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SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549



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FORM 11-K

ANNUAL REPORT

Washington DC  
403

(X) ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE  
ACT OF 1934 (FEE REQUIRED)  
For the Fiscal Year Ended December 31, 2011

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

Commission File Number 000-01999

Full Title of Plan:

IHCC Retirement Savings Plan and Trust

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

Investors Heritage Capital Corporation 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.

IHCC RETIREMENT SAVINGS PLAN AND TRUST

Date: June 26, 2012

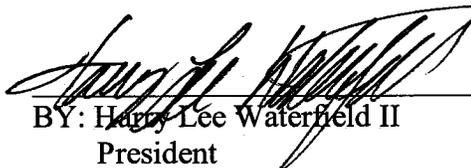
BY:   
Harry Lee Waterfield II  
Chairman of the Board, President  
Investors Heritage Capital Corporation

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 Investors Heritage Capital Corporation, hereby certify as of this 26th day of June, 2012, that the Form 11-K for the year ended December 31, 2011 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 IHCC Retirement Savings Plan and Trust.

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 Investors Heritage Capital Corporation and will be retained by Investors Heritage Capital Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

**INVESTORS HERITAGE CAPITAL CORPORATION**

  
\_\_\_\_\_  
BY: Harry Lee Waterfield II  
President

DATE: June 26, 2011

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

DATE: June 26, 2011

Financial Statements

**IHCC RETIREMENT  
SAVINGS PLAN AND TRUST**

December 31, 2011 and 2010

**IHCC Retirement Savings Plan and Trust**

**Audited Financial Statements**

**Years Ended December 31, 2011 and 2010**

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## Report of Independent Registered Public Accounting Firm

The Board of Directors  
Investors Heritage Capital Corporation.

We have audited the accompanying statements of net assets available for benefits of the IHCC Retirement Savings Plan and Trust (the Plan) as of December 31, 2011 and 2010, and the related statements of changes in net assets available for benefits for the years then ended. 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 auditing standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits include 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, as well as 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 as of December 31, 2011 and 2010, and the changes in net assets available for benefits for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

*Mountjoy Chilton Medley LLP*

Louisville, Kentucky  
June 26, 2012

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## IHCC Retirement Savings Plan and Trust

### Statements of Net Assets Available for Benefits

	December 31	
	2011	2010
<b>Assets</b>		
Investments, at fair value:		
Investors Heritage Capital Corporation common stock	\$ 5,493,923	\$ 6,195,191
Mutual funds:		
Russell Balanced Fund	92,050	-
Pimco Real Return Fund	44,994	-
Wells Fargo Money Market Fund	114,395	-
Principal Global Investors Fund	247,496	-
T. Rowe Price Large Cap Fund	44,646	-
Edge Asset Equity Income Fund	42,799	-
Vanguard 500 Index Fund	-	234,992
Fidelity Puritan Fund	-	95,754
Fidelity Advisors New Insight Fund	-	46,386
Federated US Government Fund	-	233
	586,380	377,365
Cash	23	33,447
Accrued investment income	9	7
	6,080,335	6,606,010
<b>Liabilities</b>		
Due to broker	1,491	-
Total liabilities	1,491	-
Net assets available for benefits	\$ 6,078,844	\$ 6,606,010

*See accompanying notes.*

## IHCC Retirement Savings Plan and Trust

### Statements of Changes in Net Assets Available for Benefits

	Year Ended December 31	
	2011	2010
<b>Additions:</b>		
Dividend and interest income	\$ 69,647	\$ 48,153
<b>Contributions:</b>		
Participating employers	280,563	265,806
Participants	292,101	284,088
	572,664	549,894
	642,311	598,047
<b>Deductions:</b>		
Net appreciation (depreciation) in fair value of investments	(833,138)	330,561
Distributions to participants	(326,339)	(273,178)
Administrative expenses	(10,000)	(4,000)
	(1,169,477)	53,383
Net increase (decrease)	(527,166)	651,430
Net assets available for benefits at beginning of year	6,606,010	5,954,580
Net assets available for benefits at end of year	\$ 6,078,844	\$ 6,606,010

*See accompanying notes.*

# IHCC Retirement Savings Plan and Trust

## Notes to Financial Statements

December 31, 2011 and 2010

### **1. Summary of Significant Accounting Policies**

#### **Basis of Presentation**

The financial statements of the IHCC Retirement Savings Plan and Trust (the Plan) are prepared on the accrual basis of accounting.

#### **Valuation of Investments and Income Recognition**

Investments are stated at fair value based upon quoted market prices on the last business day of the Plan year. Quoted market prices are based on the last reported sales price on the last business day of the year, and securities traded in the over-the-counter market for which no sale was reported on that date are valued at bid quotations.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is accrued when earned. Dividends are recorded on the ex-dividend date. The change in fair value of investments from one period to the next and realized gains and losses are recorded as net appreciation (depreciation) in fair value of investments.

