
AMERICAN INCOME LIFE INSURANCE COMPANY

PROSPECTUS NO. 15

23 June 2011

The following information is included in compliance with the matters prescribed by the Securities Regulations 2009. The numbering used for the principal clauses in the Prospectus corresponds to that used in Schedule 5 of the Regulations.

1 Description of Company

- (1) American Income Life Insurance Company ("the Company"), whose principal place of business in New Zealand and contact address is AIL House, 2165 Great North Road, Avondale, Auckland 0600, New Zealand.
- (2)
 - (a) Organised under Title 27, Article 1, Chapter 7 of the laws of the State of Indiana;
 - (b) Incorporated 16 July 1954, in the United States of America;
 - (c) Owned by Globe Life and Accident Insurance Company, a wholly owned subsidiary of Torchmark Corporation (a publicly-traded insurance holding company in the USA). Registered 4 April 1995 in New Zealand as an overseas company under Part XVIII of the Companies Act 1993;
 - (d) Registered number 644876;
 - (e) A copy of this Prospectus, the documents that accompanied it when it was registered (being the auditor's report and consent, and specimen copies of the life insurance policies to which this Prospectus relates) are filed on a public register at the Companies Office, and are available to view on American Income Life Insurance Company's file on the Companies Office website at www.business.govt.nz/companies/. Where documents are not available on the website, copies may also be obtained (on payment of any relevant fee) by telephoning the Ministry of Economic Development Business Service Centre on 0508 266 726.
- (3) The principal activities of the Company are to insure individuals for life and health insurance and to invest monies received from providing that insurance.

During the previous five years (being the last 5 calendar years ending 31 December 2010), the Company's life insurance in force has increased from US\$24.6 billion to US\$33.2 billion. During the same period, assets

increased from US\$2.3 billion to US\$3.1 billion, and capital and surplus changed from US\$0.9 billion to US\$1.1 billion.

In the quarter to March 2011, the Company's assets and capital and surplus increased to US\$3.2 billion and US\$1.2 billion respectively, and the Company's life insurance in force increased to US\$33.6 billion. These figures have not changed materially as at the date of this prospectus.

2 **Description of Policies**

- (1) This Prospectus relates to permanent life and term life insurance policies with premiums and benefits fixed at the time the policy is issued ("Policies" or "Policy"). Permanent life insurance expires without value at age 120. Term life insurance terminates without value at the end of its term, age 100. Premiums are payable for the full term of the Policy. The Policies do not share in the profits or surplus of the Company.

Both permanent life and term life Policies have no Cash Values or Paid-Up Insurance. The Policyowner purchases a Face Amount of insurance (i.e. \$10,000).

- (2) Each Policy provides that a benefit is payable to the nominated beneficiary on the death of the person insured (the "Insured") if that death occurs while the Policy is in force. "In force" means that insurance coverage has not stopped.

The Policyowner must pay on the due date an amount required to keep the Policy in force (the "Premium"). The Premium is calculated on an annual basis but may be paid at shorter intervals in accordance with the Policy. There is a grace period of 31 days after each due date other than the first due date. If the Premium is not paid within this period, the insurance will stop unless it can be continued for a limited time in accordance with the Policy.

The amount of the Premium for a Policy will vary depending on the age and sex of the Insured as well as the type and amount of insurance selected. The Premium is printed in each Policy and is usually determined at the time application is made for the insurance.

If the Insured dies while the Policy is in force then the beneficiary will be paid a benefit equal to the Face Amount. The benefit will be paid as a lump sum unless the Policyowner has previously selected or the beneficiary chooses one of the settlement options listed in the policy.

3 **Limitations on liability or returns**

Neither the liability of the Company to satisfy its obligations under a Policy nor returns to the Policyowners are limited by nor related to any particular group of

assets or the returns on any particular group of assets. All the assets of the Company are available to satisfy its obligations under any Policy.

4 Directors, promoters, auditors, and advisers

(1) The Directors of the Company are:

Bernard Rapoport, Waco, Texas, USA

Larry M. Hutchison, Executive Vice President and General Counsel (Torchmark Corporation), Duncanville, Texas, USA

Gary L. Coleman, Executive Vice President and Chief Financial Officer (Torchmark Corporation), Plano, Texas, USA

Roger C Smith, CEO and President (American Income Life Insurance Company), Lucas, Texas, USA

William J. Wood, Indianapolis, Indiana, USA

Ben W. Lutek, Senior Vice President and Chief Actuary (American Income Life Insurance Company) and Vice President and Chief Actuary (Torchmark Corporation), McKinney, Texas, USA

The Directors of the Company can be contacted at the New Zealand address of the Company.

(2) The professional advisors involved in the preparation of this Prospectus were:

Branch Auditor: Deloitte, 60 Grove Road, PO Box 248, Christchurch 8140, New Zealand;

Company Auditor: Deloitte & Touche LLP, 2200 Ross Avenue, Suite 1600, Dallas TX 75201-6778, United States;

Solicitors: Chapman Tripp, Level 35, 23-29 Albert Street, Auckland 1140, New Zealand;

Actuary: Peter Davies, F.I.A., Consulting Actuary, Davies Financial & Actuarial Limited, Level 1, 3 Shea Terrace, Takapuna, Auckland 0622, New Zealand.

