

AMERICAN INCOME LIFE INSURANCE COMPANY

PERMANENT LIFE AND TERM LIFE INSURANCE

INVESTMENT STATEMENT

This is an investment statement for the purpose of the Securities Act 1978, prepared as at 1 November, 2011.

This investment statement relates to permanent life and term life insurance policies offered by American Income Life Insurance Company (the "Company").

IMPORTANT INFORMATION

(The information in this section is required under the Securities Act 1978)

Investment decisions are very important. They often have long-term consequences. Read all documents carefully. Ask questions. Seek advice before committing yourself.

Choosing an investment

When deciding whether to invest, consider carefully the answers to the following questions that can be found on the pages noted below:

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In addition to the information in this document, important information can be found in the current registered prospectus for the investment. You are entitled to a copy of that prospectus on request.

The Financial Markets Authority regulates conduct in financial markets

The Financial Markets Authority regulates conduct in New Zealand's financial markets. The Financial Markets Authority's main objective is to promote and facilitate the development of fair, efficient, and transparent financial markets.

For more information about investing, go to <http://www.fma.govt.nz>

Financial advisers can help you make investment decisions

Using a financial adviser cannot prevent you from losing money, but it should be able to help you make better investment decisions.

Financial advisers are regulated by the Financial Markets Authority to varying levels, depending on the type of adviser and the nature of the services they provide. Some financial advisers are only allowed to provide advice on a limited range of products.

When seeking or receiving financial advice, you should check -

- the type of adviser you are dealing with:
- the services the adviser can provide you with:
- the products the adviser can advise you on.

A financial adviser who provides you with personalised financial adviser services may be required to give you a disclosure statement covering these and other matters. You should ask your adviser about how he or she is paid and any conflicts of interest he or she may have.

Financial advisers must have a complaints process in place and they, or the financial services provider they work for, must belong to a dispute resolution scheme if they provide services to retail clients. So if there is a dispute over an investment, you can ask someone independent to resolve it.



Most financial advisers, or the financial services provider they work for, must also be registered on the financial service providers register. You can search for information about registered financial service providers at <http://www.fspr.govt.nz>

You can also complain to the Financial Markets Authority if you have concerns about the behaviour of a financial adviser.

What sort of investment is this?

The security being offered is a permanent life insurance policy, or a term life insurance policy, with fixed benefits and fixed premiums (the "Policy"). A benefit is payable to the nominated beneficiary if the person whose life is insured under the Policy (the "Insured") dies while the Policy is in force. The Insured may be the person taking out the Policy (the "Policy Owner" which term includes any assignee of the Policy Owner), or some other person, for example the Policy Owner's spouse or child. The Policy does not entitle the Policy Owner to share in the profits or surplus of the Company. Permanent life insurance expires without value at age 120. Term life insurance terminates without value at the end of its term, age 100.

Who is involved in providing it for me?

Issuer: The issuer of the Policy is the Company, American Income Life Insurance Company, whose principal place of business is:

American Income Life Insurance Company
1200 Wooded Acres Drive
Waco
Texas 76710
United States of America

The Company's contact address in New Zealand is:

c/o AIL of New Zealand Limited
AIL House
2165 Great North Road
Avondale
Auckland 0600

Phone: (09) 827-9900

The directors of the issuer as at the date of this investment statement are:

Gary Lee Coleman	Larry Mac Hutchison
Ben Walter Lutek	Bernard Rapoport
Roger C Smith	William Jerome Wood

Activities: The principal activities carried on by the Company are to insure individuals for life and health insurance and to invest monies held by the Company. The Company began business in 1954 in the United States and was registered as an overseas company carrying on business in New Zealand in 1995.

How much do I pay?

Moneys payable by subscribers:

- The Policy Owner must pay the premiums required for the life insurance for the full term of the policy. The amount of the premium will depend on the age and sex of the Insured as well as the type and amount of insurance selected and the premium period. The premium will be printed in the policy. The amount of the premium can usually be determined at the time application is made for the insurance.
- Premiums are payable to the Company c/o AIL of New Zealand Limited, AIL House, 2165 Great North Road, Avondale, Auckland 0600 or by posting to: P.O. Box 15-446, New Lynn, Auckland. Payment may be made by cheque or direct debit.
- Premiums are due on the policy date and each anniversary; however, the Policy Owner may choose to pay more frequently (semi-annually, quarterly or monthly). After the first due date, premiums must be paid within 31 days of the due date (the "grace period"). If a premium is not paid within the grace period, the Policy will cease to be in force unless it is continued in accordance with the terms of the Policy. No benefit will be payable if the Insured dies when the Policy is not in force. A Policy Owner may, in certain circumstances, reinstate the Policy.

Cooling-off Period: If you decide not to keep the Policy, you may return it within 10 days after you receive it, and the premium will be refunded.

What are the charges?

Types of Charges: The only charge that is or may be payable to the Company or an associated person of the Company by a Policy Owner is the premium described in the preceding section.

Amount of Charges: The amount of the premium is described in the preceding section.

What returns will I get?

Returns: Since this security is a life insurance policy there is no return until the death of the Insured, at which time (provided the Policy remains in force) the Company will pay the death benefit specified in the Policy to the beneficiary named by the Policy Owner. The return is a fixed amount being the face value of the Policy. However, the Policy Owner (or in some circumstances the beneficiary) may determine the manner in which the return is paid (for example, a lump sum, or periodic payments). The date on which the benefit will be paid cannot be determined in advance. The frequency with which the benefit will be paid depends on the election made by the Policy Owner (or in some circumstances the beneficiary), which election can be changed in accordance with the Policy and so cannot be determined in advance. No amount of returns that is quantifiable at the date of this investment statement and enforceable by subscribers is promised by the Company.

