

**QUARTERLY MEETING OF THE
BOARD OF DIRECTORS**

Monday, November 10, 2014

The 2014 third quarter meeting of the Board of Directors of Life Insurance Company of Alabama convened at 11:00 a.m., Monday, November 10, 2014 in the Rutledge Library, Life of Alabama Building, 302 Broad Street, Gadsden, Alabama, said meeting having been called by the Chairman, Clarence W. Daugette, III who presided at the meeting. The invocation was given by 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. Daugette, 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.

MINUTES:

The Chairman asked the pleasure of the Board concerning reading of the minutes. Gerald R. Smith, Jr. moved that the minutes not be read and upon second by Rosalie Renfrow Causey the motion carried unanimously.

THIRD QUARTER REPORT:

Vice President Katrina D. Hulsey, CPA joined the meeting and reviewed highlights of the 2014 Third Quarter Financial Statement. She led the discussion of this statement and answered questions that followed.

COMMITTEE REPORTS:**Agency Department:**

Executive Vice President Raymond R. Renfrow, Jr. provided an overview of the new products recently released by the Company. LICOA was required to develop a new Whole Life and Term Life Insurance Product to avoid a deficiency reserve situation. Features of the new products have proved to be appealing to both our policyholders and producer clients.

Investment Committee:

Executive Vice President M. Lynn Lowe reviewed the Company's equity investment portfolio as of the end of the third quarter indicating that the market value of the portfolio is \$5,346,316 with a book value of \$3,710,396. The overall yield is 2.5%.

Mr. Lowe moved in the form of a motion that the Board approve all the transactions taken by the Company regarding bonds and stocks sold, redeemed or otherwise disposed of during the quarter as shown on Schedule D-Part 4 (Item One Attached) of the Quarterly Statement. Herman Warren Cobb, Jr. seconded the motion which carried unanimously.

Compensation Committee:

Thomas W. Miller, Chairman of the Compensation Committee reported that they had met and approved in the form of a motion a bonus based on results of the third quarter for all officers and employees. The total bonus in aggregate amounts to \$173,254. The motion was seconded by Lucian Newman, MD and carried unanimously.

Audit Committee:

Gerald R. Smith, Jr. Chairman of the Audit Committee reported that the committee had met recently along with Bill Ferguson, External Auditor with Thomas Howell and Ferguson. Mr. Ferguson discussed with the committee the external audit process and timing of the completed audit report. They also reviewed the outstanding items requiring corrective action previously identified by the internal and external auditors and the state examiners. These items are being tracked for review by the audit committee.

ANNOUNCEMENTS:

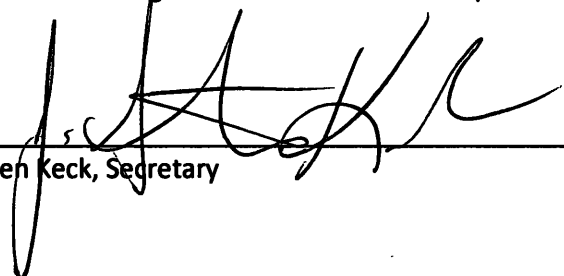
The Chairman announced that the Mariner's Club convention will be held in May, 2015.

He also noted that 2015 event calendars were included with their Director's packet.

He then invited everyone to lunch at the Red Lobster.

ADJOURNMENT:

