

SERFF Tracking Number: AMLC-126086743 State: Arkansas  
Filing Company: American Income Life Insurance Company State Tracking Number: 41965  
Company Tracking Number: R7800  
TOI: L04I Individual Life - Term Sub-TOI: L04I.313 Decreasing - Single Life -  
Fixed/Indeterminate Premium  
Product Name: Annual Decreasing Convertible Term Rider  
Project Name/Number: R7800/R7800

## Filing at a Glance

Company: American Income Life Insurance Company

Product Name: Annual Decreasing Convertible SERFF Tr Num: AMLC-126086743 State: Arkansas

Term Rider

TOI: L04I Individual Life - Term

SERFF Status: Closed-Approved- State Tr Num: 41965  
Closed

Sub-TOI: L04I.313 Decreasing - Single Life -  
Fixed/Indeterminate Premium

Co Tr Num: R7800

State Status: Approved-Closed

Filing Type: Form

Reviewer(s): Linda Bird

Author: Angela Fincher

Disposition Date: 03/26/2009

Date Submitted: 03/24/2009

Disposition Status: Approved-  
Closed

Implementation Date Requested: 04/24/2009

Implementation Date:

State Filing Description:

## General Information

Project Name: R7800

Status of Filing in Domicile: Pending

Project Number: R7800

Date Approved in Domicile:

Requested Filing Mode: Review & Approval

Domicile Status Comments: Filed concurrently  
in Indiana, our state of domicile.

Explanation for Combination/Other:

Market Type: Individual

Submission Type: New Submission

Group Market Size:

Overall Rate Impact:

Group Market Type:

Filing Status Changed: 03/26/2009

Explanation for Other Group Market Type:

State Status Changed: 03/26/2009

Deemer Date:

Created By: Angela Fincher

Submitted By: Angela Fincher

Corresponding Filing Tracking Number:

Filing Description:

Re: R7800 – Annual Decreasing Convertible Term Rider

Enclosed are copies of the above referenced form for your review. This form is a new form and is not intended to replace any previously approved form. This form has been written in "readable" language and has a FLESCH readability score of 52.7. This form has been filed concurrently in Indiana, our state of domicile.

SERFF Tracking Number: AMLC-126086743 State: Arkansas  
 Filing Company: American Income Life Insurance Company State Tracking Number: 41965  
 Company Tracking Number: R7800  
 TOI: L041 Individual Life - Term Sub-TOI: L041.313 Decreasing - Single Life -  
 Fixed/Indeterminate Premium  
 Product Name: Annual Decreasing Convertible Term Rider  
 Project Name/Number: R7800/R7800

This form is for general use with our individual life portfolio approved in your state and will be marketed by licensed agents to individuals using application form AG-2549, which was approved 11/10/2008. No illustration will be used with this traditional term life product; all values are guaranteed.

We wish to thank you for your cooperation in this matter, and trust you will find this filing acceptable for approval. Please contact me if you have any questions.

## Company and Contact

### Filing Contact Information

Angela Fincher, Contract Analyst      afincher@aillife.com  
 PO Box 2608      254-761-6761 [Phone]  
 Waco, TX 76797      254-741-5723 [FAX]

### Filing Company Information

American Income Life Insurance Company      CoCode: 60577      State of Domicile: Indiana  
 P.O. Box 2608      Group Code: 290      Company Type: Life and Health  
 Waco, TX 76797      Group Name: Liberty National      State ID Number: 498  
 (254) 761-6761 ext. [Phone]      FEIN Number: 74-1365936

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## Filing Fees

Fee Required?      Yes  
 Fee Amount:      \$20.00  
 Retaliatory?      No  
 Fee Explanation:      20/rider \* 1 rider = \$20  
 Per Company:      No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
American Income Life Insurance Company	\$20.00	03/24/2009	26652558

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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved- Closed	Linda Bird	03/26/2009	03/26/2009