American Income Life Insurance Company is the person legally liable to pay the returns.

In some cases, returns are likely to be affected by taxation. In general, premiums are not deductible expenditure for taxation purposes and the benefits paid will not be taxable income for the named beneficiary. However, in some cases (such as life insurance bought by a company for a key employee) the premiums payable will be deductible expenditure and the benefits will be treated as taxable income. As investors have different taxation positions, you are urged to consider your own taxation position and, if necessary, seek professional advice.

What are my risks?

Long life: At the early death of an Insured, the death benefit would usually exceed the premiums paid. However, for an insured fortunate enough to live past his or her expected lifetime, it is reasonably foreseeable that the sum of premiums paid may exceed the death benefit payable. A basic principle of life insurance is that the financial risk of early death is spread since the premiums of all insureds are pooled and death benefits are payable as deaths occur. The highest return on premiums thus goes to those who die prematurely. For those who die after their expected lifetime, the sum of premiums paid may exceed the death benefit.

Suicide exclusion: If the Insured commits suicide within two years of the policy date, the death benefit will not be paid. In these circumstances, the premiums paid will be refunded to the Policy Owner.

Insolvency: It is reasonably foreseeable that if the Company becomes insolvent for any reason (including, for example, if there is a catastrophe causing significant claims associated with premature death of Insured persons in New Zealand or in the Company's other markets (which include the United States of America)), Policy Owners may not recover in full the sum of premiums they have paid, and beneficiaries may not receive their death benefit.

Consequences of insolvency:

- (a) There is no liability of the Policy Owner to pay any money to any person if the Company becomes insolvent.
- (b) There are no claims on assets of the Company that rank ahead of claims of Policy Owners in the event of the Company being put into liquidation.
- (c) Claims of Policy Owners will rank equally with claims of all other Policy Owners. There are no claims on assets of the Company that rank equally with claims of Policy Owners in the event of the Company being put into liquidation or wound up.

Can the investment be altered?

Alteration of securities: Only the Policy Owner and the Company have the right to alter the terms of the Policy by agreement in accordance with the Policy.

How do I cash in my investment?

Early termination: The Policy Owner may discontinue paying premiums at any time. If premiums have been paid for 5 full years, the policy will continue for 1 year from the due date of the overdue premium.

Right to sell securities: There is no prohibition on the sale of the Policy to another person; however, since the Policy is insurance on the life of the Insured, sale of the Policy is generally not in the best interest of the Insured. The Company is not aware of any established market for such sales.

Who do I contact with inquiries about my investment?

Inquiries about securities: inquiries about a policy can be made to the Company:

c/o Steve Friedlander
AIL of New Zealand Limited
AIL House, 2165 Great North Road, Avondale, Auckland 0600
Phone: (09) 827 9900
P.O. Box 15-446, New Lynn, Auckland 0640

Is there anyone to whom I can complain if I have problems with the investment?

Complaints about securities: Complaints can be made to the Company:

c/o Steve Friedlander
AIL of New Zealand Limited
AIL House, 2165 Great North Road, Avondale, Auckland 0600
Phone: (09) 827 9900
P.O. Box 15-446, New Lynn, Auckland 0640

If you have a complaint which relates to advice from a distributor of American Income Life Insurance Company insurance policies or AIL of New Zealand Limited, please contact AIL of New Zealand Limited. If AIL of New Zealand Limited is not able to resolve the complaint through its internal dispute resolution processes you may refer your complaint to Financial Dispute Resolution, an approved dispute resolution scheme under the Financial Service Providers (Registration and Dispute Resolution) Act 2008. The Financial Dispute Resolution's service is at no cost to you. The contact details for the scheme are:

Financial Dispute Resolution
Level 9
109 Featherston Street
Wellington 6011

What other information can I obtain about this investment?

Prospectus and financial statements:

- (a) Other information about the Policy or the Company, or both, is contained or referred to in the prospectus and in the financial statements of the Company.
- (b) A copy of the prospectus and of the most recent financial statements required to be registered under the Financial Reporting Act 1993 (together with any documents required to be filed with those financial statements) of the Company can be obtained, free of charge c/o AIL of New Zealand Limited, AIL House, 2165 Great North Road, Avondale, Auckland 0600, (09) 827 9900.
- (c) The prospectus and financial statements and other documents of the Company are filed on a public register at the Companies Office of the Ministry of Economic Development and are available for public inspection, on American Income Life Insurance Company's file, including at www.companies.govt.nz. Where documents are not available on the website, copies may be obtained by telephoning the Companies Office contact centre on 0508 266 726.

Annual information: The prospectus and financial statements described above are updated annually.

On request information: The Policy Owner may request any information concerning the policy or the Company at the address or telephone number given above.

In addition to the information above, information which may be requested includes:

- (i) a copy of any documents registered under the Securities Act 1978 for the purpose of extending the period during which allotments may be made under the registered prospectus to which this investment statement relates;
- (ii) the annual report of the Company that is prepared in accordance with Title 27, Article 1, Chapter 12, Section 10 of the Insurance Laws of Indiana;
- (iii) a copy of the most recent investment statement relating to the Policies.

There is a \$25.00 charge for the annual report. There is no charge for the other information.

Privacy Statement

American Income Life Insurance Company collects and holds personal information about insured persons, Policy Owners and beneficiaries, for the purpose of issuing and administering their life insurance policy. An Insured, Policy Owner or beneficiary may request access to any personal information the Company holds about them by writing to us c/o AIL of New Zealand Limited, PO Box 15-446, New Lynn, Auckland 0640. An Insured, Policy Owner, or beneficiary may also request correction of any personal information the Company holds about them.

There is no charge for providing or correcting any personal information.