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



J. Steven Keck, Secretary

**LIFE INSURANCE COMPANY OF ALABAMA
BOND TRANSACTIONS
1Q 2014**

Activity	Trade date	Settle Date	Cusip	Description	Type	Par amount	Units	Transaction	
								Amount	Price
Buy	01/14/2014	01/15/2014	313380N29	FHLB 2.3 09/19/22	Govt	500,000.00	5,000.00	468,650.00	93.73
Sell	01/17/2014	01/23/2014	040654VR3	AZ TRANS	Muni	1,000,000.00	10,000.00	1,068,420.00	106.842
Sell	01/17/2014	01/23/2014	17248RAJ5	T 7 1/8 12/15/31	Corp	300,000.00	3,000.00	369,000.00	123
Sell	01/17/2014	01/23/2014	186108CE4	FE 5.95 12/15/36	Corp	300,000.00	3,000.00	312,330.00	104.11
Sell	01/17/2014	01/23/2014	416515AS3	HIG 5.95 10/15/36	Corp	300,000.00	3,000.00	337,650.00	112.55
Sell	01/17/2014	01/23/2014	434452HV3	HOFFMAN ESTATES IL	Muni	700,000.00	7,000.00	708,449.00	101.207
Sell	01/17/2014	01/23/2014	544152AC5	LO 8 1/8 05/01/40	Corp	300,000.00	3,000.00	377,250.00	125.75
Sell	01/17/2014	01/23/2014	66285WJK3	N TX TOLLWAY	Muni	1,000,000.00	10,000.00	1,079,600.00	107.96
Sell	01/17/2014	01/23/2014	733505LA7	PORT ARTHUR ISD TX	Muni	575,000.00	5,750.00	614,140.25	106.807
Sell	01/17/2014	01/23/2014	876448AV3	TARRANT WTR DIST	Muni	1,000,000.00	10,000.00	983,060.00	98.306
Sell	01/17/2014	01/23/2014	925524AV2	CBS 5 1/2 05/15/33	Corp	300,000.00	3,000.00	305,400.00	101.8
Sell	01/17/2014	01/23/2014	962166BT0	WY 6 7/8 12/15/33	Corp	310,000.00	3,100.00	366,187.50	118.125
Sell	01/21/2014	01/24/2014	294429AG0	EFX 7 07/01/37	Corp	1,665,000.00	16,650.00	1,953,877.50	117.35
Sell	01/21/2014	01/24/2014	494550BD7	KMP 6 1/2 09/01/39	Corp	500,000.00	5,000.00	551,545.00	110.309
Buy	01/21/2014	01/24/2014	969457BU3	WMB 3.7 01/15/23	Corp	1,000,000.00	10,000.00	896,810.00	89.681
Sell	01/22/2014	01/27/2014	556751GG4	MADISON BRD ED AL	Muni	1,315,000.00	13,150.00	1,285,083.75	97.725
Buy	01/23/2014	01/28/2014	067901AQ1	ABXCN 4.1 05/01/23	Corp	1,000,000.00	10,000.00	934,740.00	93.474
Buy	01/23/2014	01/28/2014	18683KAD3	CLF 4 7/8 04/01/21	Corp	200,000.00	2,000.00	195,600.00	97.8
Buy	01/23/2014	01/28/2014	237194AJ4	DRI 4 1/2 10/15/21	Corp	650,000.00	6,500.00	647,946.00	99.684
Buy	01/23/2014	01/28/2014	6174467X1	MS 5 11/24/25	Corp	1,000,000.00	10,000.00	1,015,000.00	101.5
Buy	01/29/2014	02/03/2014	01741RAF9	ATI 5 7/8 08/15/23	Corp	550,000.00	5,500.00	576,675.00	104.85
Buy	01/29/2014	02/03/2014	22273RAA2	COURTLAND INDL INTL AL	Muni	1,000,000.00	10,000.00	1,130,800.00	113.08
Buy	01/29/2014	02/03/2014	457153AF1	IM 5 08/10/22	Corp	1,000,000.00	10,000.00	1,020,000.00	102
Buy	01/30/2014	02/04/2014	855030AM4	SPLS 4 3/8 01/12/23	Corp	1,000,000.00	10,000.00	985,940.00	98.594
Buy	02/03/2014	02/06/2014	113700PC6	BROOKLAND ARK SCH DIST NO 0	Muni	175,000.00	1,750.00	181,175.75	103.529
Buy	02/03/2014	02/06/2014	113700PD4	BROOKLAND ARK SCH DIST NO 0	Muni	250,000.00	2,500.00	258,985.00	103.594
Buy	02/03/2014	02/06/2014	113700PE2	BROOKLAND ARK SCH DIST NO 0	Muni	270,000.00	2,700.00	279,882.00	103.66
Buy	02/03/2014	02/06/2014	170312BT8	CHOCTAW GAS TAX REF AL	Muni	185,000.00	1,850.00	189,939.50	102.67
Buy	02/03/2014	02/06/2014	719618AS9	PICKENS BLDG WTS AL	Muni	165,000.00	1,650.00	173,672.40	105.256
Buy	02/04/2014	02/07/2014	172967HB0	C 5.5 9-13-25	Corp	535,000.00	5,350.00	572,985.00	107.1
Buy	02/04/2014	02/07/2014	898242GV8	TRUSSVILLE AL WTS AL	Muni	1,000,000.00	10,000.00	995,600.00	99.56
Sell	02/14/2014	02/20/2014	00164TAC2	AMCEST 5.94 01/15/2053	Life Insurance Company of Alabama (LICOA)	250,000.00	2,500.00	241,250.00	96.5
Buy	02/14/2014	02/20/2014	071808GN3	BAXTER CNTY ARK HOSP REV	Muni	190,000.00	1,900.00	199,190.30	104.837
Buy	02/14/2014	02/20/2014	071808GS2	BAXTER CNTY ARK HOSP REV	Muni	200,000.00	2,000.00	207,694.00	103.847
Buy	03/12/2014	03/17/2014	529043AC5	LXP 4 1/4 06/15/23	Corp	500,000.00	5,000.00	487,500.00	97.5
Sell	03/12/2014	03/17/2014	929160AK5	VMC 7 06/15/18	Corp	300,000.00	3,000.00	345,000.00	115