*SERFF Tracking Number:*      *AMLC-126086743*                      *State:*                      *Arkansas*  
*Filing Company:*              *American Income Life Insurance Company*      *State Tracking Number:*      *41965*  
*Company Tracking Number:*      *R7800*  
*TOI:*                      *L04I Individual Life - Term*                      *Sub-TOI:*                      *L04I.313 Decreasing - Single Life -  
Fixed/Indeterminate Premium*

*Product Name:*              *Annual Decreasing Convertible Term Rider*  
*Project Name/Number:*      *R7800/R7800*

## **Disposition**

Disposition Date: 03/26/2009

Implementation Date:

Status: Approved-Closed

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: AMLC-126086743 State: Arkansas  
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Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Flesch Certification		Yes
Supporting Document	Application		Yes
Supporting Document	Life & Annuity - Actuarial Memo		No
Form	Annual Decreasing Convertible Term Rider		Yes

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## Form Schedule

Lead Form Number: R7800

Schedule Item Status	Form Number	Form Type	Form Name	Action	Action Specific Data	Readability	Attachment
	R7800	Policy/Contract	Annual Decreasing Convertible Term Rider	Initial		52.700	R7800.pdf
		Certificate:	Amendment, Insert Page, Endorsement or Rider				

## AMERICAN INCOME LIFE INSURANCE COMPANY

Executive Office: P. O. Box 2608, Waco Texas 76797

### ANNUAL DECREASING CONVERTIBLE TERM RIDER

BENEFITS	We will pay the Term Rider Death Benefit on Page 3A applicable at the time of death to the Beneficiary at your death. Death must occur while this Rider is in full force. Payment will be made when we receive proof of your death at our Executive Office.
NON-PARTICIPATING	This is a non-participating Rider. This means the Rider does not share in our profits or surplus.
POLICYOWNER AND BENEFICIARY	The policyowner and beneficiary of the policy this Rider is attached to will be the owner and beneficiary of this Rider.
MISSTATEMENT OF AGE OR SEX	If your age or sex is not correct on the application for this Rider, the amount payable under this Rider will be what the premiums paid would have bought at the correct age or sex.
INCONTESTABILITY	We cannot contest the validity of this Rider after it has been in force during your lifetime for 2 years except for failure to pay premiums.
SUICIDE EXCLUSION	If you commit suicide, while sane or insane, before this Rider has been in force for 2 years, we will not pay any benefit. We will return the premiums paid for this Rider.
REINSTATEMENT	This Rider may be reinstated (put back in full force) within 5 years after it ceases to be in full force. The policy this Rider is attached to must be concurrently reinstated. Evidence of insurability satisfactory to us is required.
WAIVER OF PREMIUM	If the policy to which this Rider is attached has any benefits for total and permanent disability, we will waive the payment of premiums for this Rider when the payment of premiums for the policy is waived. Premium for the Waiver of Premium Benefit is shown on Page 3.
CONVERSION PRIVILEGE	<p>You have this right while this Rider is in full force. Evidence of insurability is not required. You may have any permanent plan of life insurance issued by the company subject to the following conditions:</p> <ol style="list-style-type: none"><li>1. Send the policy, this Rider and your written request for conversion to our Executive Office within the Convertible Period on Page 3A. The Policy Date of the new policy will be the date of the application. Premiums paid will be at the rate for your attained age then charged by us for the plan selected.</li><li>2. The amount of insurance of the new policy will be equal to the Term Rider Death Benefit on Page 3A applicable at the time of exchange. The amount of the new policy, however, may not be less than the published minimum amount limit then applicable for the plan selected.</li><li>3. The new policy will not include any disability waiver or other supplemental agreement that increases the insurance risks, unless we are given proof of your insurability.</li><li>4. The suicide and incontestability provisions of the new policy will start from the effective date of this Rider.</li><li>5. The risk classification of the new policy and this Rider will be the same.</li><li>6. If your premiums are being waived due to a waiver of premium disability benefit included in the policy on the date this Rider's Convertible Period ends, this Rider will be exchanged automatically for a new policy on a whole life plan for the amount of the Term Rider Death Benefit on Page 3A applicable at the time of exchange. The Policy Date of the new policy will be the date the Conversion Period ends. The premium will be for your attained age on that date. Any premium falling due during the continuance of that total disability will be waived.</li></ol>
TERMINATION	<p>This Rider will stop at the first of the following:</p> <ol style="list-style-type: none"><li>1. The Expiry Date on Page 3A;</li><li>2. The end of the grace period for any premium due on the policy or this Rider; or</li><li>3. The written request of the Policyowner along with the policy for endorsement.</li></ol>



