

**CODE OF CONDUCT AND CONFLICTS OF INTEREST POLICY
FOR
ALL MEMBERS OF THE BOARDS OF DIRECTORS
OF
MIDWEST HOLDING INC.
AND
AMERICAN LIFE & SECURITY CORP.**

INTRODUCTION

The directors of each of Midwest Holding Inc. and American Life & Security Corp. (together, the “Company”) adopt this Code of Conduct and Conflicts of Interest Policy (the “Directors’ Code”) to assist directors in fulfilling their duties to the Company. The directors are entrusted with responsibility to oversee management of the business and affairs of the Company. As the Company’s policy-makers, the directors set the standard of conduct for all officers, employees and other agents of the Company.

The Company is committed to compliance with applicable laws and regulations and to operating in accordance with the highest standards of business conduct. In many instances, the guidelines and standards of this Directors’ Code go beyond the requirements of applicable law.

GUIDELINES FOR CONDUCT GENERALLY

Each director should seek to use due care in the performance of his or her duties, be loyal to the Company and act in good faith and in a manner the director reasonably believes to be in or not opposed to the best interests of the Company. A director should:

- Use reasonable efforts to attend Board and committee meetings regularly;
- Dedicate sufficient time, energy and attention to the Company to ensure diligent performance of his or her duties, including preparing for meetings and decision-making by reviewing in advance any materials distributed and making reasonable inquiries;
- Be aware of and seek to fulfill his or her duties and responsibilities as set forth in the Company’s Articles of Incorporation, Bylaws and corporate governance guidelines; and
- Seek to comply with all applicable laws, regulations, confidentiality obligations and corporate policies.

CORPORATE BUSINESS OPPORTUNITIES

Except as described elsewhere herein, a director may engage in business so long as he or she does not preempt or seize a corporate business opportunity. A corporate business opportunity is (1) an opportunity in the Company's line of business or proposed expansion or diversification of that line of business, (2) which the Company is financially able to undertake and (3) which may be of interest to the Company. A director who learns of such a corporate business opportunity and who wishes to participate in it, directly or indirectly, should disclose the opportunity to the Board of Directors. If the Board of Directors determines that the Company does not have an actual or expected interest in the opportunity, then, and only then, may the director participate in it, provided that the director has not wrongfully utilized the Company's resources in order to acquire the opportunity.

CONFLICTS OF INTEREST

Directors are expected to dedicate their best efforts to advancing the Company's interests and to make decisions that affect the Company based on the Company's best interests and independent of outside influences.

A conflict of interest occurs when one's private interests interfere in any way, or even appear to interfere, with the interests of the Company. A conflict situation can arise when a director takes actions or has interests that make it difficult to perform his or her duties for the Company objectively and effectively. A director's obligation to conduct the Company's business in an honest and ethical manner includes the ethical handling of actual or apparent conflicts of interest between personal and business relationships.

The following are some common examples that illustrate actual or potential conflicts of interest:

- Owning an interest in a company that competes with or does business with the Company;
- Participating in a joint venture, partnership or other business arrangement with the Company; and
- Employment with or serving as a director of a competitor, customer or supplier of the Company.

A director who has an actual or potential conflict of interest, including any of the situations described above, must disclose to the Board of Directors (1) the existence and nature of the actual or potential conflict of interest and (2) all facts known to him or her regarding the actual or potential conflict of interest, including any Related Person Transaction (as defined below), that may be material to an understanding of such conflict of interest. The director may continue in the position giving rise to the conflict of interest, or proceed with the Related Person Transaction, only with the approval of the Board of Directors.

Any director with an actual or potential conflict of interest must recuse himself or herself from any and all deliberations, and must abstain from any vote, relating to the source of such conflict of interest. Any specific transaction from which any such conflict of interest arises must be approved as a Related Person Transaction in the manner provided below.

In addition to the foregoing, the Nominating and Corporate Governance Committee (or, in the absence of such a committee, the Board of Directors as a whole) shall consider all actual and potential conflicts of interest of potential nominees for director on an annual basis prior to making any recommendation in favor of the election or re-election of such potential nominees. Prior to making any recommendations for election or re-election to the Board of Directors, the Nominating and Corporate Governance Committee (or, in the absence of such a committee, the Board of Directors as a whole) shall solicit from each potential nominee a conflict of interest questionnaire and shall consider the responses provided in such questionnaire. In the event that the Nominating and Corporate Governance Committee (or, in the absence of such a committee, the Board of Directors as a whole) determines that the matters disclosed in the questionnaire are reasonably likely to have a material adverse effect on a potential nominee's ability to make decisions based on the Company's best interests without outside influences, such potential nominee shall not be recommended for election or re-election to the Board of Directors.

SERVICE ON OTHER BOARDS AND COMMITTEES

Individual directors must obtain approval of the entire Board of Directors (with interested directors recusing themselves and abstaining) prior to accepting any position to serve on a board of directors, an advisory board or on a committee of any other entity. This approval must be obtained both initially and prior to the individual's acceptance of each re-nomination, re-election and/or re-appointment to such position. In addition, the Board of Directors may at any time rescind prior approvals to avoid a conflict or appearance of a conflict of interest for any reason deemed to be in the best interests of the Company. The prior approval of the entire Board of Directors is not required, however, for membership on boards of charitable or community organizations, as long as such service does not constitute an actual conflict of interest or otherwise conflict or interfere with a director's duties to the Company and does not reflect negatively on the Company.

