

August 5, 2014

Meeting of Audit Committee of Life Insurance Company of Alabama

Members present: G. Ray Smith, Chairman, Alie Renfrow Causey, Internal Auditor Steve Keck, Exec. V.P. & Secretary

The meeting was held at the office of Mr. Smith at 10:00 am.

There was discussion concerning the suggestions presented by Roger Boatner, Internal Auditor from Willis, Boatner and Whiteside in all of their audit reports to date. The majority of the items have been addressed. The outstanding items related to dual controls regarding checks received in the mail, trademarking the company name and drafting a capital policy.

There was also discussion regarding the state examination that was just completed as well as the response from the company to the recommended items from the examination. It was recommended that these items be added to the audit list to ensure these items are addressed. It was especially emphasized that we should make sure that we address any items marked by the state, and internal auditors, as "Again Recommended".

Mr. Smith provided a sample of a dual control sheet for consideration in addressing the item recommended by the internal auditors.

There being no other business the meeting was adjourned.

**QUARTERLY MEETING OF THE
BOARD OF DIRECTORS**

Monday, August 25, 2014

The regular quarterly meeting Board of Directors of the Life Insurance Company of Alabama convened at 11:00 A.M. Monday, August 25, 2014, in Rutledge Library, Life of Alabama Building, 302 Broad Street, Gadsden, Alabama, said meeting having been called by the Chairman, Clarence W. Dauge, III who presided at the meeting. The invocation was given by Executive Vice President M. Lynn Lowe.

ROLL CALL:

The Roll Call revealed that members of the Board were present as follows:

Rosalie Renfrow Causey	Lucian Newman, MD
Herman Warren Cobb, Jr.	Thomas W. Miller
Clarence W. Dauge, III	Anne D. Renfrow
Alburta D. Lowe	Raymond R. Renfrow, Jr.
M. Lynn Lowe	Gerald R. Smith, Jr.

Also Present: Director Emeritus, Robert W. Echols, Jr.

The Chairman declared a quorum present and the meeting duly qualified for the transaction of business.

In the absence of Secretary J. Steven Keck, the Chairman appointed Assistant Secretary Rosalie Renfrow Causey to serve as secretary of the meeting.

MINUTES:

The Chairman asked the pleasure of the Board concerning reading of the minutes. Alburta D. Lowe moved that the minutes not be read and upon second by Raymond R. Renfrow, Jr. the motion carried unanimously.

ASSISTANT MEDICAL DIRECTOR:

The Chairman recommended that Dr. Mary Kinney Lowe Corley be approved by the Board to serve in the consultant position of Assistant Medical Director.

Thomas W. Miller moved in favor of the recommendation and upon second by Lucian Newman, MD the motion carried unanimously.

SECOND QUARTER REPORT:

The Chairman reviewed Highlights of Second Quarter Financial Statement as of June 30, 2014. Full discussion of the statement followed.

COMMITTEE REPORTS:**Compensation Committee:**

Chairman of the Compensation Committee Thomas W. Miller reported that they had met and approved in the form of a motion a bonus based on results of the second quarter. The total bonus for officers and employees totals \$157,576.

Upon second by Lucian Newman, MD the motion carried unanimously.

Investment Committee:

Executive Vice President M. Lynn Lowe reviewed the Executive Summary for the second quarter as prepared by our investment counselors with Sterne Agee. The report indicates that the current sector allocations are 50% Tax-Free Municipals, 45% Corporates and 5% Agencies. The report indicated a \$3.1 million gain due to the sale of a portion of Protective Life stock.

Marketing Report:

Vice President and Agency Director C. W. Bracewell, Jr. was asked to join the meeting to give the second quarter marketing report. Mr. Bracewell noted that A&H sales for the year thus far were as expected, but that Life Sales were low. A new Life product will be introduced and on the market in October which is anticipated to become a boost in our Life sales market.

Audit Committee:

Gerald R. Smith, Jr. Chairman of the Audit Committee reported that the committee recently met at his office. At the meeting they discussed outstanding suggestions as presented by Internal Auditor Roger Boatner. Those items include dual controls regarding checks received in the mail, trademarking the company name and drafting a capital policy.

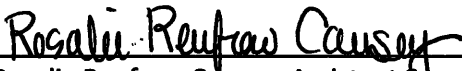
Full discussion of his report followed.

ANNOUNCEMENTS:

The Chairman noted that the Gadsden Agency office had been relocated from Walnut Street to the downstairs area formerly occupied by Policyholders Service Department.

ADJOURNMENT:

There being no further business and upon motion duly made and seconded, the meeting adjourned.



Rosalie Renfrow Causey, Assistant Secretary