**LIFE INSURANCE COMPANY OF ALABAMA
BOND TRANSACTIONS
2Q 2014**

Activity	Trade date	Settle Date	Cusip	Description	Type	Par amount	Units	Transaction	
								Amount	Price
Sell	04/08/2014	04/11/2014	001055AD4	AFL 6.9 12/17/39	Corp	125,000.00	1,250.00	161,125.00	128.9
Sell	04/08/2014	04/11/2014	38143YAC7	GS 6.45 05/01/36	Corp	430,000.00	4,300.00	477,085.00	110.95
Sell	04/08/2014	04/11/2014	743674AY9	PL 8.45 10/15/39	Corp	1,100,000.00	11,000.00	1,506,450.00	136.95
Sell	04/08/2014	04/11/2014	745601GW8	PULASKI TECH AR	Muni	540,000.00	5,400.00	561,195.00	103.925
Buy	04/09/2014	04/14/2014	00913BAA9	AL 4.85 02/01/24	Corp	805,000.00	8,050.00	811,440.00	100.8
Buy	04/09/2014	04/14/2014	172967HB0	C 5.5 9-13-25	Corp	465,000.00	4,650.00	506,724.45	108.973
Buy	04/09/2014	04/14/2014	724479AJ9	PBI 4 5/8 03/15/24	Corp	1,000,000.00	10,000.00	1,006,040.00	100.604
Sell	04/10/2014	04/15/2014	013817AK7	AA 5.95 02/01/37	Corp	210,000.00	2,100.00	208,425.00	99.25
Buy	04/10/2014	04/15/2014	903243AC7	URS 5 04/01/22	Corp	500,000.00	5,000.00	508,000.00	101.6
Sell	04/14/2014	04/17/2014	447025PD3	HUNTSVILLE B REF AL	Muni	900,000.00	9,000.00	822,951.00	91.439
Sell	04/22/2014	04/25/2014	546589SR4	LOUISVILLE ETC SWR KY	Muni	2,000,000.00	20,000.00	1,981,300.00	99.065
Buy	04/30/2014	05/05/2014	299808AE5	RE 6.6 05/15/37	Corp	1,000,000.00	10,000.00	1,055,500.00	105.55
Buy	05/06/2014	05/09/2014	471250MM9	JASPER AL WTS AL	Muni	475,000.00	4,750.00	544,711.00	114.676
Buy	05/07/2014	05/12/2014	00913BAA9	AL 4.85 02/01/24	Corp	195,000.00	1,950.00	197,437.50	101.25
Buy	05/08/2014	05/13/2014	903243AC7	URS 5 04/01/22	Corp	500,000.00	5,000.00	513,905.00	102.781
Sell	05/13/2014	05/14/2014	03938LAQ7	MTNA 5 1/4 08/05/20	Corp	500,000.00	5,000.00	530,625.00	106.125
Buy	05/12/2014	05/15/2014	804833EV9	SAVANNAH HOSP GA	Muni	1,000,000.00	10,000.00	1,159,300.00	115.93
Buy	05/15/2014	05/20/2014	705888BL8	PELL CITY SPL CARE AL	Muni	100,000.00	1,000.00	109,506.00	109.506
Buy	06/02/2014	06/05/2014	472319AE2	JEF 6.45 06/08/27	Corp	500,000.00	5,000.00	571,500.00	114.3
Buy	06/05/2014	06/10/2014	054303BA9	AVP 5 03/15/23	Corp	485,000.00	4,850.00	491,484.45	101.337
Sell	06/19/2014	06/24/2014	597495BC3	MIDLAND CNTY WTR TX	Muni	1,500,000.00	15,000.00	1,595,250.00	106.35
Buy	06/20/2014	06/25/2014	04621WAC4	AGO 5 7-1-24		2,000,000.00	20,000.00	2,072,500.00	103.625
Buy	06/26/2014	06/30/2014	45663NAZ5	INFIRMARY HLT SYS AL	Muni	1,000,000.00	10,000.00	1,096,030.00	109.603
Sell	06/26/2014	06/30/2014	49474FCC2	KING CNTY SWR REF WA	Muni	1,090,000.00	10,900.00	1,210,881.00	111.09
Buy	06/30/2014	07/03/2014	091104GG8	BIRMINGHAM BAPTIST MED CTR	Muni	550,000.00	5,500.00	566,467.00	102.994
Sell	06/30/2014	07/03/2014	113700PC6	BROOKLAND ARK SCH DIST NO 0	Muni	175,000.00	1,750.00	175,787.50	100.45
Sell	06/30/2014	07/03/2014	113700PD4	BROOKLAND ARK SCH DIST NO 0	Muni	250,000.00	2,500.00	250,975.00	100.39
Sell	06/30/2014	07/03/2014	113700PE2	BROOKLAND ARK SCH DIST NO 0	Muni	270,000.00	2,700.00	271,188.00	100.44

