

TORCHMARK CORPORATION

Operating Summary (Unaudited) (In thousands, except per share amounts)

3 Months Ended			1Q	4Q	3Q	2Q	1Q
3/06	3/05		2006	2005	2005	2005	2005
		UNDERWRITING INCOME					
		Life:					
\$380,869	\$363,283	Premium	\$380,869	\$368,727	\$365,812	\$370,466	\$363,283
-161,681	-157,342	Net Policy Obligations	-161,681	-151,867	-154,347	-160,232	-157,342
-120,316	-113,174	Commissions and Acquisition Expenses	-120,316	-117,391	-116,270	-116,017	-113,174
<u>98,872</u>	<u>92,767</u>	Underwriting Margin	<u>98,872</u>	<u>99,469</u>	<u>95,195</u>	<u>94,217</u>	<u>92,767</u>
		Health:					
258,299	267,310	Premium	258,299	245,991	248,678	252,878	267,310
-163,347	-172,167	Net Policy Obligations	-163,347	-156,527	-157,943	-160,689	-172,167
-48,562	-49,687	Commissions and Acquisition Expenses	-48,562	-46,820	-46,384	-47,461	-49,687
<u>46,390</u>	<u>45,456</u>	Underwriting Margin	<u>46,390</u>	<u>42,644</u>	<u>44,351</u>	<u>44,728</u>	<u>45,456</u>
3,599	0	Health - Part D Underwriting Margin	3,599	0	0	0	0
<u>2,911</u>	<u>2,938</u>	Annuity Underwriting Margin	<u>2,911</u>	<u>3,310</u>	<u>3,429</u>	<u>2,903</u>	<u>2,938</u>
151,772	141,161	Total Underwriting Margin	151,772	145,423	142,975	141,848	141,161
1,126	606	Other Income	1,126	433	604	723	606
-40,135	-36,134	Admin. Expenses	-40,135	-38,620	-36,160	-36,767	-36,134
112,763	105,633	Underwriting Income	112,763	107,236	107,419	105,804	105,633
		EXCESS INVESTMENT INCOME					
153,299	149,086	Net Investment Income	153,299	152,062	151,030	150,530	149,086
		Required Interest:					
-57,836	-54,909	Net Policy Liabilities	-57,836	-57,388	-56,692	-56,300	-54,909
		Net Financing Costs:					
-15,900	-14,646	Interest on Debt	-15,900	-15,477	-15,191	-15,260	-14,646
377	2,864	Interest Rate Swaps	377	822	1,350	2,357	2,864
79,940	82,395	Total Excess Investment Income	79,940	80,019	80,497	81,327	82,395
-2,422	-2,899	Parent Company Expenses	-2,422	-2,081	-2,258	-2,422	-2,899
190,281	185,129	Pre-Tax Operating Income	190,281	185,174	185,658	184,709	185,129
-65,367	-64,091	Income Tax	-65,367	-63,400	-63,735	-63,939	-64,091
\$124,914	\$121,038	Net Operating Income Before Option Expense	\$124,914	\$121,774	\$121,923	\$120,770	\$121,038
\$1.21	\$1.12	Per Share	\$1.21	\$1.17	\$1.16	\$1.14	\$1.12
-1,110	0	Stock Option Expense, Net of Tax	-1,110	0	0	0	0
\$123,804	\$121,038	Net Operating Income	\$123,804	\$121,774	\$121,923	\$120,770	\$121,038
\$1.20	\$1.12	Per Share	\$1.20	\$1.17	\$1.16	\$1.14	\$1.12
103,521	108,278	Average Diluted Shares Outstanding	103,521	104,314	104,704	105,982	108,278
-\$2,122	\$1,701	Capital Gain (Loss), Net of Tax	-\$2,122	-\$3,070	\$843	\$1,134	\$1,701
-2,151	-4,896	Capital Gain (Loss), Net of Tax - Interest Rate Swaps	-2,151	-1,069	-3,715	4,292	-4,896
-2,836	0	Part D Adjustment, Net of Tax	-2,836	0	0	0	0
-538	0	Tax Settlements, Net of Tax	-538	15,989	0	0	0
4,117	0	Net Proceeds (Cost) from Legal Settlements, Net of Tax	4,117	-7,119	-5	6,169	0
0	0	Retiring Executive Option Term Extension, Net of Tax	0	-369	0	0	0
<u>\$120,274</u>	<u>\$117,843</u>	Net Income	<u>\$120,274</u>	<u>\$126,136</u>	<u>\$119,046</u>	<u>\$132,365</u>	<u>\$117,843</u>

TORCHMARK CORPORATION

Insurance Operations (Unaudited)
(In thousands)