RELATED PERSON TRANSACTIONS: GENERALLY

The Company recognizes that Related Person Transactions (as defined below) can present potential or actual conflicts of interest and create the appearance that Company decisions are based on considerations other than the best interests of the Company and its stockholders. Accordingly, as a general matter, the Company prefers to avoid Related Person Transactions. The Company recognizes, however, that certain situations may arise whereby Related Person Transactions may not be deemed inconsistent with the best interests of the Company or its stockholders.

The Company's policy is that all Related Person Transactions shall be reviewed and approved or ratified by the Audit Committee of the Board of Directors.

For the purposes of this policy, a "Related Person Transaction" is a transaction, arrangement or relationship (or any series of similar transactions, arrangements or relationships) in which the Company (including any of its subsidiaries) was, is or will be a participant and in which any Related Person had, has or will have a direct or indirect interest.

For purposes of this Policy, a "Related Person" means:

1. Any person who is, or at any time since the beginning of the Company's last fiscal year was, a director or executive officer of the Company or a nominee to become a director of the Company;
2. Any person who is known to be the beneficial owner of more than five percent (5%) of any class of the Company's voting securities;
3. Any immediate family member of any of the foregoing persons, including any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law of the director, executive officer, nominee or more than five percent (5%) beneficial owner, and any person (other than a tenant or employee) sharing the household of such director, executive officer, nominee or more than five percent (5%) beneficial owner; and
4. Any firm, corporation or other entity in which any of the foregoing persons is employed or is a partner or principal or in a similar position or in which such person has a beneficial ownership interest.

RELATED PERSON TRANSACTIONS: APPROVAL PROCEDURES

Related Person Transactions that are identified as such prior to the consummation thereof or amendment thereto shall be consummated or amended only after the following steps have been completed:

1. Prior to entering into the Related Person Transaction (a) the Related Person, or (b) the director, executive officer, nominee or beneficial owner who is an immediate family member of the Related Person shall provide notice to the Chairman of the Board of the facts and circumstances of the proposed Related Person Transaction, including: (i) the Related Person's relationship to the Company and interest in the transaction; (ii) the material facts of the proposed Related Person Transaction, including the proposed aggregate value of such transaction or, in the case of indebtedness, the amount of principal that would be involved; (iii) the benefits to the Company of the proposed Related Person Transaction; (iv) if applicable, the availability of other sources of comparable

products or services; and (v) an assessment of whether the proposed Related Person Transaction is on terms that are comparable to the terms available to an unrelated third party or to employees generally.

2. If the Chairman of the Board determines that the proposed transaction is a Related Person Transaction, the proposed Related Person Transaction shall be submitted to the Audit Committee for consideration at the next Audit Committee meeting or, in those instances in which the Chairman of the Board determines that it is not practicable or desirable for the Company to wait until the next Audit Committee meeting, to the Chair of the Audit Committee.
3. The Audit Committee, or where submitted to the Chair of the Audit Committee, the Chair, shall consider all of the relevant facts and circumstances available to the Committee or the Chair, including (if applicable) but not limited to: the benefits to the Company; the impact on a director's independence in the event the Related Person is a director, an immediately family member of a director or an entity in which a director is a partner, shareholder or executive officer; the availability of other sources for comparable products or services; the terms of the transaction; and the terms available to unrelated third parties or to employees generally. No member of the Audit Committee shall participate in any review, consideration or approval of any Related Person Transaction with respect to which such member or any of his or her immediate family members is the Related Person. The Audit Committee (or the Chair of the Audit Committee) shall approve only those Related Person Transactions that are in the best interests of the Company and its stockholders, as the Audit Committee (or the Chair of the Audit Committee) determines in good faith. The Audit Committee or Chair, as applicable, shall convey the decision to the Chairman of the Board who shall convey the decision to the appropriate persons within the Company.
4. If a potential Related Party Transaction is pending, ongoing or completed, it shall be submitted promptly to the Audit Committee for the same evaluation.
5. The Chair of the Audit Committee shall report to the Audit Committee at the next Audit Committee meeting any approval under this policy pursuant to his or her delegated authority.

CONFIDENTIAL INFORMATION

Directors shall maintain the confidentiality of information entrusted to them by the Company. The Company's confidential and proprietary information shall not be inappropriately disclosed or used for the personal gain or advantage of the director or anyone other than the Company.

NON-COMPLIANCE

Suspected violations of this Directors' Code must be reported to the Chairman of the Board or the Chairman of the Nominating and Corporate Governance Committee. All reported violations will be appropriately investigated. Directors who violate this Directors' Code may be subject to sanctions, up to and including a request to resign as director or the Board's seeking removal of the director, where permitted by applicable law.

A director charged with a violation of this Directors' Code may not participate in a vote of the Audit or Nominating and Corporate Governance Committee or the Board concerning his or her alleged violation, but may be present at a meeting of the Board of Directors or Nominating and Corporate Governance Committee convened for that purpose.

WAIVER

Any waiver of this Directors' Code must be approved by the Nominating and Corporate Governance Committee (or, in the absence of such a committee, the Board of Directors as a whole) with the director for whom such waiver is requested recusing himself or herself and abstaining as provided above.

NO RIGHTS CREATED

This Directors' Code sets forth guidelines for conduct for the Board of Directors. It is not intended to and does not create any rights in any director, officer, employee, client, supplier, competitor, shareholder or any other person or entity.