

**Daniel F. Raider**  
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**San Mateo, California 94403**

November 19, 2019

Board of Directors  
Life Insurance Company of Alabama  
Gadsden, Alabama 35901

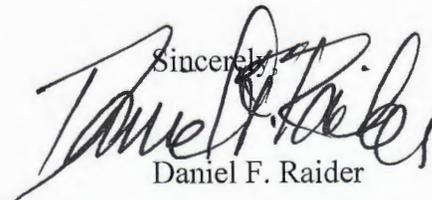
Ladies and Gentlemen:

I am writing to you once again in my capacity as a long-time and long-suffering shareholder of LICOA. (I note that the only response I received to my letter of July 29<sup>th</sup>, originals of which were sent to the entire Board of Directors, was a strange letter from Mr. Daugette stating that LICOA would be interested in purchasing my stock.)

I have recently reviewed LICOA's quarterly financial statements for the period ending September 30<sup>th</sup>, 2019. From my perspective, the situation is ominous. For the nine months ended September 30<sup>th</sup>, LICOA recorded a **loss** from operations of \$1.4 million. (This result is even **worse** than the comparable result in 2018, notwithstanding LICOA's statement to the NAIC in its 2018 MD&A that "improved operating results are expected to continue into 2019".) LICOA's statutory equity at September 30<sup>th</sup> was only \$37.2 million, a **decrease of more than \$4 million** from its \$41.4 million of equity at the end of 2018.

Other financial indications are equally troubling. In 2014, LICOA had \$5.2 million of investments in common stock, which delivered a significantly profitable long-term return on investment. As of September 30<sup>th</sup>, 2019, however, LICOA owned no common stock investments at all. In 2014, LICOA had \$0.5 million of capital tied up in the non-earning asset of "properties occupied by the company". By September 30<sup>th</sup> of this year, that amount had increased 600% to the astonishing amount of \$3.4 million. Perhaps it is a simplistic view, but it appears that LICOA has in effect sold its best long-term assets in order to acquire an asset whose return is predictably zero. (In fact, the return will be worse than zero, as depreciation expense will erode LICOA's "investment" in its self-occupied property.)

I believe that the time has come for LICOA's Board to find a way to place LICOA into the hands of sounder stewardship. Once again, I encourage, even entreat, the Board to seek a sale or merger of LICOA into a well-run larger company. Otherwise, I fear that LICOA's remaining equity will continue to erode, thus causing additional and perhaps catastrophic losses to its shareholders.

Sincerely,  
  
Daniel F. Raider