

AMERICAN INVESTORS COMPANY

Explanation of Your Investment Variable Life Insurance Purchase

_____, a registered representative with American Investors Company (AIC), has reviewed your investment with you. By initialing the statements that pertain to your investment and signing the form at the bottom, you acknowledge the following:

_____ **You have received a prospectus. Please read it carefully.** It contains important information about your investment.
Initials

_____ Your registered representative has explained the nature of your investment and its relative risks. You understand that variable sub-accounts are subject to market conditions and that current yield quotations are a “snapshot” of the current rate and may be higher or lower in the future. You understand that the accumulation value (principal balance) of your variable life policy can be adversely affected by market conditions and/or interest rate fluctuations. For sub-accounts investing in U.S. government securities (e.g., Treasury securities and GNMA instruments), you further understand that neither underlying share prices or sub-account performance is guaranteed. You understand that fixed account options are general obligations of the issuing insurance company and are not guaranteed by any other entity, nor are they FDIC insured.
Initials

_____ Your registered representative has provided you with a copy of the insurance company’s hypothetical illustrations showing different hypothetical accumulation values. None of the illustrations exceeded a 12% annual accumulation and one of the illustrations showed a 0% annual accumulation. The illustration copy you received includes your signature and that of your registered representative.
Initials

_____ Your registered representative has explained the accumulation value versus the surrender value of your variable life policy and the associated surrender period.
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Your registered representative has reviewed the five additional disclosure items set forth below as they pertain to your current variable life purchase. **Please acknowledge your understanding (or lack of applicability) of each disclosure item below by initialing (or indicating “n/a”) next to each number.**

_____ 1. If the purchase of a variable life contract involves a 1035 tax-deferred exchange from another insurance contract, relinquishing an old contract may trigger surrender charges on the original contract and may start a new surrender period on the new contract
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_____ 2. If the purchase of a variable life contract is being consummated within a qualified plan, a tax-deferred vehicle is being purchased inside a plan that already has the benefits of tax deferral. Since a portion of the expenses associated with a variable life contract provides for the tax deferral benefits inside the contract itself, there may be expenses incurred for this unnecessary duplicate benefit.
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_____ 3. Although variable life policies contain attractive tax deferral features, there should be certainty that an investor’s current and projected tax situation is such that these tax deferral benefits will remain meaningful for the foreseeable future.
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_____ 4. Variable life policies generally provide favorable tax treatment for policy withdrawals and policy loans but in certain circumstances, where excess money is removed from the contract, unfavorable tax consequences may result.
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_____ 5. Although variable life contracts can provide for tax-deferred cash value accumulation, these contracts should be purchased principally for their life insurance benefits.
Initials

Date: _____

Signature

Signature

Print Name

Print Name