

COTTON STATES LIFE INSURANCE CO /

Form 8-K

August 17, 2004

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**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D. C. 20549**

**FORM 8 K**

CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15 (d) OF  
THE SECURITIES EXCHANGE ACT OF 1934

Date of Report

August 17, 2004

**COTTON STATES LIFE INSURANCE COMPANY**

(Exact name of registrant as specified in its charter)

GEORGIA

002-39729

58-0830929

(State or other jurisdiction of  
incorporation or organization)

(Commission  
File Number)

(I.R.S. Employer  
Identification No.)

244 PERIMETER CENTER PARKWAY, N.E., ATLANTA, GEORGIA

30346

(Address of principal executive offices)

(Zip code)

Registrant's telephone number, including area code

(404) 391-8600

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PRESS RELEASE DATED, AUGUST 16, 2004

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**ITEM 7. Financial Statements, Proforma Financial Information and Exhibits**

(c) Exhibits

99.1 Press Release issued August 16, 2004.

**ITEM 9. Regulation FD Disclosure**

The information contained in this Item 9 is being furnished to the Securities and Exchange Commission (the Commission ) pursuant to Item 12 of Form 8-K and shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, except as shall be expressly set forth by specific reference in such filing.

On August 16, 2004, Cotton States Life Insurance Company (the Company ) issued a press release containing information about the Company s financial condition or results of operations for the three month and six month periods ended June 30, 2004. A copy of the press release is attached hereto as Exhibit 99.1.

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SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

August 17, 2004

COTTON STATES LIFE INSURANCE COMPANY

BY: /s/ J. Ridley Howard

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J. Ridley Howard, Chairman  
President and Chief Executive Officer

BY: /s/ William J. Barlow

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Vice President of Finance and Assistant Treasurer

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| <b>Number</b> | <b>Descriptions</b>                  |
|---------------|--------------------------------------|
| 99.1          | Press Release issued August 16, 2004 |

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**COTTON STATES LIFE INSURANCE COMPANY**  
 Unaudited Consolidated Condensed Statements of Earnings  
 Three Months and Six Months ending June 30, 2004 and 2003

|  | Three months ended<br>June 30, |                   | Six months ended<br>June 30, |                   |
|--|--------------------------------|-------------------|------------------------------|-------------------|
|  | 2004                           | 2003              | 2004                         | 2003              |
| Revenue:   |                                |                   |                              |                   |
| Premiums   | \$ 9,485,362                   | 8,824,057         | 18,394,225                   | 17,023,006        |
| Investment income  | 2,236,020                      | 2,136,131         | 4,463,188                    | 4,456,668         |
| Realized investment gains  | 131,767                        | 843,452           | 264,268                      | 1,235,899         |
| Brokerage commissions  | 960,947                        | 1,119,656         | 1,962,093                    | 2,197,625         |
| <b>Total revenue</b>   | <b>12,814,096</b>              | <b>12,923,296</b> | <b>25,083,774</b>            | <b>24,913,198</b> |
| Benefits and expenses:   |                                |                   |                              |                   |
| Benefits and claims  | 5,686,439                      | 5,483,542         | 12,146,665                   | 10,292,718        |
| Interest credited  | 1,556,391                      | 1,465,818         | 3,051,690                    | 2,968,432         |
| Amortization of policy acquisition costs                             | 482,007                        | 1,281,489         | 1,857,197                    | 2,307,691         |
| Operating expenses   | 2,238,399                      | 2,391,136         | 4,617,596                    | 4,774,556         |
| <b>Total benefits and expense</b>                                    | <b>9,963,236</b>               | <b>10,621,985</b> | <b>21,673,148</b>            | <b>20,343,397</b> |
| Income before income tax expense                                     | 2,850,860                      | 2,301,311         | 3,410,626                    | 4,569,801         |
| Income tax expense   | 930,718                        | 730,459           | 1,114,758                    | 1,437,213         |
| <b>Net income</b>  | <b>\$ 1,920,142</b>            | <b>1,570,852</b>  | <b>2,295,868</b>             | <b>3,132,588</b>  |
| Basic income per share of common stock                               | \$ 0.30                        | 0.25              | 0.36                         | 0.50              |
| Diluted income per share of common stock                             | \$ 0.29                        | 0.23              | 0.35                         | 0.47              |
| Weighted average number of shares used in computing income per share |                                |                   |                              |                   |

|         |                  |                  |                  |                  |
|---------|------------------|------------------|------------------|------------------|
| Basic   | <u>6,322,737</u> | <u>6,323,363</u> | <u>6,322,737</u> | <u>6,324,328</u> |
| Diluted | <u>6,648,233</u> | <u>6,614,624</u> | <u>6,648,270</u> | <u>6,615,016</u> |