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SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549



FORM 11-K

ANNUAL REPORT

(X) ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 (FEE REQUIRED) For the Fiscal Year Ended December 31, 2004

() TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 (NO FEE REQUIRED)

Commission File Number 0-1999

Full Title of Plan:

Kentucky Investors, Inc., and Affiliated Companies 401(K) Savings Plan and Trust Agreement

Name of issuer of the securities held pursuant to the plan and the address of its principal office:

Kentucky Investors, Inc., and Investors Heritage Life Insurance Company 200 Capital Avenue, P. O. Box 717 Frankfort, Kentucky 40602

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the under-signed hereunto duly authorized.

KENTUCKY INVESTORS, INC., AND AFFILIATED COMPANIES 401(K) SAVINGS PLAN AND TRUST AGREEMENT

Date: June 27, 2005

BY: [Signature] Harry Lee Waterfield II Chairman of the Board, President Kentucky Investors, Inc.

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CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Harry Lee Waterfield II and Raymond L. Carr, being the President and Vice President, Chief Financial Officer, respectively, of Kentucky Investors, Inc., hereby certify as of this 27th day of June, 2005, that the Form 11-K for the year ended December 31, 2004 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in the Form 11-K fairly presents, in all material respects, the financial condition and results of operations of the Kentucky Investors, Inc., and Affiliated Companies 401(k) Savings Plan and Trust Agreement.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Kentucky Investors, Inc. and will be retained by Kentucky Investors, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

KENTUCKY INVESTORS, INC.


BY: Harry Lee Waterfield II
President

DATE: June 27, 2005


BY: Raymond L. Carr
Vice President - Chief Financial Officer

DATE: June 27, 2005

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statement (Form S-8 No. 33-46722-01) pertaining to the Kentucky Investors, Inc. and Affiliated Companies 401(k) Savings Plan of our report dated June 24, 2005, with respect to the financial statements of the Kentucky Investors, Inc. and Affiliated Companies 401(k) Savings Plan included in this Annual Report (Form 11-K) for the year ended December 31, 2004.

Ernst & Young LLP

Cincinnati, Ohio
June 24, 2005

FINANCIAL STATEMENTS

Kentucky Investors, Inc. and Affiliated Companies 401(k) Savings Plan
For Each of the Three Years in the Period Ended December 31, 2004
With Report of Independent Registered Public Accounting Firm

Kentucky Investors, Inc. and Affiliated Companies 401(k) Savings Plan

Audited Financial Statements

For Each of the Three Years in the Period Ended December 31, 2004

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Report of Independent Registered Public Accounting Firm

The Board of Directors
Kentucky Investors, Inc.

We have audited the accompanying statements of net assets available for benefits of Kentucky Investors, Inc. and Affiliated Companies 401(k) Savings Plan ("the Plan") as of December 31, 2004 and 2003, and the related statements of changes in net assets available for benefits for each of the three years in the period ended December 31, 2004. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Plan's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan at December 31, 2004 and 2003, and the changes in its net assets available for benefits for each of the three years in the period ended December 31, 2004, in conformity with U.S. generally accepted accounting principles.

Ernst & Young LLP

June 24, 2005

Kentucky Investors, Inc. and Affiliated Companies
401(k) Savings Plan

Statements of Net Assets Available for Benefits

	December 31	
	2004	2003
Assets		
Investment in securities of Sponsoring Companies—at fair value:		
Kentucky Investors, Inc. common stock - 263,327 and 292,871 shares - cost \$4,464,855 and \$5,058,911 for 2004 and 2003, respectively	\$ 6,122,353	\$ 7,775,718
Vanguard 500 Index Fund - cost \$12,498 for 2004	13,510	-
Cash	-	16,862
Accrued investment income	77	-
Net Assets Available for Benefits	\$ 6,135,940	\$ 7,792,580

See accompanying notes.

Kentucky Investors, Inc. and Affiliated Companies
401(k) Savings Plan

Statements of Changes in Net Assets Available for Benefits

	Year Ended December 31		
	2004	2003	2002
Dividend and interest income	\$ 109,513	\$ 114,697	\$ 105,244
Contributions:			
Participating employers	210,695	246,590	273,742
Participants	223,193	246,590	273,742
	433,888	493,180	547,484
Distributions to participants	(1,338,988)	(757,141)	(83,373)
	(795,587)	(149,264)	569,355
Net (depreciation) appreciation in aggregate fair value of investments	(861,053)	960,581	224,740
Net (decrease) increase in assets available for benefits	(1,656,640)	811,317	794,095
Net assets available for benefits at beginning of year	7,792,580	6,981,263	6,187,168
Net assets available for benefits at end of year	\$ 6,135,940	\$ 7,792,580	\$ 6,981,263

See accompanying notes.

Kentucky Investors, Inc. and Affiliated Companies 401(k) Savings Plan

Notes to Financial Statements

December 31, 2004

1. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements the Kentucky Investors, Inc. and Affiliated Companies 401(k) Savings Plan (the Plan) are prepared on the accrual basis of accounting.

Valuation of Investments

Investments are stated at fair value based upon quoted bid prices on the last business day of the Plan year. Stock distributions are recorded on an average cost basis.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

2. Description of the Plan

The Plan is a defined contribution plan that was established as an incentive to eligible employees of Kentucky Investors, Inc. (Kentucky Investors), Investors Heritage Life Insurance Company (Investors Heritage) and Investors Heritage Printing, Inc. (collectively, the Sponsoring Companies).

