PLAINTIFF'S EXHIBIT 645

PROPERTY-CASUALTY INSURANCE
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RESEARCH NOTE
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American International Group (AIG-$94.31)

Rating: Attractive

AIG: Initiating 2001 EPS Estimate

KEY POINTS

- We are maintaining our 2000 estimate and initiating a 2001 estimate of $4.20 for AIG.

Key Data	
52-Wk Range	$114-79
Eq.Mkt.Cap.(MM)	$146,011
Sh.Out.(MM)	1,548.2
Float	66%
Inst.Hldgs.	56.6%
Av.Dly.Vol.(K)	2,452
Curr. Div./Yield	$0.20/0.2%
Sec.Grwth.Rate	NA
12-mo. Tgt Price	$110.00
12-mo. Rel. Pot'l	16.8%
Convertible?	No

Quarterly Earnings Per Share (fiscal year ends December)

	1999A	2000E	Prev	2001E	Prev
1Q	$0.75				
2Q	0.80				
3Q	0.79				
4Q	0.84				
Year	$3.19	$3.68		$4.20	
FC Cons.:	$3.19	$3.64		$4.10	
Revs.(MM):	NA	NA		NA	
P/E:	29.6x	25.6x		22.5x	

American International Group, Inc. provides a broad range of insurance and insurance-related activities and financial services in the U.S. and abroad.

We are maintaining our 2000 EPS estimate and initiating a 2001 EPS estimate of $4.20 for AIG. In our opinion the stock remains attractive, having pulled back in the route in the insurance stocks. Our target on AIG remains $110, or 26X 2001E.

We believe the market overreacted to minor items in the property-casualty business in the quarter, while overlooking the big picture -- a rapidly growing domestic and international life insurer with a strong financial services business and a good acquisition currency. Issues that seemed to concern investors included catastrophes, slightly lower sequential premium growth rates, the auto insurance fundamental environment, and reserves.

To us the most important things to watch at AIG are: the phenomenal growth of its life insurance business, the pending introduction of SunAmerica's products into the international market, the opening of the Indian market, and AIG's expansion in China now that the WTO agreement has been signed, and what AIG might do in the personal lines arena now that Bruce Marlow will be running 20th Century. We also note that the company's stock retains very strong currency value, especially in light of the currently depressed valuations of some other insurers.

While we do not believe making an acquisition is at all essential for AIG, the company is opportunistic and there are certainly undervalued assets that fit. Two names that come to mind are Progressive and MBIA. Keep in mind though, that we are not so much predicting an acquisition as illustrating the wealth of opportunities that surround this company and its globally dominant businesses.

HIGHLIGHTS OF THE QUARTER

Earnings per share of $0.84 grew 15.1% and were a penny shy of the "pre-storm" consensus and in line with consensus at the report date. AIG would have earned $0.87, with operating earnings growth of 17.6%, excluding the storms; there were no unusual items behind the strong core earnings.

AIG-only net written premiums grew 4.7%, the same as the combined company growth rate. On the domestic side, management noted that $80 million of premium was nonrenewed due to market conditions in the quarter -- vs. $95 million last quarter, $100 million in the second quarter, and $175 million in the first quarter of 1999. Foreign general insurance is still reporting double-digit growth.

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AIG underwrote at a 97.1% combined ratio excluding Transatlantic and TW and reported normal investment income growth of 8.7%. Transatlantic's combined ratio was high at 113.6% due to the European storms. Management also noted that 21st Century's "difficult fourth quarter," and 101.1% combined ratio which is under pressure from rising loss costs, consistent with the rest of the industry, and rates will be taken up. Despite this, AIG wrote at a profit this quarter, with a consolidated combined ratio of 98.95%.

Investors showed some concern over AIG's net reduction in reserves of $95 million. Our observation is that, through the nine months, AIG was actually releasing less prior year loss reserves than in 1998 (2.0 points vs. 2.5 points). We believe that the decline is primarily related to the current accident year and involves payment of Hurricane Floyd losses as well as the shortening reserve tail. In other words, it fits the trend of AIG's business mix and, pending a review of the full Schedule P, appears reasonable.

The real star of the quarter was AIG's life business, which grew operating earnings 23.8% for the quarter vs. 22.8% for the full year. SunAmerica's earnings continued to be spectacular, growing 43.4% for the year and 45% for the quarter. Excluding SAI, AIG's life business grew 14.0% in the quarter. Further, the international business is showing clear signs of recovery and acceleration. We believe this business, which now accounts for more than $3 billion of operating earnings, is the driver and should be the main focus of investors rather than the finer points of the nonlife business, which is diminishing in importance.

Financial services earnings rose 21.9%, roughly in line with normal trends. Asset management continued to grow nicely, and we view this as an essentially well-rounded quarter.

RISKS

Inflation, currencies, reserves, and capital markets volatility are the primary risks.

Additional information available upon request.