

TORCHMARK CORPORATION

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

9 Months Ended			3Q	2Q	1Q	4Q	3Q
9/07	9/06		2007	2007	2007	2006	2006
		UNDERWRITING INCOME					
		Life:					
\$1,176,478	\$1,142,930	Premium	\$392,720	\$392,290	\$391,468	\$381,337	\$381,547
-491,960	-483,660	Net Policy Obligations	-160,452	-165,791	-165,717	-157,798	-160,267
-375,906	-364,267	Commissions and Acquisition Expenses	-126,880	-125,037	-123,989	-121,098	-124,240
308,612	295,003	Underwriting Margin	105,388	101,462	101,762	102,441	97,040
		Health:					
776,990	766,854	Premium	253,117	258,987	264,886	258,296	253,587
-486,192	-483,457	Net Policy Obligations	-157,588	-162,653	-165,951	-162,441	-158,978
-152,663	-147,848	Commissions and Acquisition Expenses	-50,747	-50,567	-51,349	-50,273	-50,407
138,135	135,549	Underwriting Margin	44,782	45,767	47,586	45,582	44,202
17,497	17,072	Health - Part D Underwriting Margin	6,417	5,959	5,121	8,491	8,507
7,756	9,044	Annuity Underwriting Margin	2,421	2,694	2,641	2,871	3,141
472,000	456,668	Total Underwriting Margin	159,008	155,882	157,110	159,385	152,890
3,244	3,190	Other Income	978	1,379	887	834	993
-115,652	-117,190	Admin. Expenses	-40,058	-36,907	-38,687	-38,141	-37,525
359,592	342,668	Underwriting Income	119,928	120,354	119,310	122,078	116,358
		EXCESS INVESTMENT INCOME					
486,191	468,869	Net Investment Income	163,014	160,663	162,514	159,423	160,751
		Required Interest:					
-191,288	-176,130	Net Policy Liabilities	-64,882	-64,119	-62,287	-61,208	-59,474
		Net Financing Costs:					
-51,179	-54,712	Interest on Debt	-17,513	-16,475	-17,191	-17,970	-21,280
0	491	Interest Rate Swaps	0	0	0	0	0
243,724	238,518	Total Excess Investment Income	80,619	80,069	83,036	80,245	79,997
-6,378	-6,369	Parent Company Expenses	-2,024	-2,528	-1,826	-1,493	-1,711
596,938	574,817	Pre-Tax Operating Income	198,523	197,895	200,520	200,830	194,644
-202,996	-197,775	Income Tax	-67,541	-67,323	-68,132	-69,242	-67,216
\$393,942	\$377,042	Net Operating Income Before Option Expense	\$130,982	\$130,572	\$132,388	\$131,588	\$127,428
\$4.08	\$3.71	Per Share	\$1.39	\$1.35	\$1.34	\$1.32	\$1.27
-4,029	-3,239	Stock Option Expense, Net of Tax	-1,241	-1,459	-1,329	-1,035	-974
\$389,913	\$373,803	Net Operating Income	\$129,741	\$129,113	\$131,059	\$130,553	\$126,454
\$4.04	\$3.68	Per Share	\$1.38	\$1.34	\$1.32	\$1.31	\$1.26
96,601	101,578	Average Diluted Shares Outstanding	94,061	96,652	99,026	99,786	100,103
		Reconciling items, net of tax:					
\$2,587	\$0	Gain on Sale of Agency Buildings	\$789	\$1,211	\$587	\$2,816	\$0
5,609	-1,312	Capital Gain (Loss) - Investments	915	-1,838	6,532	-3,305	-4,914
0	-2,956	Capital Gain (Loss) - Interest Rate Swaps	0	0	0	0	0
-3,260	-1,698	Part D Adjustment	1,469	-1,603	-3,126	1,698	2,227
613	4,239	Tax Settlements	-88	351	350	7,368	4,777
-272	4,117	Net Proceeds (Cost) from Legal Settlements	56	-117	-211	3,308	0
\$395,190	\$376,193	Net Income	\$132,882	\$127,117	\$135,191	\$142,438	\$128,544