RESERVE BASIS

The reserve on the Rider shall be computed using the Mortality Table, Valuation Method and Valuation Interest Rate shown on Page 3A.

THE ADDITIONAL BENEFITS

The benefits given by this Rider do not change the Policy Loan or Guaranteed Values of the policy. Nothing in this Rider will vary, alter, waive, or extend the policy unless it is expressly stated in this Rider.

CONSIDERATION

We have issued this Rider in return for the application and the payment of the additional premium on Page 3. A copy of the application is attached to the policy. The additional premium is payable until this Rider stops unless a shorter premium period is stated in the policy. If we receive premiums for this Rider after it has stopped, we will refund such premiums and the insurance coverage will not continue.

Carol A. M. Eby  
Secretary

  
President

MORTALITY TABLE - 2001 COMMISSIONER'S STANDARD ORDINARY, AGE LAST BIRTHDAY  
 VALUATION INTEREST RATE - 4.00 PERCENT  
 VALUATION METHOD - COMMISSIONERS RESERVE  
 NONFORFEITURE INTEREST RATE - 5.00 PERCENT  
 POLICY LOAN INTEREST RATE - 8.00 PERCENT ANNUAL RATE, PAYABLE IN ARREARS  
 NONFORFEITURE FACTOR - 95.77210 ALL YEARS

TABLE OF NONFORFEITURE VALUES

END OF POLICY YEAR	CASH OR LOAN VALUE	PAID UP INSURANCE	EXTENDED TERM YEARS DAYS		END OF POLICY YEAR
1	\$	\$			1
2					2
3	40.00	240	2	282	3
4	130.00	740	7	193	4
5	220.00	1,190	11	29	5
6	320.00	1,660	14	42	6
7	410.00	2,040	15	332	7
8	520.00	2,480	17	284	8
9	620.00	2,840	18	334	9
10	730.00	3,210	19	326	10
11	840.00	3,550	20	220	11
12	960.00	3,900	21	104	12
13	1,070.00	4,180	21	233	13
14	1,200.00	4,500	22	43	14
15	1,330.00	4,800	22	151	15
16	1,460.00	5,060	22	204	16
17	1,600.00	5,340	22	254	17
18	1,740.00	5,580	22	264	18
19	1,880.00	5,810	22	241	19
20	2,030.00	6,040	22	223	20
AT 60	2,820.00	7,020	21	216	AT 60
AT 65	3,680.00	7,780	19	315	AT 65
AT 70	4,580.00	8,350	17	259	AT 70

PLAN-FORM	BENEFIT DESCRIPTION	ANNUAL PREMIUM	
1220 MNS	- WHOLE LIFE	\$ 164.20	FOR LIFE
8233 30YMNS	- ANNUAL DECREASING TERM	632.80	FOR 30 YEARS

TOTAL ANNUAL PREMIUM	\$ 797.00
ISSUED METHOD OF PAYMENT-----BD MONTHLY	\$ 66.42
OTHER METHODS OF PAYMENT	
SEMI-ANNUAL	\$ 398.50
QUARTERLY	\$ 199.25
MONTHLY	\$ 71.73