5 Summary of financial statements

	American Income Life Insurance Company (US\$)					American Income Life Insurance Company - New Zealand Branch (NZ\$)				
	DEC 31 2010	DEC 31 2009	DEC 31 2008	DEC 31 2007	DEC 31 2006	DEC 31 2010	DEC 31 2009	DEC 31 2008	DEC 31 2007	DEC 31 2006
	US GAAP	US GAAP	US GAAP	US GAAP	US GAAP	NZ IFRS	NZ IFRS	NZ IFRS	NZ IFRS	Previous NZ GAAP
SUMMARY BALANCE SHEET										
EQUITY										
Retained Earnings	434,710	351,988	380,463	313,377	266,683	0	0	0	0	0
Home Office Account	0	0	0	0	0	26,983	23,304	20,249	18,587	15,853
Other	703,800	630,349	454,349	644,387	659,903	0	0	0	0	0
Total Equity	1,138,510	982,347	834,812	957,764	926,586	26,983	23,304	20,249	18,587	15,853
LIABILITIES										
Policy and Contract Claims	34,624	30,625	30,556	29,318	27,193	1,184	374	283	301	218
Unearned Premiums	1,452	1,285	1,260	1,154	945	32	8	3	3	4
Premium taxes, licenses and fees due	1,649	1,501	-36	2,176	2,807	6	0	0	8	20
Trade and Other Liabilities	56,258	29,155	34,148	9,506	21,683	565	769	140	146	118
Agents Balances	0	0	0	0	352	0	0	0	0	0
Aggregate Reserves for Future Policy Benefits	1,558,869	1,436,759	1,311,195	1,229,510	1,104,400	0	0	0	0	0
Deferred Tax Liability	268,403	192,948	79,790	159,742	143,899	6,412	4,530	3,636	3,193	2,947
Other Policyholder Funds	81,332	80,725	80,333	80,693	80,984	0	0	0	0	0
Total Liabilities	2,002,587	1,772,988	1,531,246	1,512,099	1,382,263	8,199	5,690	4,062	3,651	3,307
ASSETS										
Cash and cash equivalents	56,611	146,455	47,384	47,293	62,652	366	3,296	6,056	5,168	4,421
Short term deposits	0	0	0	0	0	1,129	1,834	1,533	1,181	842
Fixed Maturities - Investments	1,666,509	1,344,203	1,104,448	1,296,355	1,205,824	5,755	5,554	5,821	5,357	5,611
Equity Securities	670	641	626	596	576	0	0	0	0	0
Preferred Stock of Affiliate	39,169	39,169	39,169	39,169	39,169	0	0	0	0	0
Common Stock of Affiliate	54,537	44,688	33,285	32,176	34,790	0	0	0	0	0
Policy Loans	90,355	76,863	64,457	57,044	51,164	0	0	0	0	0
Outstanding Premiums	1,722	1,789	1,599	1,608	1,584	592	535	265	215	197
Accrued Investment Income	29,674	25,951	25,804	25,094	23,602	97	101	105	102	98
Agent Balance Receivables	2,570	1,808	2,040	1,532	0	11,950	7,654	3,579	2,494	1,474
Net Reserves for Future Policy Benefits	0	0	0	0	0	9,831	5,240	3,255	4,457	3,517
Prepayments	0	0	0	0	0	50	50	57	71	53
Income Tax Receivable from Parent	9,155	12,416	40,740	42,086	16,773	0	0	0	0	0
Other Assets	69,316	25,134	44,232	4,266	9,176	0	0	4	0	0
Other Long Term Investments	5,954	7,055	6,929	7,966	0	0	0	0	0	0
Deferred Policy Acquisition Costs	749,806	672,182	596,084	552,295	498,452	0	0	0	0	0
Cost of Insurance Acquired	23,322	25,235	27,328	29,599	31,932	0	0	0	0	0
Goodwill	330,657	330,657	330,657	330,657	330,657	0	0	0	0	0
Property and Equipment	1,070	1,099	1,366	1,564	1,808	0	0	0	0	0
Real Estate	0	0	0	543	690	0	0	0	0	0
Deferred Tax Asset	0	0	0	0	0	6,312	4,530	3,636	2,947	2,947
Total Assets	3,141,097	2,755,345	2,366,058	2,469,863	2,308,849	35,082	28,994	24,311	22,238	19,160
NET ASSETS	1,138,510	982,347	834,812	957,764	926,586	26,883	23,304	20,249	18,587	15,853

American Income Life Insurance Company (US\$)

	DEC 31 2010	DEC 31 2009	DEC 31 2008	DEC 31 2007	DEC 31 2006
	US GAAP	US GAAP	US GAAP	US GAAP	US GAAP
SUMMARY STATEMENT OF COMPREHENSIVE INCOME					
Total income	720,631	631,330	610,914	572,351	535,023
Total Expenditures	472,258	435,049	404,336	385,445	383,015
Profit before taxation	248,373	196,281	206,578	186,906	172,008
Taxation	80,521	64,076	55,869	62,720	60,467
Profit after taxation	167,852	132,205	150,709	124,186	111,541
Total Comprehensive Income	167,852	132,205	150,709	124,186	111,541

American Income Life Insurance Company (US\$)

	DEC 31 2010	DEC 31 2009	DEC 31 2008	DEC 31 2007	DEC 31 2006
	US GAAP	US GAAP	US GAAP	US GAAP	US GAAP
SUMMARY STATEMENT OF CHANGES IN EQUITY					
Balance-Beginning of the year	982,347	834,812	957,764	926,586	921,805
Contributions from the Home Office	0	0	0	0	0
Total net income	167,852	132,205	150,709	124,186	111,541
Capital contributions	0	20,000	0	0	0
Stock-based compensation	457	340	364	263	174
Change in net unrealized gains/losses	70,866	142,981	-173,867	-32,847	-13,717
Foreign Currency Translation Adjustment	2,877	13,243	-16,364	15,023	-217
Pension Adjustments	-814	-564	-176	266	-1,061
Dividends declared	-85,140	-160,670	-83,623	-77,500	-92,000
Adoption of FIN48	0	0	0	0	0
Exercise of options	65	0	5	1,579	61
Total Comprehensive Income for the year	156,163	147,535	-122,952	31,178	4,781
Equity end of year	1,138,510	982,347	834,812	957,764	926,586

American Income Life Insurance Company (US\$)

	DEC 31 2010	DEC 31 2009	DEC 31 2008	DEC 31 2007	DEC 31 2006
	US GAAP	US GAAP	US GAAP	US GAAP	US GAAP
SUMMARY CASH FLOW STATEMENT					
Net cash inflows (outflows) from operating activities	224,844	253,428	222,518	197,280	196,437
Net cash inflows (outflows) from investing activities	-212,043	-4,255	-139,028	-139,717	-68,447
Net cash inflows (outflows) from financing activities	-85,075	-151,670	-72,506	-75,658	-91,765
Effect of foreign currency translation on cash	-7,570	1,568	-10,803	2,736	-666
Net increase/(decrease) in cash held	-79,844	98,071	81	-15,359	35,559
Cash on Hand-Beginning of year	146,455	47,384	47,293	62,652	27,093
Cash on Hand-End of year	66,611	146,455	47,384	47,293	62,652

American Income Life Insurance Company - New Zealand Branch (NZ\$)

	DEC 31 2010	DEC 31 2009	DEC 31 2008	DEC 31 2007	DEC 31 2006
	NZ IFRS	NZ IFRS	NZ IFRS	NZ IFRS	NZ IFRS
SUMMARY STATEMENT OF COMPREHENSIVE INCOME					
Total income	20,564	11,664	8,351	7,031	6,371
Total Expenditures	20,402	11,436	8,153	5,253	4,611
Profit before taxation	162	228	198	1,778	1,760
Taxation	0	0	0	0	0
Profit after taxation	162	228	198	1,778	1,760
Total Comprehensive Income	162	228	198	1,778	1,760

American Income Life Insurance Company - New Zealand Branch (NZ\$)

	DEC 31 2010	DEC 31 2009	DEC 31 2008	DEC 31 2007	DEC 31 2006
	NZ IFRS	NZ IFRS	NZ IFRS	NZ IFRS	NZ IFRS
SUMMARY STATEMENT OF CHANGES IN HOME OFFICE ACCOUNT					
Balance-Beginning of the year	23,304	20,250	18,587	15,853	13,060
Contributions from the Home Office	3,517	2,825	1,464	956	1,760
Total net income	162	228	198	1,778	1,033
Capital contributions	0	0	0	0	0
Stock-based compensation	0	0	0	0	0
Change in net unrealized gains/losses	0	0	0	0	0
Foreign Currency Translation Adjustment	0	0	0	0	0
Pension Adjustments	0	0	0	0	0
Dividends declared	0	0	0	0	0
Adoption of FIN48	0	0	0	0	0
Exercise of options	0	0	0	0	0
Total Comprehensive Income for the year	3,679	3,054	1,662	2,734	2,793
Equity end of year	26,983	23,304	20,249	18,587	15,853

