

**QUARTERLY MEETING OF THE
BOARD OF DIRECTORS**

Monday August 12, 2019

The 2019 second quarter meeting of the Board of Directors of Life Insurance Company of Alabama convened at noon, Monday August 12, 2019 in the Rutledge Library, Life of Alabama building, 302 Broad Street, Gadsden, Alabama. The meeting was called to order by the Chairman, Clarence W. Daugeette, 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	M. Lynn Lowe
Herman Warren Cobb	Anne Daugeette Renfrow
Clarence W. Daugeette, III	Raymond R. Renfrow, Jr.
Alburta D. Lowe	Gerald Ray Smith, Jr.

Directors Emeritus Present:

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. Alburta D. Lowe moved that the minutes not be read and upon second by Raymond R. Renfrow, Jr., the motion carried unanimously.

PRESIDENT'S REPORT:

President, Clarence W. Daugeette, III, updated the board on LICOA's new Administrative System software. He informed the board that while the new system was in use there are still issues to be worked out but progress is being made to correct them.

President, Clarence W. Daugeette, III, also informed the board of the progress on the remodel of the building.

COMMITTEE REPORTS:

Investment Committee:

Chief Financial Officer Rosalie Renfrow Causey introduced Kelly Sullivan and Nico Santini from NEAM. She informed the board that the portfolio quality continues to maintain an average quality of A. She further indicated that the duration of 7.12 is 95+% of the benchmark with a continued goal of 100% of benchmark, with movement occurring as opportunities arise. At this time there is an unrealized gain in the portfolio in excess of \$6 million. It is still believed that the higher quality bias and careful selections will position the portfolio well as we progress through the year.

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 Raymond R. Renfrow, Jr. and passed unanimously by the Board.

Mrs. Causey also informed the board that the services of Alton Cogart would continue through the end of 2019 but would not be renewed except on an as needed basis in the future.

H. Warren Cobb made a motion to approve the Investment report. Upon a second from Anne D. Renfrow, the motion carried unanimously.

Compensation Committee

There was no compensation committee meeting this quarter.

Audit Committee

Gerald R. Smith, Jr., Chairman of the Audit Committee reported that the committee had met recently to review the internal audit examination by Boatner & Pugh, the external internal auditors, which was a review of July 2018 through December 2018. It was noted that the primary area of concern is a result of a company name search on the internet. It was recommended that this list be reviewed and actions to be taken determined.

There was also discussion regarding a letter received from Mr. Daniel Raider, a shareholder. The discussion led to conversations regarding the current quarterly financial results, and the need to develop a more robust strategic plan.

M. Lynn Lowe made a motion to approve the Audit report. Upon a second from Anne D. Renfrow, the motion carried unanimously.

QUARTERLY FINANCIAL REPORT:

Vice President, Katrina D. Hulse, CPA, joined the meeting and reviewed highlights of the Quarterly Statement. She pointed out that increased expenses and lower investment income led to a continuation of losses.

- Net Income 2nd Quarter 2019 - <1,291,506>

There was discussion regarding the increase in cash at the end of the quarter. She informed the board that the new system transmits commission payments a few days before the end of the month, whereas the first of the month premiums drafts are not completed until after the first of the month. This is different than the way the old system handled these transactions and as such creates a demand for cash at the end of the month.

She informed the board that there were no bonds on the watch list. She also informed the board that the increase in non-admitted assets is partially due to the buildings not having been appraised yet to reflect the remodeling efforts. Once the buildings have been appraised it is anticipated that all of the non-admitted assets related to the building will become admitted again, which will increase surplus accordingly.

MARKETING REPORT:

Executive Vice President Raymond R. Renfrow, Jr. reported that production through the 2nd quarter 2019 is lagging compared to the same timeframe in 2018. The marketing department continues to focus on recruiting, more agents means more sales.

NEW BUSINESS:

J. Steven Keck reported that the company continues to exceed the measurable metrics set for ERM and that now that the conversion is essentially complete he will refocus energy on the ERM process.

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

J. Steven Keck, Secretary