

NATIONAL SECURITY GROUP INC  
 Form 4  
 September 12, 2005

**FORM 4** 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).

**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

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
 BRUNSON J R

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. Date of Earliest Transaction (Month/Day/Year)  
 09/12/2005

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 Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

ELBA, AL 36323

(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)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
				(A) or (D)	Price		
			Code	V	Amount		
Common Stock	09/09/2005	09/09/2005	P		2,300	\$ 18.61	200,410 D
Common Stock	09/12/2005	09/12/2005	P		889	\$ 19.05	201,299 D

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

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SEC 1474 (9-02)

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

Table with 8 columns: 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). Row 1: Phantom Stock Units, Conversion Price of (2), Date Exercisable (1), Expiration Date (2), Title Common Stock, Amount or Number of Shares 13,277.

Reporting Owners

Table with 2 columns: Reporting Owner Name / Address, Relationships (Director, 10% Owner, Officer, Other). Row 1: BRUNSON J R, 661 EAST DAVIS, ELBA, AL 36323, Director X.

Signatures

Brian R. McLeod, Attorney-in-fact, 09/12/2005. \*\*Signature of Reporting Person, Date.

Explanation of Responses:

- \* If the form is filed by more than one reporting person, see Instruction 4(b)(v).
\*\*(1) 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 recieving phantom stock units payable in cash upon separation from service from the board. The plan was frozen on 12/31/2004. It is anticipated that a new nonqualified plan will be adopted during 2005. Until a new plan is adopted all directors' fees will be paid in cash.
(2) Upon separation from service the Board, phantom stock units will be settled in cash at the then current market price of common stock.

Note: File three copies of this Form, one of which must be manually signed. If space 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.