TORCHMARK CORPORATION

Insurance Operations (Unaudited)

(In thousands)

	LIFE				HEALTH				HEALTH - PART D				ANNUITY	
	3Q 2007	%	3Q 2006	%	3Q 2007	%	3Q 2006	%	3Q 2007	%	3Q 2006	%	3Q 2007	3Q 2006
LNL Exclusive Agency														
Premium	\$72,944		\$75,145		\$34,837		\$36,716							
Net Policy Obligations	32,721	45	32,727	44	22,182	64	24,217	66						
Comm. & Acq. Exp.	21,840	30	22,307	30	4,228	12	5,460	15						
Underwriting Margin	18,383	25	20,111	27	8,427	24	7,039	19						
UA Independent														
Premium	8,819		9,791		92,934		101,345							
Net Policy Obligations	3,962	45	4,065	42	60,061	65	64,466	64						
Comm. & Acq. Exp.	4,327	49	4,959	51	17,460	19	19,508	19						
Underwriting Margin	530	6	767	8	15,413	17	17,371	17						
UA Branch Office Agency														
Premium	3,997		3,956		96,630		88,674							
Net Policy Obligations	1,710	43	1,680	42	60,370	62	55,944	63						
Comm. & Acq. Exp.	1,504	38	1,530	39	23,786	25	20,102	23						
Underwriting Margin	783	20	746	19	12,474	13	12,628	14						
Direct Response														
Premium	120,603		113,939		10,494		9,771							
Net Policy Obligations	55,039	46	55,577	49	8,498	81	7,728	79						
Comm. & Acq. Exp.	36,197	30	33,568	29	670	6	729	7						
Underwriting Margin	29,367	24	24,794	22	1,326	13	1,314	13						
American Income Agency														
Premium	111,108		103,427		18,222		17,081							
Net Policy Obligations	36,508	33	34,712	34	6,477	36	6,623	39						
Comm. & Acq. Exp.	38,951	35	37,246	36	4,603	25	4,608	27						
Underwriting Margin	35,649	32	31,469	30	7,142	39	5,850	34						
Military														
Premium	50,784		50,866											
Net Policy Obligations	20,832	41	22,195	44										
Comm. & Acq. Exp.	16,637	33	17,069	34										
Underwriting Margin	13,315	26	11,602	23										
Part D														
Premium									\$52,583		\$63,394			
Net Policy Obligations									42,329	80	47,913	76		
Net Amortization of DAC									1,313	2	1,902	3		
Fees to PBM									2,524	5	5,072	8		
Underwriting Margin									6,417	12	8,507	13		
Other Distribution														
Premium	24,465		24,423										\$4,901	\$5,538
Net Policy Obligations	9,680	40	9,311	38									-1,826	-2,089
Comm. & Acq. Exp.	7,424	30	7,561	31									4,306	4,486
Underwriting Margin	7,361	30	7,551	31									2,421	3,141
Totals:														
Premium	\$392,720		\$381,547		\$253,117		\$253,587		\$52,583		\$63,394		\$4,901	\$5,538
Net Policy Obligations	160,452	41	160,267	42	157,588	62	158,978	63	42,329	80	47,913	76	-1,826	-2,089
Comm. & Acq. Exp.	126,880	32	124,240	33	50,747	20	50,407	20	3,837	7	6,974	11	4,306	4,486
Underwriting Margin	\$105,388	27	\$97,040	25	\$44,782	18	\$44,202	17	\$6,417	12	\$8,507	13	\$2,421	\$3,141
TOTAL UNDERWRITING MARGINS, ALL LINES					\$159,008		\$152,890							
Other Income					978		993							
Administrative & Other Expenses					-40,058		-37,525							
INSURANCE UNDERWRITING INCOME					<u>\$119,928</u>		<u>\$116,358</u>							

TORCHMARK CORPORATION

Insurance Operations (Unaudited)
(In thousands)