American Income Life Insurance Company - New Zealand Branch (NZ\$)

	DEC 31 2010	DEC 31 2009	DEC 31 2008	DEC 31 2007	DEC 31 2006
	NZ IFRS	NZ IFRS	NZ IFRS	NZ IFRS	NZ IFRS
SUMMARY CASH FLOW STATEMENT					
Net cash inflows (outflows) from operating activities	-7,152	-5,284	-225	130	873
Net cash inflows (outflows) from investing activities	705	-302	-352	-338	-341
Net cash inflows (outflows) from financing activities	3,517	2,826	1,465	955	1,032
Effect of foreign currency translation on cash	0	0	0	0	0
Net increase/(decrease) in cash held	-2,930	-2,760	888	747	1,564
Cash on Hand-Beginning of year	3,296	6,056	5,168	4,421	2,857
Cash on Hand-End of year	366	3,296	6,056	5,168	4,421

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

The summary of financial statements are those of the Company and its New Zealand branch which is a profit oriented entity. The Company financial statements have been prepared in accordance with United States generally accepted accounting principles and were extracted from unqualified audited financial statements. The Summary New Zealand branch financial statements have been prepared, subject to the regulations, in accordance with NZ GAAP as it relates to summary financial statements and have been extracted from full audited financial statements that:

- for the financial years ended 31 December 2010, 2009, 2008, 2007 and 2006 have been prepared in accordance with the New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS). The full financial statements for each of these years included an explicit and unreserved statement of compliance with IFRS.
- for the financial year ended 31 December 2006 has been prepared in accordance with New Zealand Financial Reporting Standards (NZ FRS) applicable prior to the implementation of NZ IFRS.

Unmodified audit opinions were expressed in the full New Zealand branch financial statements for the years ended 31 December 2010, 31 December 2009, 31 December 2008, 31 December 2007 and 31 December 2006 but the audit opinions refer to an emphasis of matter that arise because the assets of the Branch are legally available for the satisfaction of debts of the entire Company, not just those of the Branch, and the debts of the Company may result in claims against the Branch's assets.

Unmodified audit opinions were expressed in the full company financial statements for the years ended 31 December 2010, 31 December 2009, 31 December 2008, 31 December 2007 and 31 December 2006.

The summary and full 31 December 2010 financial statements were authorised for issue by the Directors on 23 June 2011.

The summary of financial statements cannot be expected to provide a complete understanding as provided by the full financial statements from which they are extracted.

The full financial statements are available on the Companies Office website www.business.govt.nz/companies.

The summary financial statements reflect the current presentation requirements of FRS 43 'Summary Financial Statements' (as amended by the consequential amendments of NZ IAS 1 'Presentation of Financial Statements' (revised 2007)) for all periods presented, including the presentation of other comprehensive income and total comprehensive income.

NOTES TO THE SUMMARY FINANCIAL STATEMENTS (continued)

The summary financial statements comply with the FRS 43 'Summary Financial Statements' subject to the Securities Regulations 2009.

The presentation currency is U.S. dollars (US\$) for the Company financials and New Zealand dollars (NZ\$) for the New Zealand branch.

Capital commitments

The Company has invested in low-income housing partnerships that provide low-income housing tax credits and other related Federal income tax and state premium tax benefits to the Company.

2010: The Company has committed to invest US\$65.6 million in entities which provide these certain tax benefits. As of December 31, 2010, the Company had unpaid contributions of US\$35,428.

2009: The Company has committed to invest US\$20.4 million in entities which provide these certain tax benefits. As of December 31, 2009, the Company had unpaid contributions of US\$11,383.

2008 and 2007: The Company has committed to invest US\$5.4 million in entities which provide these certain tax benefits. As of December 31, 2008 and 2007, the Company had met all obligations under these commitments.

2006: The Company has committed to invest US\$5.4 million in entities which provide these certain tax benefits. As of December 31, 2006, the Company had unpaid contributions of US\$1.2 million.

2010, 2009, 2008, 2007, 2006: New Zealand Branch, NIL

Contingencies

2010, 2009, 2008, 2007, 2006: As at balance date, the Company is a defendant in various lawsuits arising in the ordinary course of operations. Management is of the opinion, after reviewing these matters with legal and tax counsel, that the ultimate liability, if any, resulting from these matters would not have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows.

2010, 2009, 2008, 2007, 2006: New Zealand Branch, NIL

Related party loans

The Company:

2010, 2009: As at balance date: Nil

NOTES TO THE SUMMARY FINANCIAL STATEMENTS (continued)

2008: As at December 31 the Company had loans outstanding from Torchmark Corporation of US\$11,000 at an interest rate of 3.25%. The borrowings were repaid in full in 2009.

As at December 31, the Company also had loans outstanding to Torchmark Re, Limited of US\$35,000 at an interest rate of 3.25%. The borrowings were repaid in full in 2009.

2007 and 2006: As at balance date: Nil

New Zealand Branch:

Advances from Home Office: The Company incurs expenses for the New Zealand operations at the Home Office in Waco, Texas. These expenses, as well as additional start-up costs are shown as advances from the Home Office to the New Zealand Branch. These amounts are repayable on demand, however the Home Office has no plans to demand settlement in the next 12 months. The advance has no priorities attached and is interest free to the Branch.

2010: NZ\$3,517

2009: NZ\$2,826

2008: NZ\$1,465

2007: NZ\$957

2006: NZ\$1,760

Branch Status

The New Zealand branch is part of the American Income Life Insurance Company. The assets of the branch are legally available for the satisfaction of debts of the entire company, not solely those appearing on the accompanying balance sheets and its debts may result in claims against assets not appearing thereon.



June 23, 2011

The Directors
American Income Life Insurance Company
1200 Wooded Acres
PO Box 2608
Waco, Texas 76797
United States of America

Deloitte & Touche LLP
JPMorgan Chase Tower
2200 Ross Avenue, Suite 1600
Dallas, TX 75201-6778
USA

Dear Directors

AUDITORS' REPORT FOR INCLUSION IN PROSPECTUS

As auditors of American Income Life Insurance Company ("the Company") we have prepared this report pursuant to clause 12 of Schedule 5 of the Securities Regulations 2009 ('Schedule 5') for inclusion in a prospectus to be dated 23 June 2011.

