosed in surveys, proxy statements and employment contracts from a number of peer companies (Broad Data), as well as proprietary Johnson Associates data.

The companies used in the Broad Data set were: Aetna, Inc., AFLAC, The Allstate Corporation, American Express Company, Ameriprise Financial, Inc., Bank of America Corporation, Bank of New York Mellon, BlackRock, Inc., Capital One Financial Corp., CIGNA Corporation, Citigroup Inc., Chubb Group, Hartford Financial Services, Invesco Ltd., JP Morgan Chase & Co., Lincoln National Corporation, Marsh & McLennan Companies, Inc., MetLife Inc., Principal Financial Group, Inc., Prudential Financial Inc., T. Rowe Price Group, Inc., The Travelers Companies Inc., U.S. Bancorp and Wells Fargo & Company.

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Consultations with Stakeholders. AIG s compensation decisions in 2012 were guided by discussions with a number of outside stakeholders. AIG spoke frequently with the Special Master both while formulating its proposals and while implementing the Special Master s decisions.

Consideration of Prior Years Compensation. When deciding on appropriate amounts and/or structures of compensation to approve, the Special Master is permitted to take into account prior years compensation, including legally binding rights under valid employment contracts that are not themselves subject to review by the Special Master. The Special Master was provided with information on prior years compensation, and indicated that the information was considered when making decisions.

Consideration of Risk Management. As required by statute, the Committee reviewed the compensation arrangements of AIG s employees, including the named executives, with AIG s senior risk officer at least every six months during the 2012 TARP Period. For further discussion of the risk review process, see the Report of the Compensation and Management Resources Committee.

Other Considerations

Other Treasury Limits. AIG s Master Transaction Agreement with the Department of the Treasury, dated December 8, 2010, placed additional compensation limits on the 2012 compensation of certain AIG employees, including Messrs. Herzog, Dooley, Hancock and Wintrob. These limits included limiting the annual bonuses and cash performance awards vested or paid to executive officers and Senior Partners during the 2012 TARP Period to the aggregate adjusted net income for 2012 of AIG s insurance company subsidiaries included in AIG s 2012 consolidated financial statements (excluding certain amounts distributed to AIG in the form of dividends and other distributions). Each of Messrs. Herzog, Dooley and Wintrob is a Senior Partner. The compensation for AIG s named executives was designed to comply with these limits.

Deductibility of Executive Compensation. As a participant in TARP in 2012, AIG was subject to Section 162(m)(5) of the Internal Revenue Code of 1986, as amended, which limited AIG s ability to take a federal income tax deduction for compensation paid to the named executives. Section 162(m)(5) generally lowers the cap on the deductibility of compensation paid to these individuals from $1,000,000 to $500,000 per year and removes the exemption for compensation determined to be performance-based under applicable tax regulations. As a result of these limitations, deductibility was not taken into account in making 2012 compensation decisions.

Share Ownership Guidelines and No-Hedging Policy. AIG s share ownership guidelines establish levels of ownership of AIG Common Stock at five times salary for the Chief Executive Officer and three times salary for other executive officers, which includes the remaining named executives. Until the guidelines are met, such employees are required to retain 50 percent of the shares of AIG Common Stock received upon the exercise, vesting or payment of certain equity-based awards granted by AIG. Shares held for purposes of the guidelines may include stock owned outright by the officer or his or her spouse and earned but unvested share-based awards. The guidelines apply to all of AIG s executive officers. Executive officers are required to comply with the guidelines until six months after they cease to be executive officers. While AIG was subject to the TARP Standards, share ownership guidelines applied to AIG s 100 most highly compensated employees.

AIG s Code of Conduct and Insider Trading Policy prohibit employees from engaging in any hedging transactions with respect to any of AIG s securities, including by trading in any derivative security relating to AIG s securities.

Adjustment and Recovery of Awards. Both the Partners Plan and the Senior Partners Plan provide that the Committee can adjust outstanding awards for any restatement of financial results and specifically note that adjustments may take into account the fact that prior vested awards may have been overpaid. No misconduct on the part of a participant is required for the Committee to exercise this authority.

