

CLARK FRED JR
Form 5
February 14, 2007

FORM 5

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Check this box if
no longer subject
to Section 16.
Form 4 or Form
5 obligations
may continue.
See Instruction
1(b).
Form 3 Holdings
Reported
Form 4
Transactions
Reported

**ANNUAL STATEMENT OF CHANGES IN BENEFICIAL
OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
Section 17(a) of the Public Utility Holding Company Act of 1935 or Section
30(h) of the Investment Company Act of 1940

OMB APPROVAL

OMB
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1. Name and Address of Reporting Person *
CLARK FRED JR

(Last) (First) (Middle)

661 EAST DAVIS

(Street)

ELBA, AL 36323

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading
Symbol
NATIONAL SECURITY GROUP
INC [NSEC]

3. Statement for Issuer's Fiscal Year Ended
(Month/Day/Year)
12/31/2006

4. If Amendment, Date Original
Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

☒ Director ☐ 10% Owner
☐ Officer (give title below) ☐ Other (specify below)

6. Individual or Joint/Group Reporting

(check applicable line)

☒ Form Filed by One Reporting Person
☐ Form Filed by More than One Reporting
Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned at end of Issuer's Fiscal Year (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
				Amount	(A) or (D)	Price			
Common Stock	Â	Â	Â	Â	Â	Â	1,200	D	Â
Common Stock	Â	Â	Â	Â	Â	Â	119,877	I	By Clark's Investment Group Ltd.

Reminder: Report on a separate line for each class of
securities beneficially owned directly or indirectly.

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SEC 2270
(9-02)

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price or Amount of Derivative Security (Instr. 3)
Phantom Stock Units	\$ 17.25	02/13/2007	Â	J	40 Â	Â (1) Â (2)	Phantom Stock Units	40 \$ 17.

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
CLARK FRED JR 661 EAST DAVIS ELBA,Â ALÂ 36323	Â X	Â	Â	Â

Signatures

Brian R. McLeod,
Attorney-in-fact 02/14/2007

__Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) The phantom stock units were awarded under the nonqualified deferred compensation plan in which directors could elect to defer their directors' fees by receiving phantom stock units payable in cash upon separation from service from the board. The plan was frozen on 12/31/2004. These shares were acquired during the fiscal year pursuant to the dividend reinvestment component of the nonqualified deferred compensation plan which was frozen on 12/31/2004.
- (2) Upon separation from service from the Board, phantom stock units will be settled in cash at the then current market price of common stock.

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Remarks:

PertainsÂ toÂ phantomÂ stockÂ planÂ inÂ whichÂ electionÂ toÂ deferÂ feesÂ isÂ notÂ aÂ reportableÂ eventÂ underÂ Se
Â acquisitionsÂ ofÂ phantomÂ stockÂ pursuantÂ toÂ theÂ electionÂ areÂ reportable.Â Â TheseÂ deferralsÂ areÂ exemptÂ
Â ofÂ SectionÂ 16b-3(d).

Note: File three copies of this Form, one of which must be manually signed. If space provided is insufficient, *see* Instruction 6 for procedure.

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