This report is made in accordance with clause 12(5) of Schedule 5. Our audit has been undertaken so that we might state those matters we are required to state in an auditor's report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the Company and Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Report on the Summary of Financial Statements

The accompanying summary of financial statements of the Company on pages 4 to 8, which comprise the summary balance sheets as at 31 December 2010, 31 December 2009, 31 December 2008, 31 December 2007 and 31 December 2006 and the summary statements of comprehensive income, summary statements of changes in home office account and summary statements of cash flows for the years then ended, and related notes, are derived from the audited financial statements of the Company for the years ended 31 December 2010, 2009, 2008, 2007 and 2006. We expressed unmodified audit opinions on those financial statements in our reports dated 22 June 2011, 28 June 2010, 29 June 2009, 28 April 2008 and 23 April 2007 respectively.

The summary of financial statements of the Company does not contain all the disclosures required for full financial statements under accounting principles generally accepted in the United States of America. Reading the summary of financial statements, therefore, is not a substitute for reading the audited financial statements.

Board of Directors' Responsibilities

The Board of Directors (the 'Directors') are responsible for the preparation and presentation of:

- the financial statements of the Company referred to in accordance with clause 12(1) of Schedule 5, that comply with and have been registered under the Financial Reporting Act 1993 and which comply with accounting principles generally accepted in the United States of America and give a true and fair view of the financial position of the Company as at 31 December 2010 and its financial performance and cash flows for the financial year ended on that date and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- the summary of financial statements of the Company for the financial years ended 31 December 2010, 2009, 2008, 2007 and 2006, as required by clause 5 of Schedule 5.

Member of
Deloitte Touche Tohmatsu

Auditors' Responsibilities

It is our responsibility to report in accordance with clause 12(5) of Schedule 5 on the amounts included in the summary of financial statements for the financial years ended 31 December 2010, 2009, 2008, 2007 and 2006 presented by the Directors.

This report has been prepared for inclusion in the prospectus for the purpose of meeting the requirements of clause 12(5) of Schedule 5. We disclaim any assumptions of responsibility for reliance on this report or the amounts included in the financial statements and the summary financial statements for any other purpose other than that for which they were prepared. In addition, we take no responsibility for, nor do we report on, any part of the prospectus not specifically mentioned in this report.

In addition to the audit, we have carried out other assignments in the area of taxation. In addition to these assignments, principals and employees of our firm may deal with the American Income Life Insurance Company on arm's length terms within the ordinary course of trading activities. Other than the audit and these assignments and arm's length transactions, we have no relationship with or interests in American Income Life Insurance Company.

Opinion on the Summary of Financial Statements

In our opinion the amounts set out in the summary of financial statements, on pages 4 to 8 of this prospectus, as required by clause 5 of Schedule 5, have been correctly taken from the audited financial statements of the Company for the financial years ended 31 December 2010, 2009, 2008, 2007 and 2006 from which they were extracted.

In terms of Regulation 18(1)(c)(ii) of the Securities Regulations 2009 we hereby give our consent to the inclusion in the above mentioned prospectus of this report in the form in which it is included. We also confirm that we have not, before delivery of this prospectus for registration, withdrawn our consent to the issue thereof.

Yours faithfully

Deloitte + Touche LLP

Dallas, Texas
United States of America

23 June 2011

The Directors
American Income Life Insurance Company
1200 Wooded Acres
PO Box 2608
Waco
Texas 76797
UNITED STATES OF AMERICA

Dear Directors

AUDITORS' REPORT FOR INCLUSION IN PROSPECTUS

As auditors of American Income Life Insurance Company New Zealand Branch ("the Branch") we have prepared this report pursuant to clause 12 of Schedule 5 of the Securities Regulations 2009 ('Schedule 5') for inclusion in a prospectus to be dated 23 June 2011.

This report is made in accordance with clause 12(5) of Schedule 5. Our audit has been undertaken so that we might state those matters we are required to state in an auditor's report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the Company and Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Report on the Summary of Financial Statements

The accompanying summary of financial statements of the Branch on pages 4 to 8, which comprise the summary balance sheets as at 31 December 2010, 31 December 2009, 31 December 2008, 31 December 2007 and 31 December 2006 and the summary statements of comprehensive income, summary statements of changes in home office account and summary statements of cash flows for the years then ended, and related notes, are derived from the audited financial statements of the Branch for the years ended 31 December 2010, 2009, 2008, 2007 and 2006. We expressed unmodified audit opinions on those financial statements in our reports dated 23 June 2011, 30 June 2010, 30 June 2009, 9 July 2008 and 29 June 2007 respectively. Our audit reports contain an emphasis of matter paragraph as noted below.

The summary of financial statements of the Branch does not contain all the disclosures required for full financial statements under generally accepted accounting practice in New Zealand. Reading the summary of financial statements, therefore, is not a substitute for reading the audited financial statements.

Board of Directors' Responsibilities

The Board of Directors (the 'Directors') are responsible for the preparation and presentation of:

- the financial statements of the Branch referred to in accordance with clause 12(1) of Schedule 5, that comply with and have been registered under the Financial Reporting Act 1993 and which comply with generally accepted accounting practice in New Zealand and give a true and fair view of the financial position of the Branch as at 31 December 2010 and its financial performance and cash flows for the

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- financial year ended on that date and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- the summary of financial statements of the Branch for the financial years ended 31 December 2010, 2009, 2008, 2007 and 2006, as required by clause 5 of Schedule 5.

Auditors' Responsibilities

It is our responsibility to report in accordance with clause 12(5) of Schedule 5 on the amounts included in the summary of financial statements for the financial years ended 31 December 2010, 2009, 2008, 2007 and 2006 presented by the Directors.

This report has been prepared for inclusion in the prospectus for the purpose of meeting the requirements of clause 12(5) of Schedule 5. We disclaim any assumptions of responsibility for reliance on this report or the amounts included in the financial statements and the summary financial statements for any other purpose other than that for which they were prepared. In addition, we take no responsibility for, nor do we report on, any part of the prospectus not specifically mentioned in this report.

In addition to the audit, we have carried out other assignments in the area of taxation. In addition to these assignments, principals and employees of our firm may deal with the American Income Life Insurance Company on arm's length terms within the ordinary course of trading activities. Other than the audit and these assignments and arm's length transactions, we have no relationship with or interests in American Income Life Insurance Company.

Opinion on the Summary of Financial Statements

In our opinion the amounts set out in the summary of financial statements, on pages 4 to 8 of this prospectus, as required by clause 5 of Schedule 5, have been correctly taken from the audited financial statements of the Branch for the financial years ended 31 December 2010, 2009, 2008, 2007 and 2006 from which they were extracted.

Emphasis of Matter

The New Zealand branch is part of American Income Life Insurance Company. As described in the notes to the summary statements under the heading Branch Status, the assets of the branch are legally available for the satisfaction of debts of the entire company, not solely those appearing on the accompanying summary balance sheets and its debts may result in claims against assets not appearing thereon. Our opinion is not modified in respect of this matter.

In terms of Regulation 18(1)(c)(ii) of the Securities Regulations 2009 we hereby give our consent to the inclusion in the above mentioned prospectus of this report in the form in which it is included. We also confirm that we have not, before delivery of this prospectus for registration, withdrawn our consent to the issue thereof.

