

AMERICAN INTERNATIONAL GROUP INC

Form 424B2

May 17, 2007

PRICING SUPPLEMENT NO. MP-5  
 DATED MAY 15, 2007  
 TO PROSPECTUS DATED JULY 24, 2006  
 AND PROSPECTUS SUPPLEMENT DATED  
 OCTOBER 12, 2006

FILED PURSUANT TO RULE 424(b)(2)  
 REGISTRATION NO. 333-106040

**AMERICAN INTERNATIONAL GROUP, INC.**

**5.450% MEDIUM-TERM NOTES, SERIES MP, MATCHED INVESTMENT PROGRAM, DUE MAY 18, 2017**

|  |   |
|--|---|
| Principal Amount: U.S.\$850,000,000  | Original Issue Date: May 18, 2007   |
| Agents Discount or Commission: U.S.\$3,400,000   | Stated Maturity: May 18, 2017   |
| Net Proceeds to Issuer: U.S.\$845,690,500  | Interest Rate: 5.450%   |
| Form: <input checked="" type="checkbox"/> Book Entry <input type="checkbox"/> Certificated | CUSIP No.: 02687QBW7  |
| Specified Currency (If other than U.S. dollars): N/A                                       | Authorized Denominations (If other than U.S.\$1,000 and integral multiples of U.S.\$1,000 in excess thereof):<br>U.S.\$2,000 and integral multiples of U.S.\$1,000 in excess thereof. |

The notes are being placed through or purchased by the Agents listed below:

|   |                   |           |                             |  |
|---|-------------------|-----------|-----------------------------|--|
| Barclays Capital Inc.                   | U.S.\$240,890,000 | Capacity: | <input type="radio"/> Agent | <input checked="" type="radio"/> Principal |
| Morgan Stanley & Co. Incorporated       | U.S.\$240,805,000 | Capacity: | <input type="radio"/> Agent | <input checked="" type="radio"/> Principal |
| Wachovia Capital Markets, LLC           | U.S.\$240,805,000 | Capacity: | <input type="radio"/> Agent | <input checked="" type="radio"/> Principal |
| ANZ Securities, Inc.                    | U.S. \$31,875,000 | Capacity: | <input type="radio"/> Agent | <input checked="" type="radio"/> Principal |
| BMO Capital Markets Corp.               | U.S. \$31,875,000 | Capacity: | <input type="radio"/> Agent | <input checked="" type="radio"/> Principal |
| KeyBanc Capital Markets Inc.            | U.S. \$31,875,000 | Capacity: | <input type="radio"/> Agent | <input checked="" type="radio"/> Principal |
| National Australia Capital Markets, LLC | U.S. \$31,875,000 | Capacity: | <input type="radio"/> Agent | <input checked="" type="radio"/> Principal |

If as Agent: The notes are being offered at a fixed initial public offering price of \_\_\_\_% of principal amount.

If as Principal:

- The notes are being offered at varying prices related to prevailing market prices at the time of resale.
- The notes are being offered at a fixed initial public offering price of 99.893% of principal amount.

Interest Payment Dates: Semi-annually on every May 18 and November 18, commencing November 18, 2007

Redemption Provisions:

- The notes cannot be redeemed prior to the Stated Maturity.
- The notes may be redeemed prior to the Stated Maturity.

Initial Redemption Date:

Initial Redemption Percentage: \_\_\_\_%

Annual Redemption Percentage Reduction: \_\_\_\_%

Optional Repayment Provisions:

- þ The notes cannot be repaid prior to the Stated Maturity.
- o The notes can be repaid prior to the Stated Maturity at the option of the holder of the notes. Optional Repayment Date(s):

Use of Proceeds: We intend to use the net proceeds from the sale of the notes to fund the AIG Matched Investment Program, American International Group, Inc.'s principal spread-based investment activity.

Other Provisions: None

We are offering notes on a continuing basis through AIG Financial Securities Corp., ABN AMRO Incorporated, Banca IMI S.p.A., Banc of America Securities LLC, Barclays Capital Inc., Bear, Stearns & Co. Inc., BMO Capital Markets Corp., BNP Paribas Securities Corp., BNY Capital Markets, Inc., Calyon Securities (USA) Inc., Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC, Daiwa Securities America Inc., Daiwa Securities SMBC Europe Limited, Deutsche Bank Securities Inc., Goldman, Sachs & Co., Greenwich Capital Markets, Inc., HSBC Securities (USA) Inc., J.P. Morgan Securities Inc., Lehman Brothers Inc., KeyBanc Capital Markets Inc. (f/k/a McDonald

---

Investments Inc.), Merrill Lynch, Pierce, Fenner & Smith Incorporated, Mitsubishi UFJ Securities International plc, Morgan Stanley & Co. Incorporated, RBC Capital Markets Corporation, Santander Investment Securities Inc., Scotia Capital (USA) Inc., SG Americas Securities, LLC, TD Securities (USA) LLC, UBS Securities LLC, and Wachovia Capital Markets, LLC, as agents, each of which has agreed to use its best efforts to solicit offers to purchase notes. We may also accept offers to purchase notes through other agents. See Plan of Distribution in the accompanying prospectus supplement. To date, if we include the notes described by this pricing supplement, we will have issued approximately \$3.7 billion aggregate principal amount (or its equivalent in one or more foreign currencies) of notes described in the accompanying prospectus supplement.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the notes or determined if the prospectus, the prospectus supplement or this pricing supplement is truthful or complete. Any representation to the contrary is a criminal offense.**