



**SECURITIES ACT (AMERICAN INCOME LIFE INSURANCE
COMPANY) EXEMPTION NOTICE 1998**

PURSUANT to the Securities Act 1978, the Securities Commission gives the following notice.

ANALYSIS

1. Title, commencement, and expiry
2. Interpretation

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NOTICE

1. Title, commencement, and expiry—(1) This notice may be cited as the Securities Act (American Income Life Insurance Company) Exemption Notice 1998.

(2) This notice comes into force on the day after the date of its notification in the *Gazette*.

(3) This notice expires on the close of 30 June 2002.

2. Interpretation—(1) In this notice, unless the context otherwise requires,—

“Act” means the Securities Act 1978:

“Branch financial statements” means the branch financial statements of the company’s New Zealand business prepared in the manner described in section 8 (2) of the Financial Reporting Act 1993:

“Company” means American Income Life Insurance Company:

“Company financial statements” means the financial statements of the company, but, notwithstanding section 8 (2) of the Financial Reporting Act 1993, does not include the pages of the financial statements that relate solely to the company’s New Zealand business and that are the branch financial statements:

“Regulations” means the Securities Regulations 1983:

“Schedule 3B” means Schedule 3B of the Regulations.

(2) Any term or expression that is not defined in this notice, but that is defined in the Act or the Regulations, has the meaning given to it by the Act or the Regulations.

3. Exemption in respect of company financial statements for accounting period ended 31 December 1997—(1) The company and every person acting on its behalf is exempted, in respect of any registered prospectus distributed before 1 July 1998 relating to an offer of life insurance policies, from section 34 (2) (a) of the Act and clauses 5 (2), 12 (1), and 12 (5) of Schedule 3B in so far as those provisions apply to the company financial statements for the accounting period ended 31 December 1997.

(2) The exemption is subject to the following conditions:

- (a) That the company financial statements in respect of the accounting period ended 31 December 1997 are prepared in accordance with United States generally accepted accounting principles; and
- (b) That the registered prospectus refers to the company financial statements in respect of the accounting period ended 31 December 1997, refers to the accounting period covered by those financial statements, and is accompanied by those financial statements; and
- (c) That the registered prospectus contains a financial statement in summary form in respect of the company for the financial period ended 31 December 1997, taken from the company financial statements in respect of that accounting period that are prepared in accordance with United States generally accepted accounting principles; and
- (d) That the registered prospectus contains a statement to the effect that the company financial statements in respect of the accounting period ended 31 December 1997 are unaudited and the amounts contained in the summary financial statements for that period are taken from unaudited company financial statements; and
- (e) That the registered prospectus states that the company has been granted this exemption and describes the general nature and effect of the exemption; and
- (f) That the registered prospectus states that any person who requests a copy of the registered prospectus will be sent, as soon as it is available, a copy of the audited financial statements of the company for the accounting period ended 31 December 1997 that comply with the Financial Reporting Act 1993, and states that those audited financial statements are expected to become available around 30 June 1998.

4. Exemption in respect of earlier financial statements—(1) The company and every person acting on its behalf is exempted, in respect of any registered prospectus distributed before, on, or after 1 July 1998 relating to an offer of life insurance policies, from clauses 5 (2) and 12 (5) of Schedule 3B in so far as those provisions apply to the company financial statements for the accounting periods ended 31 December 1995 and 31 December 1996.

(2) The exemption is subject to the following conditions:

- (a) That the registered prospectus contains a financial statement in summary form in respect of the company for the financial periods ended 31 December 1995 and 31 December 1996, taken from the company financial statements in respect of those accounting periods that are prepared in accordance with United States generally accepted accounting principles; and

- (b) That the registered prospectus contains a statement to the effect that the amounts contained in those summary financial statements are taken from unaudited company financial statements; and
- (c) That the registered prospectus states that the amounts contained in the summary financial statements for the accounting periods ended 31 December 1995 and 31 December 1996 are also contained in the audited financial statements of the company's parent company, Torchmark Corporation, which are prepared in accordance with United States generally accepted accounting principles; and
- (d) That the registered prospectus states that the company has been granted this exemption and describes the general nature and effect of the exemption.

Dated at Wellington this 30th day of March 1998.

The Common Seal of the Securities Commission was affixed in the presence of:

[L.S.]

E. H. ABERNETHY,
Chairman.

EXPLANATORY NOTE

This note is not part of the notice, but is intended to indicate its general effect.

This notice comes into force on the day after the date of its notification in the *Gazette* and expires on the close of 30 June 2002. The notice exempts American Income Life Insurance Company, subject to conditions, from certain provisions of the Securities Act 1978 and Schedule 3B of the Securities Regulations 1983 as they relate to a prospectus for life insurance policies. The exemption, in so far as it relates to the company financial statements for the accounting period ended 31 December 1997, has effect until 30 June 1998. The exemption, in so far as it relates to the company financial statements for the accounting periods ended 31 December 1995 and 31 December 1996, is not limited in this way. The exemption does not apply to the company's New Zealand branch financial statements, which are prepared in accordance with the Financial Reporting Act 1993 and do not require an exemption.

Issued under the authority of the Acts and Regulations Publication Act 1989.
Date of notification in *Gazette*: 31 March 1998.
This notice is administered in the Securities Commission.