**LIFE INSURANCE COMPANY OF ALABAMA
BOND TRANSACTIONS
3Q 2014**

Activity	Trade date	Settle Date	Cusip	Description	Type	Par amount	Units	Transaction Amount	Price
Sell	07/01/2014	07/07/2014	743674103	PL	Equity	Life Insurance Company of Alabama (LICOA)	402.58	28,019.57	69.6
Buy	07/08/2014	07/11/2014	45663NAZ5	INFIRMARY HLT SYS AL	Muni	Life Insurance Company of Alabama (LICOA)	500,000.00	546,455.00	109.291
Sell	07/14/2014	07/17/2014	743674103	PL	Equity	Life Insurance Company of Alabama (LICOA)	28,513.00	19,859.30	69.65
Buy	07/24/2014	07/29/2014	055291AC2	BBVASM 7 12/01/25	Corp	Life Insurance Company of Alabama (LICOA)	1,000,000.00	1,163,570.00	116.357
Sell	07/24/2014	07/29/2014	283734QG9	EL PASON CTFS OBLIG TX	Muni	Life Insurance Company of Alabama (LICOA)	650,000.00	670,241.00	103.114
Sell	07/24/2014	07/29/2014	80329KBP5	SARASOTA IMPT A BABS FL	Muni	Life Insurance Company of Alabama (LICOA)	130,000.00	148,708.30	114.391
Sell	07/25/2014	07/30/2014	45905AHZ4	IBRD 8.02 11/01/29	Corp	Life Insurance Company of Alabama (LICOA)	973,000.00	1,486,257.50	152.75
Buy	07/31/2014	08/05/2014	53079QAB3	LIBMUT 8 1/2 05/15/25	Corp	Life Insurance Company of Alabama (LICOA)	1,000,000.00	1,313,500.00	131.35
Buy	08/01/2014	08/06/2014	05578QAB9	BPCEGP 5.15 7-21-24		Life Insurance Company of Alabama (LICOA)	1,000,000.00	1,051,400.00	105.14
Buy	08/01/2014	08/06/2014	466642BE4	JACKSON HLTH CARE AL	Muni	Life Insurance Company of Alabama (LICOA)	200,000.00	216,384.00	108.192
Buy	08/12/2014	08/15/2014	537260DY4	LITTLE LK SD TX CA	Muni	Life Insurance Company of Alabama (LICOA)	1,000,000.00	1,153,450.00	115.345
Buy	08/18/2014	08/21/2014	437887FW7	HOMEWOOD EDU AL	Muni	Life Insurance Company of Alabama (LICOA)	595,000.00	654,137.05	109.939
Buy	08/25/2014	08/28/2014	810374CF3	SCOTTSBORO WTRWKS AL	Muni	Life Insurance Company of Alabama (LICOA)	500,000.00	570,055.00	114.011
Sell	09/16/2014	09/19/2014	18683KAA9	CLF 5.9 03/15/20	Corp	Life Insurance Company of Alabama (LICOA)	800,000.00	726,800.00	90.85
Sell	09/16/2014	09/19/2014	18683KAD3	CLF 4 7/8 04/01/21	Corp	Life Insurance Company of Alabama (LICOA)	200,000.00	171,750.00	85.875
Buy	09/17/2014	09/22/2014	893830BB4	RIG 6 3/8 12/15/21	Corp	Life Insurance Company of Alabama (LICOA)	1,000,000.00	1,095,100.00	109.51
Sell	09/18/2014	09/23/2014	283029JX5	EL DORADO SD AR	Muni	Life Insurance Company of Alabama (LICOA)	225,000.00	220,554.00	98.024
Sell	09/18/2014	09/23/2014	283029KV7	EL DORADO SD AR	Muni	Life Insurance Company of Alabama (LICOA)	530,000.00	519,659.70	98.049
Buy	09/23/2014	09/26/2014	680223AJ3	ORI 4 7/8 10-1-24		Life Insurance Company of Alabama (LICOA)	1,000,000.00	1,014,000.00	101.4
Buy	09/24/2014	09/29/2014	091096HG5	BHAM WTRWKS AL	Muni	Life Insurance Company of Alabama (LICOA)	170,000.00	186,845.30	109.909
Sell	09/25/2014	09/30/2014	047093EG0	ATHENS HSG UGAREF GA	Muni	Life Insurance Company of Alabama (LICOA)	485,000.00	477,506.75	98.455
Buy	09/25/2014	09/30/2014	935031AA2	WARREN GLF OPP ZONE A MS	Muni	Life Insurance Company of Alabama (LICOA)	250,000.00	284,600.00	113.84