Additionally, as noted above, the incentive compensation paid to each of the named executives for 2012 will be subject to clawback by AIG if it is based on materially inaccurate financial statements or any other materially inaccurate performance metrics or if the named executive is terminated for misconduct that occurred during the period in which the incentive compensation was earned. Our 2013 incentive awards include clawback features covering financial restatements, materially inaccurate performance metrics, failures of risk management and material reputational harm to AIG.

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Conclusion

2012 marks three years that we have adhered to the extent legally permitted to comprehensive pay-for-performance standards throughout AIG. Our 2013 compensation program will build on our commitment and experience, ensuring that our people are properly motivated and appropriately rewarded for their efforts to balance profit, growth, and risk.

2012 COMPENSATION

Summary Compensation Table

The following tables contain information with respect to AIG s named executives. As required by SEC rules, AIG s named executives include the Chief Executive Officer, Chief Financial Officer and the three other most highly paid executive officers.

The presentation below differs from the manner in which AIG and, until the Department of the Treasury disposed of the last of its shares of AIG Common Stock in December 2012, the Special Master administered the compensation of AIG s named executives. In particular, for Mr. Benmosche, amounts for 2011 include a $3,499,985 equity incentive award for 2010 performance. Mr. Benmosche was not eligible to earn any incentive awards, including equity incentive awards, for 2011 and 2012 performance.

Please see Compensation Discussion and Analysis for details regarding the manner in which the compensation of the named executives was administered.

2012 Summary Compensation Table

Name and Principal Position	Year	Salary	Bonus	Stock Awards(1)	Non-Equity Incentive Plan Compensation(2)	Change in Pension Value(3)	All Other Compensation(4)	Total
Robert H. Benmosche	2012	$ 3,000,000	$ 0	$ 7,500,000	$ 0	$ 33,412	$ 40,498	$ 10,573,910
Chief Executive Officer	2011	$ 3,000,000	$ 0	$ 10,932,677	$ 0	$ 28,576	$ 22,928	$ 13,984,181
	2010	$ 3,000,000	$ 0	$ 5,380,802	$ 0	$ 18,467	$ 25,000	$ 8,424,269
David L. Herzog	2012	$ 495,000	$ 0	$ 5,804,973	$	$ 191,345	$ 27,109	$ 6,518,427
Executive Vice President	2011	$ 495,000	$ 0	$ 5,804,999	$ 0	$ 174,075	$ 21,775	$ 6,495,849
	2010	$ 492,769	$ 1,000,000	$ 5,656,588	$ 0	$ 112,279	$ 10,408	$ 7,272,044
and Chief Financial Officer								
William N. Dooley	2012	$ 450,000	$ 0	$ 5,550,000	$	$ 595,778	$ 31,723	$ 6,627,501
Executive Vice President Investments	2011	$ 450,000	$ 0	$ 5,550,000	$ 0	$ 602,981	$ 39,642	$ 6,642,623
Peter D. Hancock	2012	$ 1,800,000	$ 0	$ 6,199,995	$ 0	$ 25,364	$ 21,583	$ 8,046,942
Executive Vice President	2011	$ 1,794,231	$ 0	$ 5,199,990	$ 0	$ 28,475	$ 11,942	$ 7,034,638
Property and Casualty Insurance	2010	$ 1,326,923	$ 0	$ 5,464,938	$ 1,080,000	$ 0	$ 212,256	$ 8,084,117
Jay S. Wintrob	2012	$ 495,000	$ 0	$ 6,504,972	$ 0	$ 306,082	$ 81,257	$ 7,387,311
Executive Vice President	2011	$ 495,000	$ 0	$ 6,504,993	$ 0	$ 276,420	$ 60,466	$ 7,336,879
Life and Retirement	2010	$ 493,154	$ 1,200,000	$ 6,479,016	$ 0	$ 165,580	$ 41,683	$ 8,379,433

Footnotes to 2012 Summary Compensation Table

(1) *2012 Amounts*. For Mr. Benmosche, the amount represents the grant date fair value of Stock Salary paid during 2012 in AIG Common Stock, which is restricted from transfer until August 10, 2014, and includes $393 in cash paid in lieu of fractional shares. For Messrs. Herzog, Dooley, Hancock and Wintrob, the amounts represent the grant date fair value of Stock Salary paid during 2012 in RSUs and, except for Mr. Dooley, TARP RSUs awarded in December 2012 for 2012 performance.

