

**QUARTERLY MEETING OF THE
BOARD OF DIRECTORS**

Monday, February 12, 2018

The 2017 fourth quarter meeting of the Board of Directors of Life Insurance Company of Alabama convened at 10:30am, Monday, February 12, 2018 in the Rutledge Library, Life of Alabama building, 302 Broad Street, Gadsden, Alabama. The meeting was called to order by the Chairman, Clarence W. Daugette, III who presided over the meeting. The invocation was given by Herman Warren Cobb.

ROLL CALL:

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

Rosalie Renfrow Causey	Thomas W. Miller
Herman Warren Cobb	Clarence W. Daugette, III
Anne Daugette Renfrow	Alburta Daugette Lowe
Raymond R. Renfrow, Jr.	Gerald Ray Smith, Jr.
M. Lynn Lowe	

Also Present: Directors Emeritus, Robert W. Echols, Jr. and Dr. Lucian Newman, MD

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

MINUTES:

The Chairman asked the pleasure of the Board concerning the reading of the minutes from the previous meeting. Gerald Ray Smith moved that the minutes not be read and upon second by M. Lynn Lowe the motion carried unanimously.

PRESIDENT'S REPORT:

The Chairman informed the Board that the company has been working with local architect, Craig Lipscomb, to review potential plans on renovations of the façade of the building. Mr. Lipscomb has drawn up plans and is seeking bids for the work. There are plans to unveil the proposed project sometime in the near future.

The Chairman called upon Vice President Hoyt Casey to update the Board on the progress of the computer software update. Mr. Casey informed that progress is being made but there is no set time for completion of the project. He also demonstrated an agent web portal that would allow the agents to

access their individual policy holders in various manners. What he demonstrated is far from completed but he wanted to show the direction the project was moving and give an example of what is available. He further informed the board that eventually there would be a group portal and a policyholder portal.

FOURTH QUARTER REPORT:

Vice President, Katrina D. Hulse, CPA joined the meeting and reviewed highlights of the 2017 Year End Financial Statement. Due to the impending conversion to NEAM, instructions were given to Stifel to not make any transactions and as a result the cash as a portion of assets increased. She further informed the board that many of the bonds that were on the watch list as of yearend have been disposed of already.

- Net Income Year to Date 2017 - \$2,173,307

COMMITTEE REPORTS:

Investment Committee:

Rosalie Renfrow Causey updated the board on the transition to NEAM. Mrs. Causey introduced Kelli Sullivan, from NEAM, so she could give a presentation of how things have progressed thus far. Kelli informed the board that a transition path has been settled upon whereby the portfolio will be moved to a higher overall credit rating with minimal change in duration and yield. This will take some time and will likely result in some realized losses as bonds are sold. She further informed the board that the yield curve has flattened and is likely to continue throughout 2018. The economic outlook is good and inflation is becoming a bigger part of the conversation. NEAM will absorb market information to make investment decisions that achieve value while also look for opportunities that offer attractive risk adjusted returns.

Mrs. Causey then introduce Alton Cogart who has been an integral part of the transition process from Stifel to NEAM. He commended NEAM for their work and informed everyone to be aware that all of this is a moving target but we have chosen a good partner to reach these goals and that we are currently in a good position to do so.

Mrs. Causey moved in the form of a motion that the Board approve all the transactions taken by the Company regarding bonds and stock sold, redeemed or otherwise disposed of during the quarter. The motion was seconded by Alburta D. Lowe, and passed unanimously by the Board.

M. Lynn Lowe made a motion to accept the Investment Committee report. The motion was seconded by G. Ray Smith, the motion passed unanimously.

Agency Department:

Executive Vice President, Raymond R. Renfrow, Jr. reported that sales were outpaced 2016 and that over 25% of the sales were life policies, which has long been a goal of the company. The agency department has been stressing recruiting and will continue to do so in 2018.

Anne D. Renfrow made the motion to accept the Agency report. Upon a second from Herman Warren Cobb, the motion carried unanimously.

Compensation Committee

Compensation Committee Chair Thomas W. Miller member reported that they had met and approved in the form of a motion a bonus a Christmas bonus to all officers and employees in an aggregate amount of \$159,957. The motion was seconded by Anne D. Renfrow and passed unanimously.

Audit Committee

Gerald R. Smith, Jr., Chairman of the Audit Committee reported that the committee had met recently and reviewed the outstanding items requiring corrective action previously identified by the internal and external auditors. He informed everyone that good progress is being made on these items and that the company has made tremendous progress from several years ago when the external firm began performing internal audit functions. Due to the changes in the tax law it was recommended that the company confer with Mr. Roger Boatner to discuss how the changes will affect the company and the potential impacts to the bottom line.

Raymond R. Renfrow, Jr. made a motion to accept the audit committee report. The motion was seconded by Anne D. Renfrow and passed unanimously by the board.

Recommendations by the Chairman:

1. Fees for Directors – The \$1,000 for Board Meetings and \$500 for Committee Meetings

A Motion was made by Alburta D Lowe to set the fees as stated. The motion was seconded by Herman Warren Cobb and carried unanimously by the board.

2. Set Date for Annual Meeting – That Monday, May 7, 2018 @11:00am in Dauge Auditorium, be declared as date and time of the Annual Meeting of Stockholders. And, that the meeting of the Board of Directors be held in Rutledge Library immediately following adjournment of the Stockholder's meeting.

A motion was made by Rosalie Renfrow Causey to set the date for the 2018 Annual Meeting. The motion was seconded by Thomas W. Miller and carried unanimously by the board.

3. Nominees for Election to the Board of Directors

Clarence W. Daugette, III made a motion to accept the Nominations for the Board of Directors as it is currently set with no new nominations. The motion was seconded by Alburta D. Lowe and carried unanimously by the board.

4. Dividends to Stockholders – The payment of a cash dividend equal to the dollar amount paid in 2017, approximately 17% of the operating income.

Clarence W. Daugette, III made a motion to accept the Dividend to Stockholders as recommended. The motion was seconded by Gerald Ray Smith, Jr. and carried unanimously.

5. Dividends to Policyholders and Interest on Monies Retained by the Company – The renewal of the resolution detailing dividend payments as printed on page 31 of this corporate minute book. Motion by Thomas W. Miller to maintain Dividends to Policyholders as currently stated. A second from Raymond R. Renfrow and the motion carried unanimously.

6. Reinsurance and Retention – The \$100,000 reinsurance and retention level held by the company remain the same.

Herman Warren Cobb made a motion to accept the Reinsurance and Retention as currently stated. Rosalie Renfrow Causey seconded the motion and it carried unanimously.

7. Profit Sharing Contributions – The Company make a \$225,000 discretionary contribution to the employees profit sharing plan.

Raymond R. Renfrow made a motion to accept; Alburta D. Lowe seconded and the motion carried.

8. Cafeteria Plan Resolution – The Board adopt and approve effective January 1, 2018 the attached Cafeteria Plan agreement.

Gerald Ray Smith made a motion to accept the resolution as stated. The motion was seconded by Herman Warren Cobb and passed unanimously by the board.

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

J. Steve Keck, Secretary