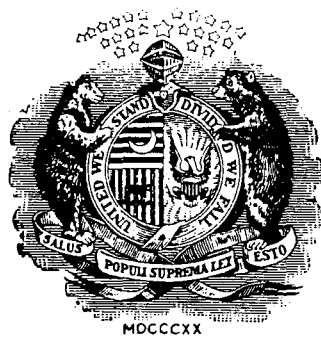


STATE OF MISSOURI

DEPARTMENT OF



INSURANCE

P.O. Box 690, Jefferson City, Mo. 65102-0690

ORDER OF DIRECTOR DEPARTMENT OF INSURANCE

After consideration and review of the Missouri market conduct examination report of American Income Life Insurance Company (hereafter referred to as “the Company”), Missouri Market Conduct Examination report number 0509-26-LAH, I, W. Dale Finke, Director, Missouri Department of Insurance, pursuant to §374.205.3(3)(a), RSMo, do hereby adopt such report as filed.

After my consideration and review of such report, relevant workpapers, and any written submissions or rebuttals, the findings and conclusions of such report are deemed to be my findings and conclusions accompanying this order pursuant to §374.205.3(4), RSMo.

The Company is hereby ORDERED to CURE the violations of law, regulations or prior orders revealed in such report and to take remedial action bringing the Company into compliance with the statutes and regulations of the State of Missouri and to maintain those corrective actions at all times, including, but not limited to, taking the following actions:

1. The Company will take steps to assure that it only accepts applications from currently licensed producers as required by §§375.014 and 375.116, RSMo.

2. The Company will take steps to maintain its books, records, documents and other business records in a manner so that the examiners may, during a market conduct examination, readily ascertain the Company’s claims handling and payment, complaint handling, termination, rating, underwriting, and marketing practices and to produce this information for the examiners during an examination in a timely manner, pursuant to the mandates of §374.205.2(2), RSMo, and Missouri Regulation 20 CSR 300-2.200(2) and (3).

3. The Company will take steps to assure that all of its advertising fully complies with the laws and regulations of this state, including, but not limited to, §376.936, RSMo, and Missouri Regulations 20 CSR 400-2.060, 20 CSR 400-5.100, 20 CSR 400-5.200, and 20 CSR 400-5.700.

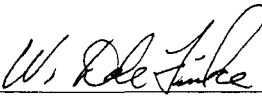
4. The Company will file the form entitled "Modifications Attached to and Forming a Part of Policy Number _____" with the Department for approval within 90 days of the entry of this Order, pursuant to Missouri Regulation 20 CSR 400-8.200(2)(B)4. and (3).

5. The Company will educate its producers and take any needed steps to assure that the question regarding prior cancellations, non-renewals, and declinations is never asked or answered on any of its Missouri insurance applications, such that it does not violate §376.936(11)(f), RSMo, and MDI Bulletin 94-04.

6. The Company will take all necessary steps to assure that its producers, claims handlers, and other customer service personnel accurately, competently, and courteously deal with and handle all policyholder and customer issues and claims.

7. The Company will reopen and further investigate claim numbers SG1MB00000 and SG2D400000, and any similar drug-induced death claims dated 1/1/02 to the present, to determine if the claims should, in fact, be paid, taking into consideration that it is the beneficiaries' burden of proof to prove that the decedent / insured was insane at the time of death in order to collect on the accidental death and dismemberment policy, and to handle the claim determination in accordance with Missouri Regulations 20 CSR 100-1.020, 20 CSR 100-1.030(3), and 20 CSR 400-1.010(1)(H).

So adopted, found, concluded and ordered on this 21st of July, 2006.



W. Dale Finke, Director
Department of Insurance
State of Missouri