Participants have the option of investing contributions in either Kentucky Investors common stock or select mutual funds. A participant can change the election of future contributions semiannually.

All employees completing 1,000 or more hours of service within the year are eligible to participate. Employees who meet the eligibility requirements and elect to participate are entitled to make voluntary contributions, subject to federal regulations. The Sponsoring Companies will then contribute an amount equal to the employee contributions, up to 10 percent of the employee's eligible compensation, if the selected investment option is Kentucky Investors stock. If the selected investment option consists of mutual funds, the Sponsoring Companies will contribute an amount equal to 10 percent of the employee contributions, up to 10 percent of the employee's eligible compensation. At their discretion, the Sponsoring Companies may contribute an amount greater than the employee contributions, subject to certain limitations.

Kentucky Investors, Inc. and Affiliated Companies 401(k) Savings Plan

Notes to Financial Statements (continued)

2. Description of the Plan (continued)

The Plan is administered by a committee appointed by the Board of Directors of Kentucky Investors and the Plan trustee is Farmers Bank and Capital Trust Company of Frankfort, Kentucky. Purchases of investments by the trustee for the Plan may be made in open market transactions with unrelated parties or may be purchased directly from Kentucky Investors or Investors Heritage.

Each participant's account is credited with the participant's contributions and an allocation of (a) Employer contributions and (b) Plan earnings. In addition, each participant's account may be charged with an allocation of administrative expenses. Allocations are based on participant elective contributions or account balances, as defined. Forfeited balances of terminated participants' non-vested accounts shall first be applied to the restoration of forfeitures and then shall be used to reduce future employer contributions at the discretion of the Sponsoring Companies. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

Participants are fully vested as to employee contributions. Participants are partially vested as to their share of employer contributions after two years of service and fully vested after six years. Participants who reach the normal retirement age while employed by the company also will be fully vested. On termination of service for death, disability or retirement, a participant may elect to receive either a lump-sum amount or monthly, quarterly or annual installments equal to the vested value of his or her account in the form of the investments allocated to their account. Prior to selling, or otherwise disposing of any Kentucky Investors common stock held within the Plan, a former participant must first offer to sell it to the Sponsoring Companies at fair market value.

When an employee withdraws from the Plan, the nonvested portion of the participating employer's contributions is forfeited. If a terminated employee returns to employment within five years, the Plan would be required to reinstate the participant's account upon repayment of amounts previously distributed to the employee.

Although it has expressed no intention to do so, the Board of Directors of Kentucky Investors is authorized to amend or terminate the Plan at any time. Further, the Board of Directors of any of the sponsoring companies may, at any time, terminate the Plan with respect to the employees of that company. Should the Plan be terminated, each participant's account would become 100 percent vested.

More detailed information concerning the Plan may be found by consulting the *Summary Plan Description*.

Kentucky Investors, Inc. and Affiliated Companies 401(k) Savings Plan

Notes to Financial Statements (continued)

3. Investment Options

The Plan provides for separate investment programs with separate funds. As of December 31, 2004 and 2003, assets of the Plan were held in Kentucky Investors Common Stock and the Vanguard 500 Index Fund. Participants have the option of receiving payment of the Kentucky Investors Common Stock dividend or having the dividends reinvested in the Plan.

The Plan's investments (including investments bought, sold, and held during the year) changed in value as follows:

	<u>2004</u>	<u>2003</u>	<u>2002</u>
Net appreciation (depreciation) in aggregate fair value of investments:			
Common stock	\$ (861,916)	\$ 960,581	\$ 224,740
Mutual fund	863	-	-
	<u>\$ (861,053)</u>	<u>\$ 960,581</u>	<u>\$ 224,740</u>

4. Income Tax Status

The Plan has received a determination letter from the Internal Revenue Service dated November 27, 2002, stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (the "Code") and, therefore, the related trust is exempt from taxation. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The plan administrator believes the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes that the Plan, is qualified and the related trust is tax exempt.

5. Transactions with Related Parties

The Plan has investments in common stock of Kentucky Investors.

Administrative expenses for the Plan have been paid by the Sponsoring Companies. The Plan is not charged for administrative services performed on its behalf by the participating employers.

Kentucky Investors, Inc. and Affiliated Companies 401(k) Savings Plan

Notes to Financial Statements (continued)

6. Contributions

Contributions made by the Sponsoring Companies and their participating employees during the years ending December 31, 2004, 2003, and 2002 were as follows:

	<u>Investors Heritage</u>	<u>Investors Heritage Printing, Inc.</u>	<u>Total</u>
Year ended December 31, 2004			
Contributions:			
Participating employers	\$ 196,789	\$ 13,906	\$ 210,695
Participants	209,287	13,906	223,193
Year ended December 31, 2003			
Contributions:			
Participating employers	\$ 233,149	\$ 13,441	\$ 246,590
Participants	233,149	13,441	246,590
Year ended December 31, 2002			
Contributions:			
Participating employers	\$ 260,790	\$ 12,952	\$ 273,742
Participants	260,790	12,952	273,742

7. Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of financial condition.