2011 Amounts. For Mr. Benmosche, the amount includes TARP RSUs awarded in March 2011 for 2010 performance.

Calculation. The amount shown for the awards granted by AIG was calculated using the assumptions described in Note 21 to the Consolidated Financial Statements included in AIG s 2012 Annual Report on Form 10-K (for awards granted in 2012), Note 19 to the Consolidated Financial Statements included in AIG s 2011 Annual Report on Form 10-K (for awards granted in 2011) and Note 19 to the Consolidated Financial Statements included in AIG s 2010 Annual Report on Form 10-K (for awards granted in 2010).

(2) None of the named executives received any cash incentive pay in 2012. The amount shown for Mr. Hancock in 2010 represents 2010 year-end variable cash incentive pay. As a member of the Top 26-100 for 2010, Mr. Hancock received a 2010 Variable Cash Incentive award of $2,160,000 based on his performance against objective metrics reviewed favorably by the Office of the Special Master. In light of the restrictions applicable

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to Mr. Hancock because he was expected to enter the Top 25 for 2011, half of the Variable Cash Incentive ($1,080,000) was paid in cash in December 2010, whereas the remaining half was paid in the form of immediately vested restricted stock not transferable until the first quarter of 2012 and is included in the Stock Awards column for 2010.

(3) The amounts in this column do not represent amounts that were paid to the named executives. Rather, the amounts represent the total change of the actuarial present value of the accumulated benefit under AIG s defined benefit (pension) plans, including the Qualified Retirement Plan, the Non-Qualified Retirement Plan and the SERP and/or the American General Corporation Supplemental Executive Retirement Plan, as applicable. These plans are described in Post-Employment Compensation Pension Benefits. (For Mr. Herzog, the amounts previously reported in AIG s 2010 Proxy Statement were overstated by small amounts as the three-year average earnings used for that proxy calculation included three years of base salary paid through October 31, 2009. The calculation should have been based upon three years of base salary paid through October 22, 2009 to reflect the date his nonqualified pension benefits were frozen.)

Pursuant to the Determination Memoranda issued by the Office of the Special Master on October 22, 2009, December 11, 2009, March 23, 2010, April 16, 2010, April 1, 2011, April 8, 2011, April 6, 2012 and May 9, 2012 (the Memoranda), there was a freeze on future benefit accruals with regard to the benefits provided under the Non-Qualified Retirement Plan and the SERP. The Memoranda required AIG to cease any future benefit accruals for executives while they were Top 100 employees. Pursuant to the Memoranda, benefit accruals in these plans ceased on October 22, 2009 for Messrs. Benmosche, Herzog and Wintrob and on December 11, 2009 for Mr. Dooley. Mr. Hancock commenced employment after the freeze date and therefore did not accrue any benefits in the Non-Qualified Retirement Plan prior to the end of the 2012 TARP Period. Because the TARP Standards ceased to apply to AIG as of December 14, 2012, the freeze on benefits accrual in the Non-Qualified Retirement Plan and SERP ended, and Top 100 employees, including the named executives, became eligible to accrue benefits under these plans after this date. We are not permitted to restore the service accrual for the length of time during which these executives were subject to the freeze.

(4) *Perquisites.* This column includes the incremental costs of perquisites and benefits. The following table details the incremental cost to AIG of perquisites received by each named executive.