Yours faithfully



Deloitte
Chartered Accountants
Christchurch, New Zealand

-
- 6 **Guarantors**
None of the Company, Globe Life and Accident Insurance Company, Torchmark Corporation, any person associated with this Prospectus, or any of their directors, guarantees the payment of any money payable under the Policies.
- 7 **Acquisition of business or equity securities**
In the 2 years prior to registration of this Prospectus the Company has not purchased, nor is there any statement in this Prospectus to the effect that it will purchase, any business or equity securities where the consideration for the acquisition is more than 20% of the total tangible assets shown in the financial statements referred to in clause 12.
- 8 **Interested persons**
Not applicable.
- 9 **Material contracts**
In the 2 years prior to registration of this Prospectus the Company has not entered into any material contracts outside the ordinary course of business of the Company.
- 10 **Pending proceedings**
There are no pending proceedings or arbitrations that may have a material adverse effect on the Company.
- 11 **Other terms of offer and Policies**
There are no terms of the Policies other than terms that relate to the amounts payable by or to an identifiable person, any terms implied by law, or terms set out in any documents registered with a public official, available for public inspection and referred to in this Prospectus.
- 12 **Financial statements and actuarial and audit reports**
The latest financial statements for the Branch that comply with the Financial Reporting Act 1993, cover the period from 1 January 2010 to 31 December 2010, and were registered on 23 June 2011. The audit report for the financial statements is dated 23 June 2011 and is unmodified, but refers to an emphasis of matter that arises because the assets of the Branch are legally available for the satisfaction of debts of the entire Company, not just those of the Branch, and the debts of the Company may result in claims against the Branch's assets.
- The latest full financial statements for the Company that comply with the Financial Reporting Act 1993, cover the period from 1 January 2010 to 31 December 2010, and were registered on 23 June 2011. The auditor's report is unqualified, did not refer to any fundamental uncertainty and is dated 23 June 2011.

The latest actuarial report is dated 27 September 2010 and is for the period 1 January 2009 to 31 December 2009 and has been deposited with the Chief Executive of the Ministry of Economic Development under the Life Insurance Act 1908.

The report of the auditor in relation to the summary of financial statements appears on pages 6 to 7 of this Prospectus.

13 Inspection and obtaining copies of documents

Copies of the following documents may be inspected by a person who so requests during normal business hours, without fee (except for a fee of \$2.00 for a copy of a specimen policy document), at the New Zealand offices of the Company, AIL House, 2165 Great North Road, Avondale, Auckland 0600, and on the Companies Office website at www.business.govt.nz/companies/ (or where relevant documents are not available on the website, a request for the documents can be made by telephoning the Ministry of Economic Development Business Service Centre on 0508 266 726):

- Specimen policy documents for the Policies;
- Financial statements referred to in clause 12; and
- The latest annual report of the Company.

The latest actuarial report of the Company may also be obtained at the New Zealand offices of the Company at the address given above, and, upon the payment of the required fee at the offices of the Registrar of Financial Service Providers, Ministry of Economic Development, 33 Bowen Street, Wellington.

14 Other material matters

There are no other material matters relating to the Company or any of the Policies (other than matters elsewhere set out in the prospectus or in the financial statements referred to above, and contracts entered into in the ordinary course of business of the Company).

15 Directors' statement

In the opinion of the directors of the Company, after due enquiry by them, the value of the Company's assets relative to its liabilities (including contingent liabilities), and the ability of the Company to pay its debts as they become due in the normal course of business, has not materially and adversely changed during the period between the balance date of the latest financial statements referred to in this Prospectus and the date of registration of this Prospectus.

The following documents accompanied the copy of this Prospectus duly registered with the Registrar of Financial Service Providers in accordance with section 42 of the Securities Act 1978:

- The Auditors' consent to their report in relation to the Summary of financial statements appearing in the registered prospectus in the form in which it appears; and
- Specimen copies of the life insurance policies to which this Prospectus relates.

Signed by:

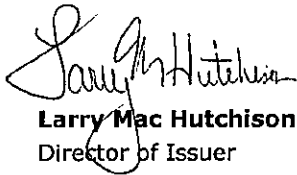
The Directors of American Income Life Insurance Company



Roger C Smith
Director of Issuer



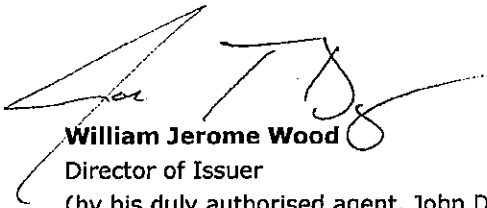
Ben Walter Lutek
Director of Issuer



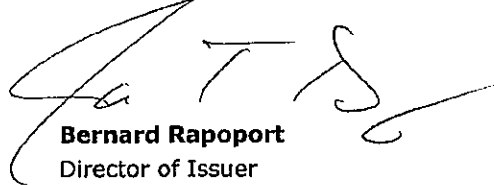
Larry Mac Hutchison
Director of Issuer



Gary Lee Coleman
Director of Issuer



William Jerome Wood
Director of Issuer
(by his duly authorised agent, John Daly)



Bernard Rapoport
Director of Issuer
(by his duly authorised agent, John Daly)

Document Number

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(for office use only)

The Securities Act 1978

AUTHORITY FOR AGENT TO SIGN PROSPECTUS

(Section 41(b))

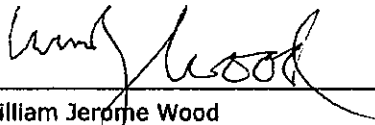
Issuer Name

American Income Life Insurance Company

Issuer Number

644876

I, William Jerome Wood, being a director of the Issuer, hereby authorise John Daly to sign on my behalf as my agent the Prospectus to be dated on or about 23 June 2011 for an offer of life insurance policies on the terms set out in the Prospectus.



William Jerome Wood
Director of Issuer

Date: 13 June 2011

Document Number

(for office use only)

The Securities Act 1978

AUTHORITY FOR AGENT TO SIGN PROSPECTUS

(Section 41(b))

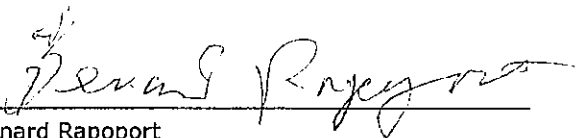
Issuer
Name

American Income Life Insurance Company

Issuer Number

644876

I, Bernard Rapoport, being a director of the Issuer, hereby authorise John Daly to sign on my behalf as my agent the Prospectus to be dated on or about 23 June 2011 for an offer of life insurance policies on the terms set out in the Prospectus.



Bernard Rapoport
Director of Issuer

Date: 13 June 2011



American Income Life Insurance Company

A Stock Company Home Office: Indianapolis, Indiana
Executive Office: P. O. Box 2608, Waco, Texas 76797 (254) 761-6400
www.aillife.com

New Zealand Headquarters

P.O. Box 15446, New Lynn, Waitakere City 0640

We will pay the Face Amount on Page 3 of this policy subject to its provisions to the Beneficiary at your death. Your death must occur while this policy is in full force. Payment will be made when we receive proof of your death at our Executive Office.