NAME AND ADDRESS OF INSURED  
 JOHN DOE  
 1200 WOODDED ACRES  
 WACO TX 76797

MALE ISSUE AGE 35  
 FACE AMOUNT \$ 10,000  
 INITIAL FACE AMOUNT \$110,000  
 POLICY NUMBER 1234567  
 POLICY DATE MAR 1, 2009  
 EFFECTIVE DATE MAR 1, 2009



ANNUAL DECREASING TERM RIDER

BEGINNING OF POLICY YEAR	POLICY DEATH BENEFIT	BEGINNING OF POLICY YEAR	POLICY DEATH BENEFIT
1	\$100,000	16	\$ 76,800
2	99,200	17	74,000
3	98,300	18	71,000
4	97,300	19	67,800
5	96,200	20	64,300
6	95,100	21	60,500
7	93,800	22	56,400
8	92,500	23	51,900
9	91,000	24	47,100
10	89,400	25	41,800
11	87,700	26	36,200
12	85,900	27	30,100
13	83,900	28	23,400
14	81,700	29	20,000
15	79,300	30	20,000

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

NAME AND ADDRESS OF INSURED

JOHN DOE  
 1200 WOODED ACRES  
 WACO TX 76797

MALE ISSUE AGE 35  
 INITIAL FACE AMOUNT \$100,000  
 POLICY NUMBER 1234567  
 RIDER DATE MAR 1, 2009  
 EFFECTIVE DATE MAR 1, 2009  
 EXPIRY DATE MAR 1, 2039  
 CONVERTIBLE PERIOD ENDS MAR 1, 2037



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## Supporting Document Schedules

	Item Status:	Status Date:
<b>Satisfied - Item:</b> Flesch Certification		
<b>Comments:</b>		
<b>Attachment:</b> ARReadCert.pdf		

	Item Status:	Status Date:
<b>Satisfied - Item:</b> Application		
<b>Comments:</b> Application form AG-2549 was approved 11/10/2008.		
<b>Attachment:</b> AG-2549.pdf		

STATE OF ARKANSAS  
CERTIFICATE OF COMPLIANCE

I, PAMELA D. MILLER, AN OFFICER OF THE AMERICAN INCOME LIFE INSURANCE COMPANY, HEREBY CERTIFY THAT THE FOLLOWING FORM(S) HAS (HAVE) THE FOLLOWING READABILITY SCORE(S) AS CALCULATED BY THE FLESCH READING EASE TEST AND THAT THE FORM(S) MEET ALL REQUIREMENTS SET FORTH IN ARKANSAS STATUTES 66-3251 THROUGH 66-3258, CITED AS THE LIFE AND DISABILITY INSURANCE POLICY LANGUAGE SIMPLIFICATION ACT.

FORM(S)	SCORE
R7800	52.7

DATED March 24, 2009

AMERICAN INCOME LIFE INSURANCE COMPANY

  
-----  
PAMELA D. MILLER, FLMI/M, AIRC, ACS  
VICE PRESIDENT  
COMPLIANCE

PFCERTAR

Application to AMERICAN INCOME LIFE INSURANCE COMPANY

P.O. Box 2608 Waco, TX 76797

Affiliation

ID No.

\*Complete shaded areas for spouse coverage.

UN CU Assoc V-PRIV SR Lics Prof GL POS Ref F-CHSF DC

1. Names of Proposed Insureds (A, B, C1, C2, C3) with fields for D.O.B., Age, Birthplace, Ht, Wt, Sex, NTU, SS#, Driver's License, and Employer's Name.

10. Complete B, C1, C2 & C3 ONLY if applying for separate life policies. Primary Beneficiary, Relationship to Insured, Contingent Beneficiary, Relationship to Insured.