#### **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.

#### **Benefits**

Benefits are recorded when paid.

#### **Administrative Expenses**

Certain administrative expenses of the Plan are paid by the Plan as determined by Investors Heritage Capital Corporation (Investors Heritage Capital or the Sponsor).

#### **Subsequent Events**

Management has evaluated all events subsequent to December 31, 2011 through the date that these financial statements have been issued (see Note 10).

# IHCC Retirement Savings Plan and Trust

## Notes to Financial Statements (continued)

### 2. Description of the Plan

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

The Plan includes an employee stock ownership plan (ESOP) fund. All participant and employer matching contributions credited to a participant's account that are invested in qualifying employer securities are invested in the ESOP fund. Dividends paid on qualified employer securities held in the ESOP are either reinvested in the ESOP or paid directly to the participant, at their election. Participants have the option of investing contributions in either the ESOP fund which contains Investors Heritage Capital common stock or select mutual funds. A participant can change the election of future contributions in a manner determined by the Plan Administrator.

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 Participating Companies will then contribute an amount equal to the employee contributions, up to 10% of the employee's eligible compensation, if the selected investment option is Investors Heritage Capital common stock. If the selected investment option consists of mutual funds, the Participating Companies will contribute an amount equal to 10% of the employee contributions, up to 10% of the employee's eligible compensation. At their discretion, the Participating Companies may contribute an amount greater than the employee contributions, subject to certain limitations.

The Plan is administered by a committee appointed by the Board of Directors of Investors Heritage Capital. Effective March 15, 2011, Investors Heritage Capital entered into a Service and Expense Agreement with The Principal Financial Group (The Principal) whereby The Principal provides various administrative services to the Plan and its participants. In conjunction with this Agreement with The Principal, Investors Heritage Capital also entered into two (2) new Trust Agreements appointing successor trustees to replace Farmers Bank and Capital Trust Company (Farmers). The successor trustee to Farmers with respect to the ESOP assets is Wilmington Trust Retirement and Institutional Services Company (WTRISC). The successor trustee to Farmers with respect to the remainder of the Plan assets is Delaware Charter Guarantee and Trust Company, D/B/A Principal Trust Company. Purchases of investments in Investors Heritage Capital common stock by WTRISC for the Plan may be made in open market transactions with unrelated parties or may be purchased directly from Investors Heritage Capital or Investors Heritage Life. Purchases of investments of other assets by Principal Trust Company are made in open market transactions with unrelated parties.

## IHCC Retirement Savings Plan and Trust

### Notes to Financial Statements (continued)

#### **2. Description of the Plan (continued)**

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 Participating 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 Participating Companies 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 Investors Heritage Capital common stock held within the Plan, a former participant must first offer to sell it to the Participating Companies at fair market value as determined by an independent appraiser.

When an employee withdraws from the Plan, the non-vested 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.

The Board of Directors of Investors Heritage Capital is authorized to amend or terminate the Plan at any time. Further, the Board of Directors of any of the Participating Companies may, at any time, terminate their participation in the Plan with respect to the employees of that company. Should the Plan be terminated, each participant's account would become 100% vested. Refer to Note 10 for Plan actions taken subsequent to year end.

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

# IHCC Retirement Savings Plan and Trust

## Notes to Financial Statements (continued)

### 3. Investment Options

The Plan provides for separate investment programs with separate funds. As of December 31, 2011, assets of the Plan were held in Investors Heritage Capital common stock, the Russell Balanced Fund, the Pimco Real Return Fund, the Wells Fargo Money Market Fund, the Principal Global Investors Fund, the T. Rowe Price Large Cap Fund and the Edge Asset Equity Income Fund. As of December 31, 2010, assets of the Plan were held in Investors Heritage Capital common stock, the Vanguard 500 Index Fund, the Fidelity Puritan Fund, the Fidelity Advisors New Insight Fund and the Federated US Government Fund.

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

	<u>Year Ended December 31</u>	
	<u>2011</u>	<u>2010</u>
Net realized and unrealized appreciation (depreciation) in aggregate fair value of investments:		
Common stock	\$ (821,130)	\$ 288,804
Mutual funds	(12,008)	41,757
	<u>\$ (833,138)</u>	<u>\$ 330,561</u>

The Plan's investments in common stock of Investors Heritage Capital represented more than 5% of the Plan's net assets at December 31, 2011 and 2010.

## IHCC Retirement Savings Plan and Trust

### Notes to Financial Statements (continued)

#### **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 has been amended since receiving the determination letter and a new determination letter has been requested. However, the Plan Administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable provisions of the Code. Accordingly, a provision for federal income taxes has not been made.

The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan Administrator believes it is no longer subject to income tax examinations for years prior to 2008.