	LIFE				HEALTH				HEALTH - PART D		ANNUITY	
	1Q 2006	%	1Q 2005	%	1Q 2006	%	1Q 2005	%	1Q 2006	%	1Q 2005	1Q 2005
LNL Exclusive Agency												
Premium	\$75,652		\$76,111		\$35,484		\$40,399					
Net Policy Obligations	35,744	47	36,501	48	22,651	64	28,968	72				
Comm. & Acq. Exp.	21,191	28	20,553	27	5,546	16	6,132	15				
Underwriting Margin	18,717	25	19,057	25	7,287	21	5,299	13				
UA Independent												
Premium	10,640		11,967		110,427		119,207					
Net Policy Obligations	4,465	42	5,025	42	70,244	64	75,661	63				
Comm. & Acq. Exp.	5,141	48	5,579	47	20,360	18	21,998	18				
Underwriting Margin	1,034	10	1,363	11	19,823	18	21,548	18				
UA Branch Office Agency												
Premium	4,003		4,337		85,836		82,626					
Net Policy Obligations	1,751	44	2,199	51	55,897	65	53,839	65				
Comm. & Acq. Exp.	1,492	37	1,615	37	17,594	20	16,703	20				
Underwriting Margin	760	19	523	12	12,345	14	12,084	15				
Direct Response												
Premium	116,388		105,302		10,492		9,730					
Net Policy Obligations	53,237	46	48,098	46	8,383	80	7,648	79				
Comm. & Acq. Exp.	34,092	29	30,299	29	800	8	859	9				
Underwriting Margin	29,059	25	26,905	26	1,309	12	1,223	13				
American Income Agency												
Premium	99,238		92,124		16,060		15,348					
Net Policy Obligations	33,666	34	32,014	35	6,172	38	6,051	39				
Comm. & Acq. Exp.	34,270	35	32,067	35	4,262	27	3,995	26				
Underwriting Margin	31,302	32	28,043	30	5,626	35	5,302	35				
Military												
Premium	50,693		49,183									
Net Policy Obligations	22,823	45	23,047	47								
Comm. & Acq. Exp.	16,587	33	15,330	31								
Underwriting Margin	11,283	22	10,806	22								
Part D												
Premium									\$39,140		\$0	
Net Policy Obligations									31,234	80	0	
Net Amortization of DAC									1,174	3	0	
Fees to PBM									3,133	8	0	
Underwriting Margin									3,599	9	0	
Other Distribution												
Premium	24,255		24,259								\$5,728	\$6,114
Net Policy Obligations	9,995	41	10,458	43							-826	-1,008
Comm. & Acq. Exp.	7,543	31	7,731	32							3,643	4,184
Underwriting Margin	6,717	28	6,070	25							2,911	2,938
Totals:												
Premium	\$380,869		\$363,283		\$258,299		\$267,310		\$39,140		\$0	\$5,728
Net Policy Obligations	161,681	42	157,342	43	163,347	63	172,167	64	31,234	80	0	-826
Comm. & Acq. Exp.	120,316	32	113,174	31	48,562	19	49,687	19	4,307	11	0	3,643
Underwriting Margin	\$98,872	26	\$92,767	26	\$46,390	18	\$45,456	17	\$3,599	9	\$0	\$2,911
TOTAL UNDERWRITING MARGINS, ALL LINES					\$151,772		\$141,161					
Other Income					1,126		606					
Administrative & Other Expenses					-40,135		-36,134					
INSURANCE UNDERWRITING INCOME					\$112,763		\$105,633					

TORCHMARK CORPORATION

Net Sales and First Year Collected Premium (Unaudited)
(In thousands)

NET SALES **

	<u>1st Qtr. 2006</u>	<u>1st Qtr. 2005</u>	<u>% Incr (Decr)</u>
<u>LIFE</u>			
Direct Response	\$29,957	\$28,892	4
American Income Agency	20,765	20,517	1
LNL Exclusive Agency	11,211	11,399	-2
Military	3,390	5,022	-32
UA Independent	416	1,165	-64
UA Branch Office Agency	332	519	-36
Other Distribution	1,765	1,880	-6
Total Life	<u>67,836</u>	<u>69,394</u>	<u>-2</u>
<u>HEALTH</u>			
Direct Response	1,820	2,197	-17
American Income Agency	2,806	2,792	1
LNL Exclusive Agency	3,051	3,192	-4
UA Independent	13,157	14,155	-7
UA Branch Office Agency	34,124	18,644	83
Total Health	<u>54,958</u>	<u>40,980</u>	<u>34</u>
Part D	183,826	0	
TOTAL NET SALES	\$306,620	\$110,374	178

** Net sales is defined as annualized premium issued, net of cancellations in the first 30 days after issue, except at Direct Response where net sales is annualized premium issued at the time the first full premium is paid after any introductory offer period has expired.