We have issued this policy in return for the application and the payment of premiums.

IMPORTANT NOTICE

If you decide not to keep this policy, return it within ten days after you receive it. It may be returned to our Home Office, Executive Office, Branch Office, or to the agent who sold the policy. The policy will be as though it had never been issued. We will send back all premiums paid for it.

Carol A. Moley
Secretary

[Signature]
President

LIFE POLICY
Premium Payable For Life
Non-Participating - No Dividends

NAME AND ADDRESS OF INSURED

POLICY NUMBER

JOHN DOE
PO BOX 15446
NEW LYNN, AUCKLAND
NEW ZEALAND

NZTOS03001



POLICY SUMMARY

This is a brief description of some major provisions of this policy. The actual provisions have full information and any limits.

This is a term life policy. We will pay a death benefit if your death occurs while the policy is in force. "In force" means that insurance coverage has not stopped.

Premiums are payable in advance during your lifetime. There is a 31 day grace period for each premium after the first one. There is a right to reinstate the policy.

While you live, the Policyowner has the following rights: The right to assign the policy
The right to change the policyowner or beneficiary
The right to cancel the policy

The amounts we pay under this policy may be made in alternate ways called Settlement Options. Please see the actual provisions for more detail.

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This policy has been written in readable language to help you understand its terms. As you read through the policy remember "you" refers to the Insured, and "we", "us", and "our" refer to American Income Life Insurance Company.

This policy is a legal contract between the parties. READ YOUR POLICY CAREFULLY.

MORTALITY TABLE - 2001 COMMISSIONER'S STANDARD ORDINARY, AGE LAST
 VALUATION INTEREST RATE - 4.00 PERCENT
 VALUATION METHOD - COMMISSIONERS RESERVE

BENEFIT DESCRIPTION	ANNUAL PREMIUM
PLAN 5260 NS - PERMANENT LIFE	\$ 140.60 FOR LIFE

TOTAL ANNUAL PREMIUM \$ 140.60

ISSUED METHOD OF PAYMENT--BD	MONTHLY	\$	11.72
OTHER METHODS OF PAYMENT	SEMI-ANNUAL	\$	70.30
	QUARTERLY	\$	35.15
	MONTHLY	\$	12.66

NAME AND ADDRESS OF INSURED	MALE ISSUE AGE	30
JOHN DOE	FACE AMOUNT	\$ 10,000
1200 WOODED ACRES	POLICY NUMBER	NZ1234567
WACO NZ 76797	POLICY DATE	JAN 1, 2011
	EFFECTIVE DATE	JAN 1, 2011



GENERAL PROVISIONS

- THE CONTRACT** This policy is a legal contract between the parties. The entire contract consists of the application and the policy. We have formed this policy according to the statements in the application. Legally, these statements are considered to be representations and not warranties. No statement made by or for you can be used to contest the validity of this policy or to defend against a claim unless it was made in the application and a copy of the application was attached to this policy when issued.
- Any change or waiver of the terms of the policy must be in writing and signed by our President, a Vice President, Secretary or Actuary to be effective.
- ASSIGNMENT** This policy may be assigned. For any assignment to be binding on us, we must receive a signed copy of it at our Executive Office. We will not be responsible for the validity of any assignment.
- NON-PARTICIPATING** This is a non-participating policy. This means the policy does not share in our profits or surplus.
- POLICYOWNER AND BENEFICIARY** The Policyowner and Beneficiary are named in the application.
- While you live, the Policyowner may exercise all rights given by this policy. But if there is an irrevocable Beneficiary, the Policyowner must get the irrevocable Beneficiary's consent to change the Beneficiary. At the Policyowner's death, you will become the owner of the policy; however, if you are a minor, the owner will be your legal guardian until your age of majority.
- The Beneficiary may be changed at any time before your death. A change must be made in writing and sent to our Executive Office. If approved, the change will take effect as of the date the request was signed, even if you die before we receive it. If we made payment before receiving the request, the change will not be approved.
- MISSTATEMENT OF AGE OR SEX** If your age or sex is not correct on the application, the amount payable under this policy will be what the premiums paid would have bought at the correct age or sex.
- INCONTESTABILITY** We cannot contest the validity of this policy after it has been in force from the Policy Date for 2 years during your lifetime. After that we cannot contest its validity, except for failure to pay premiums. This limitation on our right to contest does not apply to disability waiver and accidental death agreements attached to this policy.
- SUICIDE EXCLUSION** If you commit suicide, while sane or insane, within 2 years after the Policy Date, we will not pay the insurance amount. We will return the premiums paid to us.
- PREMIUMS** Premiums are payments needed to keep this policy in full force. Each premium is payable on or before its due date. Premiums may be paid at our Executive Office or to an authorized agent. We will send a receipt if we are asked. Premiums may be paid annually, semi-annually, quarterly, or monthly as shown on page 3. The premium payment method may be changed on any policy anniversary.
- GRACE PERIOD** After the first premium has been paid, we allow a 31 day grace period to pay each following premium. This means that if a premium is not paid on or before the date it is due, it may be paid during the following 31 days. During this grace period the policy remains in full force. If you die during the grace period, we will subtract the premium due from the amount we pay.



REINSTATEMENT	This policy may be reinstated (put back in full force) within 5 years after the date it ceases to be in full force. Evidence of insurability satisfactory to us is required. All past due premiums must be paid. Payment of compound interest on the premiums at the rate of 6.0% per year will be required.
CURRENCY	All amounts payable to or by us will be payable in New Zealand currency.
SETTLEMENT	All payments made by us are payable at our Executive Office.
REFUND OF UNEARNED PREMIUM AT DEATH	At your death, we will refund any premiums paid for the period beyond the month in which death occurs.

EXTENDED TERM INSURANCE

You qualify for Extended Term Insurance if the policy for which premiums are due has been in effect for at least five years as of the date of the overdue premium.

The length of the Extended Term Insurance will be one year from the due date of the overdue premium. The amount of the Extended Term Insurance will be the amount of insurance on Page 3.

SETTLEMENT OPTIONS

SETTLEMENT OPTIONS	All or part of the amounts we pay under this policy may be made under any settlement option listed below.
PROVISION	<p>While you live, the Policyowner may elect or change an option by sending satisfactory written request to our Executive Office. If approved, the selection will take effect as of the date the request was signed, even if your death occurs before we receive it. If we made payment before receiving the request, the change will not be approved. The Beneficiary may change an option only if the right was given by the Policyowner and agreed upon by us in writing. A Beneficiary change will automatically revoke an elected option.</p> <p>If the Policyowner has made no election, at your death the Beneficiary may elect an option by written request to us. Options for amounts payable other than to an individual receiving payment in his or her own right are available only with our consent.</p> <p>The amount to be applied under any option for any one person must be at least \$2,000 or provide for a periodic payment of \$20. Otherwise, we may pay the amount in one sum.</p>

SETTLEMENT OPTIONS (continued)

We will issue a supplementary contract in exchange for this policy if payment is made under any option. The effective date of the supplementary contract will be the date of your death. Option 1 earns interest from the effective date of the supplementary contract. We will pay the first payment under Options 2 and 3 on the effective date of the supplementary contract unless another date is specified in writing.