**LIFE INSURANCE COMPANY OF ALABAMA
BOND TRANSACTIONS
4Q 2014**

Activity	Trade date	Settle Date	Cusip	Description	Type	Par amount	Units	Transaction	
								Amount	Price
Sell	10/09/2014	10/15/2014	230138FX2	CULLMAN UTILS BRD AL	Muni	1,000,000.00	10,000.00	1,065,000.00	106.5
Buy	10/09/2014	10/15/2014	816459QQ7	SELMA TXB PENSION AL	Muni	100,000.00	1,000.00	110,612.00	110.612
Buy	10/15/2014	10/20/2014	212584CS3	CONWAY AR HLTH FACS HOSP RE	Muni	200,000.00	2,000.00	208,194.00	104.097
Buy	10/21/2014	10/24/2014	041189VT5	AR TECH UNIV AR	Muni	500,000.00	5,000.00	499,995.00	99.999
Buy	10/21/2014	10/24/2014	091096FU6	BHAM WTRWKS AL	Muni	445,000.00	4,450.00	466,413.40	104.812
Buy	10/22/2014	10/27/2014	041189UR0	AR TECH UNIV AR	Muni	500,000.00	5,000.00	498,275.00	99.655
Buy	10/30/2014	11/04/2014	013141BU9	ALBERTVILLE BOE WTS AL	Muni	500,000.00	5,000.00	500,000.00	100
Buy	11/05/2014	11/10/2014	74348TAJ1	PSEC 5 7/8 03/15/23	Corp	500,000.00	5,000.00	537,500.00	107.5
Sell	11/13/2014	11/18/2014	812404AX9	SHLD 7 1/2 10/15/27	Corp	200,000.00	2,000.00	118,000.00	59
Buy	11/13/2014	11/19/2014	482480AF7	KLAC 5.65 11/01/34	Corp	1,000,000.00	10,000.00	1,020,000.00	102
Buy	11/19/2014	11/24/2014	959802AH2	WU 6.2 11/17/36	Corp	500,000.00	5,000.00	517,500.00	103.5
Sell	11/25/2014	11/28/2014	24487RBJ0	DEKALB ETC GA	Muni	480,000.00	4,800.00	479,520.00	99.9
Sell	11/25/2014	11/28/2014	362460SP3	GADSDEN WARRANTS AL	Muni	910,000.00	9,100.00	921,375.00	101.25
Sell	11/25/2014	11/28/2014	403136GU2	GUNTERSVILLE WTS AL	Muni	555,000.00	5,550.00	549,322.35	98.977

November 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, Bill Ferguson, External Auditor with Thomas Howell and Ferguson

The meeting was held at the office of Mr. Smith at 11:15 am.

Mr. Ferguson discussed with the committee the external audit process and the timing of the annual audit. All expectation and intentions are to have a completed audit report prior to the annual shareholder meeting in 2015. It was requested that the external auditors review the internal audit reports as well to make sure the company is taking all the appropriate and necessary corrective actions.

There was discussion regarding the current internal audit. The most recent report provided by the internal auditors was presented to the committee. All outstanding items requiring corrective action, that have been identified by the internal auditors, external auditors and state examiners, are being tracked and will be reviewed by the audit committee.

There being no other business the meeting was adjourned.