	LIFE				HEALTH				HEALTH - PART D			ANNUITY		
	YTD 9/07	%	YTD 9/06	%	YTD 9/07	%	YTD 9/06	%	YTD 9/07	%	YTD 9/06	%	YTD 9/07	YTD 9/06
LNL Exclusive Agency														
Premium	\$221,606		\$226,803		\$106,721		\$108,475							
Net Policy Obligations	104,820	47	104,276	46	68,007	64	70,703	65						
Comm. & Acq. Exp.	63,333	29	65,092	29	12,813	12	16,618	15						
Underwriting Margin	53,453	24	57,435	25	25,901	24	21,154	20						
UA Independent														
Premium	27,364		30,648		294,950		317,102							
Net Policy Obligations	12,235	45	12,926	42	188,566	64	201,709	64						
Comm. & Acq. Exp.	13,374	49	15,064	49	56,774	19	60,099	19						
Underwriting Margin	1,755	6	2,658	9	49,610	17	55,294	17						
UA Branch Office Agency														
Premium	11,527		11,909		290,999		261,748							
Net Policy Obligations	4,937	43	5,302	45	184,453	63	168,650	64						
Comm. & Acq. Exp.	4,322	37	4,486	38	67,114	23	55,639	21						
Underwriting Margin	2,268	20	2,121	18	39,432	14	37,459	14						
Direct Response														
Premium	363,966		343,628		31,854		29,805							
Net Policy Obligations	167,888	46	161,456	47	25,383	80	23,721	80						
Comm. & Acq. Exp.	108,159	30	100,357	29	2,353	7	2,267	8						
Underwriting Margin	87,919	24	81,815	24	4,118	13	3,817	13						
American Income Agency														
Premium	326,513		304,384		52,466		49,724							
Net Policy Obligations	110,029	34	102,689	34	19,783	38	18,674	38						
Comm. & Acq. Exp.	114,213	35	106,800	35	13,609	26	13,225	27						
Underwriting Margin	102,271	31	94,895	31	19,074	36	17,825	36						
Military														
Premium	152,657		152,406											
Net Policy Obligations	62,739	41	67,206	44										
Comm. & Acq. Exp.	50,496	33	50,241	33										
Underwriting Margin	39,422	26	34,959	23										
Part D														
Premium									\$162,370		\$155,809			
Net Policy Obligations									130,256	80	121,598	78		
Net Amortization of DAC									4,059	2	4,674	3		
Fees to PBM									10,558	7	12,465	8		
Underwriting Margin									17,497	11	17,072	11		
Other Distribution														
Premium	72,845		73,152										\$15,320	\$17,219
Net Policy Obligations	29,312	40	29,805	41									-3,037	-3,692
Comm. & Acq. Exp.	22,009	30	22,227	30									10,601	11,867
Underwriting Margin	21,524	30	21,120	29									7,756	9,044
Totals:														
Premium	\$1,176,478		\$1,142,930		\$776,990		\$766,854		\$162,370		\$155,809		\$15,320	\$17,219
Net Policy Obligations	491,960	42	483,660	42	486,192	63	483,457	63	130,256	80	121,598	78	-3,037	-3,692
Comm. & Acq. Exp.	375,906	32	364,267	32	152,663	20	147,848	19	14,617	9	17,139	11	10,601	11,867
Underwriting Margin	\$308,612	26	\$295,003	26	\$138,135	18	\$135,549	18	\$17,497	11	\$17,072	11	\$7,756	\$9,044
TOTAL UNDERWRITING MARGINS, ALL LINES					\$472,000		\$456,668							
Other Income					3,244		3,190							
Administrative & Other Expenses					-115,652		-117,190							
INSURANCE UNDERWRITING INCOME					<u>\$359,592</u>		<u>\$342,668</u>							