Perquisites and Benefits

Name	Personal Use of Car Service/Car Allowance/Parking(a)	Financial, Tax and Legal Planning(b)	Other(c)	Total
Robert H. Benmosche	$ 25,186	$ 0	$ 0	$ 25,186
David L. Herzog	$ 6,529	$ 0	$ 5,100	$ 11,629
William N. Dooley	$ 0	$ 16,243	$ 0	$ 16,243
Peter D. Hancock	$ 6,103	$ 0	$ 0	$ 6,103
Jay S. Wintrob	$ 13,308	$ 10,000	$ 0	$ 23,308

(a) For Mr. Benmosche, who was provided with a dedicated car and driver, car use reflects the incremental cost of driver overtime compensation, fuel and maintenance attributable to personal use. Although this benefit was provided to enhance the security and efficient travel of Mr. Benmosche, SEC rules require that costs of commuting and other uses not directly and integrally related to business be disclosed as compensation to the executive. For the other named executives, the incremental cost for car-related perquisites represents AIG s direct expenditures.

(b) Incremental costs related to financial, tax and legal planning represent AIG s direct expenditures.

(c) All of the named executives are eligible to have an annual medical examination paid for by the company. Mr. Herzog elected to participate in the program and the amount shown represents the cost of the examination.

Other Benefits. This column also includes life insurance premiums paid for the benefit of the named executives. All named executives are covered under the AIG Basic Group Life Insurance Plan. For group life insurance, the 2012 company-paid costs were: Benmosche $312; Herzog $480; Dooley $480; Hancock $480; and Wintrob $480.

This column also includes matching contributions by AIG under its 401(k) plan. These matching contributions include the following *a*mounts in 2012: Benmosche $15,000; Herzog $15,000; Dooley $15,000; Hancock $15,000; and Wintrob $14,715. See Post-Employment Compensation Nonqualified Deferred Compensation for additional details.

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For Mr. Wintrob, this column includes special tax distributions of $42,754 in 2012 related to his investment in an employee co-investment fund, SunAmerica Venture Fund 2000, L.P.

AIG maintains a policy of directors and officers liability insurance for itself, its directors and officers and its subsidiaries and their directors and officers. The premium for this policy for the year ended September 22, 2012 was approximately $34 million, and for the year ending September 22, 2013 was approximately $30 million. In addition, AIG purchased coverage in 2008 that will be in effect until 2014 and will allow AIG and its subsidiaries to report claims that relate to director and officer conduct during the period from May 24, 2005 to September 22, 2008, at a total cost of approximately $75 million.

2012 Grants of Plan-Based Awards

Total 2012 Grants**.** The following table details all equity and non-equity plan-based awards granted to each of the named executives in 2012.

2012 Grants of Plan-Based Awards

Name	Grant Date	Committee Action Date(1)	Estimated Possible Payouts Under Non-equity Incentive Plan Awards	Estimated Possible Payouts Under Equity Incentive Plan Awards			All Other Stock Awards (# of AIG Shares)	All Other Option Awards	Exercise Price of Option Awards ($/Sh)	Grant Date Fair Value of Equity Awards ($)(2)
				Threshold	Target	Maximum				
Robert H. Benmosche										
Stock Salary paid in restricted stock**(3)**	01/06/12	04/12/11					12,254			$ 288,459
	01/20/12	04/12/11					11,246			$ 288,460
	02/03/12	04/12/11					10,616			$ 288,437
	02/17/12	04/12/11					10,593			$ 288,447
	03/02/12	04/12/11					9,679			$ 288,434
	03/16/12	04/12/11					10,291			$ 288,457
	03/30/12	04/12/11					9,356			$ 288,445
	04/13/12	04/10/12					8,881			$ 288,455
	04/27/12	04/10/12					8,370			$ 288,430
	05/11/12	04/10/12					9,085			$ 288,449
	05/25/12	04/10/12					9,950			$ 288,451
	06/08/12	04/10/12					9,463			$ 288,432
	06/22/12	04/10/12					9,174			$ 288,431
	07/06/12	04/10/12					9,137			$ 288,455
	07/20/12	04/10/12					9,296			$ 288,455
	08/03/12	04/10/12					9,204			$ 288,453
	08/17/12	04/10/12					8,289			$ 288,457
	08/31/12	04/10/12					8,402			$ 288,441
	09/14/12	04/10/12					8,237			$ 288,460
	09/28/12	04/10/12					8,797			$ 288,454
	10/12/12	04/10/12					8,134			$ 288,432
	10/26/12	04/10/12					8,308			$ 288,454
	11/09/12	04/10/12					8,966			$ 288,436
	11/23/12	04/10/12					8,786			$ 288,444
	12/07/12	04/10/12					8,451			$ 288,433
	12/21/12	04/10/12					8,303			$ 288,446
Total							241,268			$ 7,499,607
David L. Herzog										
Stock Salary paid in RSUs	04/13/12	04/10/12					42,511			$ 1,380,750
	04/30/12	04/10/12					5,796			$ 197,250
	05/15/12	04/10/12					6,371			$ 197,250
	05/30/12	04/10/12					6,828			$ 197,250
	06/15/12	04/10/12					6,266			$ 197,250
	06/29/12	04/10/12					6,147			$ 197,250