The guaranteed interest rate for all options is 3% per year.

If the death of all the Beneficiaries is prior to your death, we will pay a lump sum benefit to the executors or administrators of your estate. Under a supplementary contract, if the payee dies we will pay the present value of any unpaid guaranteed amount to the executors or administrators of the payee's estate.

OPTIONS

- OPTION 1: INTEREST** We will hold any amount applied under this option for not more than 30 years. Interest will be paid as agreed upon or added annually to the amount held. At the end of a specified time, or at the death of the payee, we will pay the proceeds as previously agreed upon.
- OPTION 2: PAYMENTS FOR A GUARANTEED PERIOD** Equal annual, semi-annual, quarterly or monthly payments will be made for any period selected, up to 30 years. The amount of each payment for each \$1,000 applied under this option is shown in Option 2 Table.
- OPTION 3: LIFE INCOME WITH A GUARANTEED PERIOD** Equal payments will be made for a guaranteed period of 10 years or until the payee's death, whichever is later. We may require satisfactory evidence of the payee's age before making any payment under this option. The amount of each payment depends on the payee's sex and age on the date of the first payment. The amount of each payment for each \$1,000 applied under this option is shown in Option 3 Table.

OPTION 2 TABLE

Number of Years Guaranteed	Amount of Installments			
	Annual	Semi-Ann.	Qtly.	Mo.
1	\$1,000.00	\$503.69	\$252.78	\$84.47
2	507.39	255.57	128.26	42.86
3	343.23	172.88	86.76	28.99
4	261.19	131.56	66.02	22.06
5	211.99	106.78	53.59	17.91
6	179.22	90.27	45.30	15.14
7	155.83	78.49	39.39	13.16
8	138.31	69.67	34.96	11.68
9	124.69	62.81	31.52	10.53
10	113.82	57.33	28.77	9.61
11	104.93	52.85	26.52	8.86
12	97.54	49.13	24.66	8.24
13	91.29	45.98	23.08	7.71
14	85.95	43.29	21.73	7.26
15	81.33	40.97	20.56	6.87
20	65.26	32.87	16.50	5.51
25	55.76	28.09	14.09	4.71
30	49.53	24.95	12.52	4.18

Figures for years not shown will be furnished by the Company upon request

OPTION 3 TABLE

Monthly Life Income Guaranteed Period 10 Years					
Age	Male	Female	Age	Male	Female
50	\$4.08	\$3.84	65	\$5.55	\$5.14
51	4.15	3.90	66	5.69	5.26
52	4.22	3.96	67	5.84	5.40
53	4.29	4.02	68	5.99	5.55
54	4.37	4.09	69	6.15	5.70
55	4.45	4.16	70	6.31	5.86
56	4.54	4.24	71	6.47	6.02
57	4.63	4.32	72	6.64	6.20
58	4.73	4.40	73	6.81	6.38
59	4.83	4.49	74	6.99	6.57
60	4.93	4.58	75	7.16	6.76
61	5.05	4.68	76	7.34	6.96
62	5.16	4.79	77	7.52	7.16
63	5.29	4.90	78	7.69	7.36
64	5.42	5.01	79	7.86	7.56

Figures for ages not shown will be furnished by the Company upon request.33





AMERICAN INCOME LIFE INSURANCE COMPANY

A Stock Company

Home Office: Indianapolis, Indiana

Executive Offices: P.O. Box 2608, Waco, Texas 76797 254-761-6400 www.aillife.com

New Zealand Headquarters: P.O. Box 15446, New Lynn, Waitakere City 0640

LIFE POLICY

PREMIUMS PAYABLE FOR LIFE

NON-PARTICIPATING

NO DIVIDENDS

This policy is a legal contract between the parties.

READ YOUR POLICY CAREFULLY





American Income Life Insurance Company

A Stock Company Home Office: Indianapolis, Indiana
Executive Office: P. O. Box 2608, Waco, Texas 76797 (254) 761-6400
www.aillife.com

New Zealand Headquarters

P.O. Box 15446, New Lynn, Waitakere City 0640

We will pay the Amount of Insurance on Page 3 of this policy subject to its provisions to the Beneficiary at your death. Your death must occur while this policy is in full force. Payment will be made when we receive proof of your death.

We have issued this policy in return for the application and the payment of premiums.

IMPORTANT NOTICE

If you decide not to keep this policy, return it within ten days after you receive it. It may be returned to our Home Office, Executive Office, Branch Office, or to the agent who sold the policy. The policy will be as though it had never been issued. We will send back all premiums paid for it.

Carol A. McGeary
Secretary

[Signature]
President

TERM LIFE INSURANCE POLICY
Premium Payable For Life
Non-Participating - No Dividends

NAME AND ADDRESS OF INSURED

POLICY NUMBER

JOHN DOE
123 ABC ST
AUCKLAND
NEW ZEALAND

NZTOS01001



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This policy has been written in readable language to help you understand its terms. As you read through the policy, remember "you" refers to the Insured, and "we", "us", and "our" refer to American Income Life Insurance Company.

This policy is a legal contract between you and the Company. **READ YOUR POLICY CAREFULLY.**

PLAN/FORM	BENEFIT DESCRIPTION	ANNUAL PREMIUM
5292	- TERM TO 100	\$627.50 FOR 65 YEARS

TOTAL ANNUAL PREMIUM \$ 627.50

ISSUED METHOD OF PAYMENT	MONTHLY	\$	56.48
OTHER METHODS OF PAYMENT	SEMI-ANNUAL	\$	313.75
	QUARTERLY	\$	156.88
	BD MONTHLY	\$	52.30