11. Is any insurance applied for intended to replace or change any insurance or annuities in this or any other company? 12. Amount of insurance on each proposed Insured. 13. Is proposed Insured a U.S. citizen? 14. Do you wish the Automatic Premium Loan Provision on your life policy/policies?

Life Insurance - Complete B, C1, C2 & C3 ONLY if applying for separate Life policies. Table with columns for Proposed Insured (A, B, C), Base Plan, Riders and Benefits, and Premiums.

Accident Ins. Policy, Cancer Ins. Policy, Hospital Indemnity Ins. Policy. Includes sub-sections for A, B, C and various benefit options.

Critical Illness Ins. Policy, 15. I have received an outline of coverage? 16. Does proposed Insured have a Medicaid Eligibility Card... 17. Age 65 and Older Only... PLACE ORAL SPECIMEN STICKER HERE.

AUTHORIZATION FOR PREAUTHORIZED PAYMENTS

American Income Life Insurance Company is authorized to initiate debit entries to the account indicated below, and the depository institution named below is authorized to debit the same to such account.

Depository Name, City, State, Transit/ABA No., Account No., Type of Account: Checking Savings

X Signature of Payor Date Requested draw date, if any:

PLEASE ATTACH A VOIDED PERSONAL CHECK



**PLACE AN 'X' IN THE BOX WITH THE CORRECT ANSWER**

ANSWER ALL QUESTIONS IF APPLYING FOR LIFE, HOSPITAL INDEMNITY OR CRITICAL ILLNESS POLICY

ANSWER **ONLY SECTION "A"** IF APPLYING ONLY FOR **ACCIDENT** POLICY

ANSWER **ONLY SECTION "B"** IF APPLYING ONLY FOR **CANCER** POLICY

**SECTION A**

- 18. Has any proposed Insured ever been treated or advised to be treated for alcoholism or alcohol abuse, including membership in A.A. or been advised by a physician to reduce alcohol consumption?  Yes  No
- 19. Has any proposed Insured ever used drugs not prescribed by a physician, such as cocaine, amphetamines, barbiturates, hallucinogens, tranquilizers, narcotics or sedatives?  Yes  No
- 20. Has any proposed Insured ever had their driver's license suspended or revoked because of a moving violation or been arrested (including arrests for driving while intoxicated or under the influence)?  Yes  No
- 21. Has any proposed Insured flown within the last 2 years, or intend to fly in the future, as other than a passenger on a scheduled airline?  Yes  No
- 22. Has any proposed Insured participated within the last 2 years, or intend to participate, in any of the following activities: Auto, Motorcycle, or Boat Racing; Parachute Jumping; Skin, Scuba, or Sky Diving?  Yes  No
- 23. Has any proposed Insured ever been advised to take tests and not done so or not received the results, been diagnosed as having, or received treatment for high blood pressure, chest pain, heart attack, stroke or any heart, blood or circulatory disorder?  Yes  No
- 24. Has any proposed Insured ever had or been treated for any of the following conditions:
  - a. Diabetes or other endocrine disorder?  Yes  No
  - b. Paralysis, epilepsy, mental disease or disorder or any other nervous system or brain disorder?  Yes  No
- 25. Has any proposed Insured ever had arthritis or any injury to or trouble with your back, knees or any of your joints?  Yes  No
- 26. To the best of your knowledge and belief, do you have any physical impairment or departure from good health? (give details)  Yes  No

**SECTION B**

- 27. Has any proposed Insured ever been advised to take tests and not done so or not received the results, been diagnosed as having, or received treatment for cancer, tumor or unexplained masses?  Yes  No