#### **5. Transactions with Related Parties**

At December 31, 2011 and 2010, the Plan held 343,370 and 334,875 shares, respectively, of common stock of Investors Heritage Capital, with a cost basis of \$6,370,569 and \$6,206,747, respectively. During 2011 and 2010, the Plan recorded dividend income on the common stock of \$60,514 and \$42,215, respectively.

Certain administrative expenses for the Plan have been paid by the Participating Companies. The Plan was charged \$10,000 and \$4,000 for administrative services in connection with the independent valuation of Investors Heritage Capital common stock during 2011 and 2010, respectively.

#### **6. 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 financial statements.

## IHCC Retirement Savings Plan and Trust

### Notes to Financial Statements (continued)

#### 7. Contributions

Contributions made by the Participating Companies and their participating employees during the years ended December 31, 2011 and 2010 were as follows:

	<b>Investors Heritage</b>	<b>Investors Heritage Printing, Inc.</b>	<b>Total</b>
<b>Year ended December 31, 2011</b>			
Contributions:			
Participating employers	\$ 280,563	\$ -	\$ 280,563
Participants	292,101	-	292,101
<b>Year ended December 31, 2010</b>			
Contributions:			
Participating employers	\$ 261,027	\$ 4,779	\$ 265,806
Participants	278,781	5,307	284,088

#### 8. Concentration of Credit Risk

Included in investments at December 31, 2011 and 2010 are shares of the Sponsor's common stock amounting to \$5,493,923 and \$6,195,191, respectively. This investment represents 90% and 94% of total investments at December 31, 2011 and 2010, respectively. A significant decline in the market value of the Sponsor's stock would significantly affect the net assets available for benefits.

#### 9. Fair Values of Financial Instruments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. We also consider the impact on fair value of a significant decrease in volume and level of activity for an asset or liability when compared with normal activity.

The Plan holds mutual funds and Investors Heritage Capital common stock that are measured and reported at fair market value on the Statements of Net Assets Available for Benefits. The Plan determines the fair market values of its financial instruments based on the fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value, as follows:

## IHCC Retirement Savings Plan and Trust

### Notes to Financial Statements (continued)

#### **9. Fair Values of Financial Instruments (continued)**

Level 1 - Quoted prices in active markets for identical assets or liabilities. The Plan's Level 1 assets include mutual funds that are traded in an active exchange market.

Level 2 - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. The Plan's Level 2 assets include Investors Heritage Capital common stock.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. These investments require significant management judgment or estimation in measuring fair value. The Plan currently does not hold any Level 3 assets.

The Plan has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into the three-level fair value hierarchy. If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. A review of fair value hierarchy classifications is conducted annually. Changes in the valuation inputs, or their ability to be observed, may result in a reclassification for certain financial assets or liabilities. Reclassifications impacting Level 3 of the fair value hierarchy are reported as transfers in/out of the Level 3 category as of the beginning of the period in which the reclassifications occur.

## IHCC Retirement Savings Plan and Trust

### Notes to Financial Statements (continued)

#### 9. Fair Values of Financial Instruments (continued)

The following table presents the Plan's fair value hierarchy for those financial instruments measured at fair value on a recurring basis as of December 31, 2011 and 2010.

	December 31, 2011			Total
	Level 1	Level 2	Level 3	
Common stock	\$ -	\$ 5,493,923	\$ -	\$ 5,493,923
Mutual funds:				
Balanced	92,050			92,050
Fixed income	159,389			159,389
Equity	334,941			334,941
	<u>\$ 586,380</u>	<u>\$ 5,493,923</u>	<u>\$ -</u>	<u>\$ 6,080,303</u>
	December 31, 2010			
	Level 1	Level 2	Level 3	Total
Common stock	\$ -	\$ 6,195,191	\$ -	\$ 6,195,191
Mutual funds:				
Large blend	234,992			234,992
Moderate allocation	95,754			95,754
Large growth	46,386			46,386
U.S. Government	233			233
	<u>\$ 377,365</u>	<u>\$ 6,195,191</u>	<u>\$ -</u>	<u>\$ 6,572,556</u>

#### 10. Subsequent Event

On June 21, 2012, the Board of Directors of the Company authorized an amendment to the Plan, under which, effective June 30, 2012, participants in the Plan shall not be eligible to elect to defer and contribute compensation earned to the Plan; the Company will not make any matching contributions to the Plan; and the Plan will not accept rollover contributions.

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement (Form S-8 No. 333-115680) pertaining to the IHCC Retirement Savings Plan and Trust of our report dated June 26, 2012, with respect to the financial statements of the IHCC Retirement Savings Plan and Trust included in this Annual Report (Form 11-K) for the year ended December 31, 2011.



Louisville, Kentucky  
June 26, 2012