

SECURITIES AND EXCHANGE COMMISSION

FORM 5

Annual statement of changes in beneficial ownership of securities

Filing Date: **2009-01-26** | Period of Report: **2008-12-31**
SEC Accession No. **0001209191-09-004815**

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ISSUER

CITIZENS INC

CIK: **24090** | IRS No.: **840755371** | State of Incorporation: **CO** | Fiscal Year End: **1231**
SIC: **6311** Life insurance

Mailing Address

*400 EAST ANDERSON LANE
AUSTIN TX 78752*

Business Address

*400 EAST ANDERSON LANE
AUSTIN TX 78752
5128377100*

REPORTING OWNER

Welch Lawrence D Jr

CIK: **1329670**
Type: **5** | Act: **34** | File No.: **000-16509** | Film No.: **09545175**

Mailing Address

*400 EAST ANDERSON LANE
AUSTIN TX 78752*

Business Address

512-837-7100

FORM 5

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0362
Expires: 02/28/2011
Estimated average burden
hours per response 1.0

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

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 Welch Lawrence D Jr			2. Issuer Name and Ticker or Trading Symbol CITIZENS INC [CIA]			5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below) Chief Operating Officer		
(Last)	(First)	(Middle)	3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year) 12/31/2008			6. Individual or Joint/Group Reporting (Check applicable line) <input checked="" type="checkbox"/> Form Filed by One Reporting Person <input type="checkbox"/> Form Filed by More than One Reporting Person		
400 EAST ANDERSON LANE			4. If Amendment, Date Original Filed(Month/Day/Year)					
(Street) AUSTIN, TX 78752								
(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 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)
				Amount	(A) or (D)	Price			
Citizens, Inc. Class A Common Stock ⁽¹⁾	02/05/2008		L	16.6448	A	\$5.98	802.4273	D	
Citizens, Inc. Class A Common Stock ⁽¹⁾	02/29/2008		L	17.4676	A	\$5.7	819.8949	D	
Citizens, Inc. Class A Common Stock ⁽¹⁾	03/31/2008		L	14.1608	A	\$7.03	834.0557	D	
Citizens, Inc. Class A Common Stock ⁽¹⁾	05/02/2008		L	13.867	A	\$7.18	847.9227	D	
Citizens, Inc. Class A Common Stock ⁽¹⁾	05/30/2008		L	15.3947	A	\$6.47	863.3174	D	

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 Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
					(A)	(D)	Date Exercisable	Expiration Date					

Explanation of Responses:

1. These shares were purchased through the Citizens Stock Investment Plan as part of regular monthly payroll deduction.

Signatures

/s/Larry D. Welch

** Signature of Reporting Person

01/26/2009

Date

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

* 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).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.