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Treasury to Sell $6 Billion Worth of A.I.G. Shares

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The Treasury Department announced a plan on Wednesday to sell $6 billion of its American International Group shares, further whittling down the federal government's holdings in the insurance giant it helped bail out during the financial crisis.

As part of the offering, which is expected to be completed in a few days, A.I.G. will buy back up to $3 billion worth of the common stock that the Treasury Department is selling.

A.I.G. will also repay $8.5 billion in other obligations to the Treasury Department, principally using proceeds gained from various asset sales.

The plan is the latest effort by the federal government to unwind its $182 billion bailout of A.I.G. in 2008.

Last spring, the Treasury Department sold off 200 million shares of the insurer in a highly awaited offering known as the "re-I.P.O." of A.I.G.

Yet that sale still left the government owning about 77 percent of the company, down from 92 percent.

Upon the completion of the new stock offering, the government will own a stake in the company worth about $41.8 billion, or roughly 70 percent, depending on how well the sale fares.

For A.I.G., shedding the Treasury's ownership stake would not only remove a haunting reminder of the company's near-death experience, but also bolster its status as a fully functioning company and erase any doubt that it is no longer a ward of the state.

"The bottom line is this: The people of A.I.G. have achieved another significant milestone in our progress toward our goal that American taxpayers recoup their entire investment in A.I.G. at a profit," Robert H. Benmosche, the insurer's chief executive, said in a statement. "We are very pleased with our progress to date and look forward to building on our momentum."

And for the government, disposing of the stake would close the chapter on one of the most controversial bailouts in recent memory.

Still, the Federal Reserve Bank of New York is owed about $9.3 billion through a loan that is supporting a special entity that holds some mortgage-related securities the government bought from A.I.G. as part of its rescue.

A.I.G. has labored to raise money to pay back its government obligations and to shore up its operations. In the more than three years since its bailout, the company has spun off or sold major international units. It hopes to spin off additional divisions, notably the International Lease Finance Corporation, an aircraft-leasing business, in the near future.

Last month, A.I.G. reported improving results at most of its core businesses, and its operating profit exceeded analysts' expectations. Its fourth-quarter profit, however, received an enormous lift from a one-time accounting benefit.

Shares of the company rose 1.4 percent to $29.45 on Wednesday, though they fell in after-hours trading. They have risen about 27 percent so far this year.

The sale of the Treasury's A.I.G. common shares is being managed by Citigroup, Credit Suisse and Morgan Stanley.