

**Daniel F. Raider**  
**818 Laurelwood Drive**  
**San Mateo, California 94403**

Sincerely,

Daniel F. Raider

October 17, 2020

Mr. Clarence William Daugette III  
Director, Life Insurance Company of Alabama  
302 Broad Street  
Gadsden, Alabama 35901

Dear Mr. Daugette:

Thank you for the invitation to the upcoming meeting of stockholders.

To this stockholder (and, I daresay, to many others), both your President's "update" to stockholders and LICOA's 2019 financial statements are far more of a cause for concern than comfort.

Your update claims that LICOA "had a net gain after taxes for the year". This is patently untrue. In fact, according to the "Summary of Operations", **LICOA had a pretax loss from operations of \$843,000 and an after-tax loss of \$276,000.**

Your letter also presents the capital expenditure which "will flow through the income statement over time" as though this is a positive development for shareholders. In fact, the considerable depreciation expense will reduce both future earnings and stockholders' equity. Moreover, it is difficult to see how a mere increase in appraised value of self-occupied premises will ever deliver direct value to stockholders.

Finally, your statement that LICOA is "committed to providing a positive return for investors" is certainly a worthy aspiration, but your letter fails to communicate any plan to accomplish it. There is no effective market for LICOA stock, the annual dividend is a negligible 1% of stockholders' equity, and the difference between 2019's miserable results and an acceptable rate of return on shareholders' equity is most certainly not just the difference of 50 basis points on a portfolio of bonds.

LICOA has not been managed successfully in the interests of all its owners in many years, and there is no visible indication that things will change for the better in the long-term future. **Under these conditions, I appeal to you: please take steps to sell LICOA to an entity capable of providing an acceptable return to stockholders, or take LICOA private.** Continuing to run LICOA for the benefit of the extended Daugette family rather than for the benefit of all shareholders is an ongoing disgrace.