- 28. Has any proposed Insured ever been rejected for life or medical-hospital insurance, rated, or failed to receive a policy as applied for?  Yes  No
- 29. Has any proposed Insured in the last 5 years:
  - a. Had a physical examination?  Yes  No
  - b. Had any medical treatment? (includes prescription medications)  Yes  No
  - c. Been hospitalized?  Yes  No
- 30. Is any proposed Insured currently a resident in a nursing home or ever been diagnosed as having a terminal illness, including Alzheimer's disease?  Yes  No
- 31. Has any proposed Insured ever had or been treated for any of the following conditions:
  - a. Asthma, emphysema, sleep apnea or other respiratory disorder?  Yes  No
  - b. Ulcer, colitis or other digestive tract disorder?  Yes  No
  - c. Cirrhosis, hepatitis or other liver disorder or any blood disorder or received a bone marrow transplant?  Yes  No
  - d. Kidney, prostate, urinary bladder or other genitourinary disorder?  Yes  No
  - e. Disease of the breasts, uterus or ovaries?  Yes  No
  - f. Rheumatoid arthritis or any other musculoskeletal disorder?  Yes  No
  - g. Loss of hearing or loss of sight?  Yes  No
  - h. Acquired Immune Deficiency Syndrome (AIDS), AIDS Related Complex (ARC) or AIDS related conditions?  Yes  No
- 32. Has any proposed Insured ever tested positive for antibodies to the "AIDS" (HIV) virus?  Yes  No
- 33. Does any proposed Insured smoke cigarettes or use tobacco in any other form?  Yes  No
- 34. If a former user of tobacco, when did proposed Insured quit?  
Name/Date \_\_\_\_\_  
Name/Date \_\_\_\_\_
- 35. Has any proposed Insured used marijuana in the past year?  Yes  No

If questions are answered "yes", give explanations, dates, names & addresses of physicians & hospital (if any) below.

Proposed Insured	Explanation or Medication	Date	Hospital	How Long	Physician	Address
			<input type="checkbox"/> Yes <input type="checkbox"/> No			
			<input type="checkbox"/> Yes <input type="checkbox"/> No			
			<input type="checkbox"/> Yes <input type="checkbox"/> No			

Name, Address, and Phone Number of Personal Physician	Date Last Seen	Medical Records ID#
( ) -		
* ( ) -	*	*

Any person who knowingly and with intent to injure, defraud or deceive any insurer, submits an application or files a claim containing any false, incomplete, or misleading information is guilty of insurance fraud, which is a crime.

I agree that no insurance shall be in effect until: (a) a policy has been issued; and (b) the first premium is paid while my insurability remains unchanged and then only if I am actually in the state of health represented in this application. I state that the answers set forth above, are full, complete and true to the best of my knowledge and belief. The answers are to be the basis of any insurance issued. No agent may bind, alter, change or waive any underwriting requirements or other provisions of the application or policy. Final application acceptance is made by the Underwriting Department of the Company. I also acknowledge that I have received the Investigative Consumer Reports notification and MIB Notice and authorize obtaining medical or other information, including MIB, in order to evaluate my application for insurance. American Income Life may also request or obtain additional information to establish or verify my identity. I further acknowledge that American Income Life may report information to MIB or to other insurers which I have or may apply.

**X** \_\_\_\_\_ Date \_\_\_\_\_ at \_\_\_\_\_  
 Proposed Insured (if 18 or over) \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_  
**X** \_\_\_\_\_  
 Signature of Owner \_\_\_\_\_ Signature of Spouse (if a proposed Insured) \_\_\_\_\_ Signature of Agent \_\_\_\_\_  
 (if other than proposed Insured)

**AGENT'S STATEMENT**

I certify that I have asked all questions and truly and accurately recorded the information supplied by the Applicant. To the best of my knowledge and belief, the insurance applied for  is  is not intended to replace any insurance now in effect.

\_\_\_\_\_  
 Agent L. Name (5 ltrs) \_\_\_\_\_ Agent# \_\_\_\_\_ Signature of Agent \_\_\_\_\_

**REMARKS OR INSTRUCTIONS**

Best time to call \_\_\_\_\_

★ Driver's License # for children age 16 + – For separate life policies ONLY:

Mail Policy To:  Agency  Policyholder