

PITTMAN DONALD S  
Form 5  
February 14, 2007

# FORM 5

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

OMB APPROVAL

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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

1. Name and Address of Reporting Person \*  
PITTMAN DONALD S

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

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

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

661 EAST DAVIS

(Street)

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

6. Individual or Joint/Group Reporting

(check applicable line)

ELBA, AL 36323

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

(City) (State) (Zip)

**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) | (A) or (D) | Price | 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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|------------|-------|--|--|---|
| Common Stock                    | Â                                    | Â  | Â                              | Â   | Â          | Â     | 4,764  | D  | Â   |
| Common Stock                    | Â                                    | Â  | Â                              | Â   | Â          | Â     | 888  | I  | UGTMA From Grandparent to minor children              |
| Common Stock                    | Â                                    | Â  | Â                              | Â   | Â          | Â     | 26,484   | I  | Co-Trustee JE Pittman                                 |

Family Trust  
12/31/92  
Disclaims  
Beneficial  
Interest other  
than 5297  
shares.

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

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(9-02)

**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 of Derivative Security (Instr. 5) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|
|  |  |                                      |  |                                | (A) (D)   | Date Exercisable Expiration Date                         | Title   | Amount or Number of Shares                 |
| Phantom Stock                              | \$ 17.25   | 02/13/2007                           | Â  | J                              | 87 Â  | Â (1) Â (2)  | Phantom Stock Units   | 87 \$ 17.                                  |

## Reporting Owners

| Reporting Owner Name / Address                       | Relationships |           |         |       |
|--|---------------|-----------|---------|-------|
|  | Director      | 10% Owner | Officer | Other |
| PITTMAN DONALD S<br>661 EAST DAVIS<br>ELBA, AL 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).  
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.
- (1)
- (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:

Pertains to phantom stock plan in which election to defer fees is not a reportable event under Section 16b-3(d).  
Acquisitions of phantom stock pursuant to the election are reportable. These deferrals are exempt from Section 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. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.