FIRST YEAR COLLECTED PREMIUM

	<u>1st Qtr. 2006</u>	<u>1st Qtr. 2005</u>	<u>% Incr (Decr)</u>
<u>LIFE</u>			
Direct Response	\$20,392	\$19,585	4
American Income Agency	17,694	18,540	-5
LNL Exclusive Agency	9,057	9,287	-2
Military	4,094	6,465	-37
UA Independent	523	1,211	-57
UA Branch Office Agency	234	441	-47
Other Distribution	2,384	1,887	26
Total Life	<u>54,378</u>	<u>57,416</u>	<u>-5</u>
<u>HEALTH</u>			
Direct Response	1,282	1,744	-26
American Income Agency	2,820	3,020	-7
LNL Exclusive Agency	2,550	2,491	2
UA Independent	11,776	14,711	-20
UA Branch Office Agency	21,901	15,938	37
Total Health	<u>40,329</u>	<u>37,904</u>	<u>6</u>
Part D	39,140	0	
TOTAL FIRST YEAR COLLECTED PREMIUM	\$133,847	\$95,320	40

TORCHMARK CORPORATION
CONSOLIDATED BALANCE SHEET (UNAUDITED)
(Amounts in thousands)

	At March 31,	
	2006	2005
Assets		
Investments:		
Fixed maturities available for sale *	\$8,773,878	\$8,738,918
Equity securities available for sale	46,441	44,043
Mortgage loans	28,397	32,744
Real estate	12,258	13,048
Policy loans	318,329	306,732
Other long-term investments	23,949	30,584
Short-term investments	23,224	16,292
Total investments	9,226,476	9,182,361
Cash	6,342	8,914
Securities lending collateral	259,876	155,619
Accrued investment income	167,810	161,477
Other receivables	111,366	76,699
Deferred acquisition costs	2,761,228	2,552,545
Value of insurance purchased	70,088	75,485
Property and equipment	28,218	29,131
Goodwill	378,436	378,436
Other assets	150,870	24,654
Separate account assets	1,594,376	1,520,735
Total assets	\$14,755,086	\$14,166,056
Liabilities and Shareholders' Equity		
Liabilities:		
Future policy benefits	\$7,091,676	\$6,709,528
Unearned and advance premium	92,713	92,346
Policy claims and other benefits payable	277,795	261,383
Other policy liabilities	89,200	87,622
Deferred and accrued income taxes	953,699	1,010,226
Securities lending obligation	259,876	155,619
Short-term debt	469,362	220,821
Long-term debt	507,770	690,044
Other liabilities	194,205	135,667
Separate account liabilities	1,594,376	1,520,735
Total liabilities	11,530,672	10,883,991
Shareholders' equity:		
Preferred stock	0	0
Common stock	104,875	108,784
Additional paid-in-capital	511,691	485,482
Unrealized investment gains (losses), net of tax	117,547	332,704
Retained earnings	2,727,336	2,568,424
Treasury stock, at cost	-237,035	-213,329
Total shareholders' equity	3,224,414	3,282,065
Total liabilities and shareholders' equity	\$14,755,086	\$14,166,056
Diluted Basis:		
Shares outstanding	101,665	106,482
Book value per common share	\$31.72	\$30.82
Book value per common share excluding FAS 115	\$30.62	\$27.77
* Amortized cost of fixed maturities	\$8,595,062	\$8,209,200

TORCHMARK CORPORATION

Fixed Maturities

(Millions of \$)

March 31, 2006

Total Fixed Maturities

	<u>3/31/06</u>	<u>3/31/05</u>
Amortized Cost	\$8,595	\$8,209
Unrealized:		
Gains	304	566
Losses	<u>-125</u>	<u>-36</u>
Market	\$8,774	\$8,739
Yield (1Q)	6.9%	7.1%
Average Life	12.4	12.9

Fixed Maturities at 3/31/06

	<u>Amort. Cost</u>	<u>Unrealized</u>			<u>Market</u>	<u>(1) Ratings</u>
		<u>Gains</u>	<u>Losses</u>	<u>Net</u>		
Investment Grade	\$7,939	\$275	-\$94	\$181	\$8,120	A-
Below Investment Grade	<u>656</u>	<u>28</u>	<u>-31</u>	<u>-3</u>	<u>654</u>	BB-
Total	\$8,595	\$304	-\$125	\$179	\$8,774	BBB+

Fixed Maturity Acquisitions:

	<u>1Q'06</u>	<u>1Q'05</u>
Amount	\$288	\$262
Yield	6.1%	6.5%
Ratings	A	BBB
Average Life	14.8	25.2