NAME AND ADDRESS OF INSURED

JOHN DOE
123 ABC ST
AUCKLAND
NEW ZEALAND

MALE ISSUE AGE 35

AMOUNT OF INSURANCE \$50,000

POLICY NUMBER NZTOS01001

POLICY DATE 8 JUNE 2011

GENERAL PROVISIONS

THE CONTRACT	<p>This policy is a legal contract between you and us. The entire contract consists of the application and the policy. We have formed this policy according to the statements in the application. Legally, these statements are considered to be representations and not warranties. No statement made by or for you can be used to contest the validity of this policy or to defend against a claim unless it was made in the application and a copy of the application was attached to this policy when issued.</p> <p>Any change or waiver of the terms of the policy must be in writing and signed by our President, a Vice President, Secretary or Actuary to be effective.</p>
ASSIGNMENT	<p>This policy may be assigned. For any assignment to be binding on us, we must receive a signed copy of it at our Executive Office. We will not be responsible for the validity of any assignment.</p>
NON-PARTICIPATING	<p>This is a non-participating policy. This means the policy does not share in our profits or surplus.</p>
POLICYOWNER AND BENEFICIARY	<p>The Policyowner and Beneficiary are named in the application.</p> <p>While you live, the Policyowner may exercise all rights given by this policy. But if there is an irrevocable Beneficiary, the Policyowner must get the irrevocable Beneficiary's consent to change the Beneficiary.</p> <p>The Beneficiary may be changed at any time before your death. A change must be done on our forms and sent to our Executive Office. If approved, the change will take effect as of the date the request was signed, even if you die before we receive it. If we made payment before receiving the request, the change will not be approved.</p>
MISSTATEMENT OF AGE OR SEX	<p>If your age or sex is not correct on the application, the amount payable under this policy will be what the premiums paid would have bought at the correct age or sex.</p>
INCONTESTABILITY	<p>We cannot contest the validity of this policy after it has been in force from the Policy Date for 2 years during your lifetime, except for fraud or failure to pay premiums. This limitation on our right to contest does not apply to disability waiver and accidental death agreements attached to this policy.</p>
SUICIDE EXCLUSION	<p>If you commit suicide, while sane or insane, within 2 years after the Policy Date, we will not pay the insurance amount. We will return the premiums paid to us.</p>
PREMIUMS	<p>Premiums are payments needed to keep this policy in full force. Each premium is payable on or before its due date. Premiums may be paid at our Executive Office or to an authorized agent. We will send a receipt if we are asked. Premiums may be paid annually, semi-annually, quarterly, or monthly as shown on Page 3. The premium payment method may be changed on any policy anniversary.</p>
GRACE PERIOD	<p>After the first premium has been paid, we allow a 31 day grace period to pay each following premium. This means that if a premium is not paid on or before the date it is due, it may be paid during the following 31 days. During this grace period the policy remains in full force. If you die during the grace period, we will subtract the premium due from the amount we pay.</p>



REINSTATEMENT

This policy may be reinstated (put back in full force) within 5 years after the date it ceases to be in full force. Evidence of insurability satisfactory to us is required. All past due premiums must be paid. Payment of compound interest on the premiums at the rate of 6.0% per year will be required.

EXTENDED TERM INSURANCE

You qualify for Extended Term Insurance if the policy for which premiums are due has been in effect for at least five years as of the date of the overdue premium.

The length of the Extended Term Insurance will be one year from the due date of the overdue premium. The amount of the Extended Term Insurance will be the amount of insurance on Page 3.

SETTLEMENT OPTIONS

SETTLEMENT OPTIONS

All or part of the amounts we pay under this policy may be made under any settlement option listed below.

PROVISION

While you live, the Policyowner may elect or change an option by sending satisfactory written request to our Executive Office. If approved, the selection will take effect as of the date the request was signed, even if your death occurs before we receive it. If we made payment before receiving the request, the change will not be approved. The Beneficiary may change an option only if the right was given by the Policyowner and agreed upon by us in writing. A Beneficiary change will automatically revoke an elected option.

If the Policyowner has made no election, at your death the Beneficiary may elect an option by written request to us. Options for amounts payable other than to an individual receiving payment in his or her own right are available only with our consent.

The amount to be applied under any option for any one person must be at least \$2,000 or provide for a periodic payment of \$20. Otherwise, we may pay the amount in one sum.

SETTLEMENT OPTIONS (continued)

We will issue a supplementary contract in exchange for this policy if payment is made under any option. The effective date of the supplementary contract will be the date of your death. Option 1 earns interest from the effective date of the supplementary contract. We will pay the first payment under Options 2 and 3 on the effective date of the supplementary contract unless another date is specified in writing.

The guaranteed interest rate for all options is 3% per year.

If the death of all the Beneficiaries is prior to your death, we will pay a lump sum benefit to the executors or administrators of your estate. Under a supplementary contract, if the payee dies we will pay the present value of any unpaid guaranteed amount to the executors or administrators of the payee's estate.

OPTIONS

OPTION 1: INTEREST

We will hold any amount applied under this option for not more than 30 years. Interest will be paid as agreed upon or added annually to the amount held. At the end of a specified time, or at the death of the payee, we will pay the proceeds as previously agreed upon.

OPTION 2: PAYMENTS FOR A GUARANTEED PERIOD

Equal annual, semi-annual, quarterly or monthly payments will be made for any period selected, up to 30 years. The amount of each payment for each \$1,000 applied under this option is shown in Option 2 Table.

OPTION 3: LIFE INCOME WITH A GUARANTEED PERIOD

Equal payments will be made for a guaranteed period of 10 years or until the payee's death, whichever is later. We may require satisfactory evidence of the payee's age before making any payment under this option. The amount of each payment depends on the payee's sex and age on birthday nearest the date of the first payment. The amount of each payment for each \$1,000 applied under this option is shown in Option 3 Table.

OPTION 2 TABLE

Number of Years Guaranteed	Amount of Installments			
	Annual	Semi-Ann.	Qtly.	Mo.
1	\$1,000.00	\$503.69	\$252.78	\$84.47
2	507.39	255.57	128.26	42.86
3	343.23	172.88	86.76	28.99
4	261.19	131.56	66.02	22.06
5	211.99	106.78	53.59	17.91
6	179.22	90.27	45.30	15.14
7	155.83	78.49	39.39	13.16
8	138.31	69.67	34.96	11.68
9	124.69	62.81	31.52	10.53
10	113.82	57.33	28.77	9.61
11	104.93	52.85	26.52	8.86
12	97.54	49.13	24.66	8.24
13	91.29	45.98	23.08	7.71
14	85.95	43.29	21.73	7.26
15	81.33	40.97	20.56	6.87
20	65.26	32.87	16.50	5.51
25	55.76	28.09	14.09	4.71
30	49.53	24.95	12.52	4.18

Figures for years not shown will be furnished by the Company upon request

OPTION 3 TABLE

Monthly Life Income Guaranteed Period 10 Years					
Age	Male	Female	Age	Male	Female
50	\$4.22	\$3.89	65	\$5.81	\$5.22
51	4.29	3.95	66	5.96	5.36
52	4.37	4.01	67	6.11	5.50
53	4.45	4.08	68	6.28	5.65
54	4.54	4.15	69	6.44	5.80
55	4.62	4.22	70	6.61	5.96
56	4.72	4.30	71	6.78	6.14
57	4.82	4.38	72	6.96	6.31
58	4.92	4.47	73	7.14	6.50
59	5.03	4.56	74	7.32	6.69
60	5.14	4.66	75	7.49	6.89
61	5.26	4.76	76	7.67	7.09
62	5.39	4.86	77	7.84	7.29
63	5.52	4.98	78	8.01	7.49
64	5.66	5.10	79	8.17	7.69

Figures for ages not shown will be furnished by the Company upon request





AMERICAN INCOME LIFE INSURANCE COMPANY

A Stock Company

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TERM LIFE INSURANCE POLICY

NON-PARTICIPATING