	07/13/12	04/10/12	6,274	$ 197,250
	07/30/12	04/10/12	6,218	$ 197,250
	08/15/12	04/10/12	5,796	$ 197,250
	08/30/12	04/10/12	5,838	$ 197,250
	09/14/12	04/10/12	5,632	$ 197,250
	09/28/12	04/10/12	6,016	$ 197,250
	10/15/12	04/10/12	5,435	$ 197,250
	10/30/12	04/10/12	5,647	$ 197,250
	11/15/12	04/10/12	6,314	$ 197,250
	11/30/12	04/10/12	5,954	$ 197,250
	12/14/12	04/10/12	5,812	$ 197,250
	12/28/12	04/10/12	5,704	$ 197,250
TARP RSUs	12/17/12	12/17/12	30,643	$ 1,070,973
Total			175,202	$ 5,804,973

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Name	Grant Date	Committee Action Date(1)	Estimated Possible Payouts Under Non-equity Incentive Plan Awards	Estimated Possible Payouts Under Equity Incentive Plan Awards Threshold	Target	Maximum	All Other Stock Awards (# of AIG Shares)	All Other Option Awards	Exercise Price of Option Awards ($/Sh)	Grant Date Fair Value of Equity Awards ($)(2)
William N. Dooley										
Stock Salary paid in RSUs	04/13/12	04/10/12					49,838			$ 1,618,750
	04/30/12	04/10/12					6,795			$ 231,250
	05/15/12	04/10/12					7,469			$ 231,250
	05/30/12	04/10/12					8,004			$ 231,250
	06/15/12	04/10/12					7,346			$ 231,250
	06/29/12	04/10/12					7,206			$ 231,250
	07/13/12	04/10/12					7,355			$ 231,250
	07/30/12	04/10/12					7,290			$ 231,250
	08/15/12	04/10/12					6,795			$ 231,250
	08/30/12	04/10/12					6,844			$ 231,250
	09/14/12	04/10/12					6,603			$ 231,250
	09/28/12	04/10/12					7,052			$ 231,250
	10/15/12	04/10/12					6,372			$ 231,250
	10/30/12	04/10/12					6,620			$ 231,250
	11/15/12	04/10/12					7,402			$ 231,250
	11/30/12	04/10/12					6,980			$ 231,250
	12/14/12	04/10/12					6,813			$ 231,250
	12/28/12	04/10/12					6,687			$ 231,250
Total							169,471			$ 5,550,000
Peter D. Hancock										
Stock Salary paid in RSUs	04/13/12	04/10/12					46,695			$ 1,516,667
	04/30/12	04/10/12					6,367			$ 216,667
	05/15/12	04/10/12					6,998			$ 216,667
	05/30/12	04/10/12					7,500			$ 216,667
	06/15/12	04/10/12					6,883			$ 216,667
	06/29/12	04/10/12					6,752			$ 216,667
	07/13/12	04/10/12					6,891			$ 216,667
	07/30/12	04/10/12					6,831			$ 216,667
	08/15/12	04/10/12					6,367			$ 216,667
	08/30/12	04/10/12					6,412			$ 216,667
	09/14/12	04/10/12					6,187			$ 216,667
	09/28/12	04/10/12					6,608			$ 216,667
	10/15/12	04/10/12					5,970			$ 216,667
	10/30/12	04/10/12					6,203			$ 216,667
	11/15/12	04/10/12					6,936			$ 216,667
	11/30/12	04/10/12					6,540			$ 216,667