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

NET SALES **

	<u>YTD</u> <u>9/07</u>	<u>YTD</u> <u>9/06</u>	<u>% Incr</u> <u>(Decr)</u>	<u>3rd Qtr.</u> <u>2007</u>	<u>3rd Qtr.</u> <u>2006</u>	<u>% Incr</u> <u>(Decr)</u>
<u>LIFE</u>						
Direct Response	\$85,311	\$89,185	-4	\$27,667	\$28,280	-2
American Income Agency	68,080	65,377	4	24,419	22,142	10
LNL Exclusive Agency	26,676	32,189	-17	8,870	9,722	-9
Military	7,576	9,437	-20	2,201	2,657	-17
UA Independent	443	1,336	-67	133	520	-74
UA Branch Office Agency	3,041	1,256	142	1,585	540	194
Other Distribution	4,791	5,519	-13	1,239	1,692	-27
Total Life	<u>195,918</u>	<u>204,299</u>	<u>-4</u>	<u>66,114</u>	<u>65,553</u>	<u>1</u>
<u>HEALTH</u>						
Direct Response	4,179	4,031	4	1,005	930	8
American Income Agency	8,356	8,933	-6	3,018	3,035	-1
LNL Exclusive Agency	7,222	9,138	-21	2,595	3,044	-15
UA Independent	34,154	41,193	-17	10,787	11,804	-9
UA Branch Office Agency	126,350	115,588	9	40,086	40,909	-2
Total Health	<u>180,261</u>	<u>178,883</u>	<u>1</u>	<u>57,491</u>	<u>59,722</u>	<u>-4</u>
Part D	29,583	269,883	-89	5,380	7,888	-32
TOTAL NET SALES	\$405,762	\$653,065	-38	\$128,985	\$133,163	-3

** 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>YTD</u> <u>9/07</u>	<u>YTD</u> <u>9/06</u>	<u>% Incr</u> <u>(Decr)</u>	<u>3rd Qtr.</u> <u>2007</u>	<u>3rd Qtr.</u> <u>2006</u>	<u>% Incr</u> <u>(Decr)</u>
<u>LIFE</u>						
Direct Response	\$57,175	\$58,914	-3	\$18,746	\$19,192	-2
American Income Agency	54,884	53,959	2	18,467	18,146	2
LNL Exclusive Agency	22,153	26,558	-17	6,958	8,446	-18
Military	7,988	11,092	-28	2,537	3,314	-23
UA Independent	593	1,256	-53	139	341	-59
UA Branch Office Agency	1,443	753	92	714	283	152
Other Distribution	4,605	6,873	-33	1,502	2,029	-26
Total Life	<u>148,841</u>	<u>159,405</u>	<u>-7</u>	<u>49,063</u>	<u>51,751</u>	<u>-5</u>
<u>HEALTH</u>						
Direct Response	3,794	3,809	0	1,176	1,260	-7
American Income Agency	9,252	9,465	-2	3,332	3,505	-5
LNL Exclusive Agency	6,440	7,643	-16	2,028	2,501	-19
UA Independent	30,302	35,382	-14	9,559	11,511	-17
UA Branch Office Agency	95,908	76,177	26	31,677	28,369	12
Total Health	<u>145,696</u>	<u>132,476</u>	<u>10</u>	<u>47,772</u>	<u>47,146</u>	<u>1</u>
Part D	47,629	155,809	-69	6,297	63,394	-90
TOTAL FIRST YEAR COLLECTED PREMIUM	\$342,166	\$447,690	-24	\$103,132	\$162,291	-36

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

	At September 30,	
	2007	2006
Assets		
Investments:		
Fixed maturities available for sale *	\$9,130,601	\$9,169,867
Equity securities available for sale	30,473	45,396
Mortgage loans	18,877	20,019
Real estate	8,276	9,537
Policy loans	338,844	325,225
Other long-term investments	43,540	21,935
Short-term investments	99,037	85,187
Total investments	9,669,648	9,677,166
Cash	9,070	25,165
Securities lending collateral	0	170
Accrued investment income	177,680	172,567
Other receivables	97,321	93,796
Deferred acquisition costs	3,049,942	2,848,005
Value of insurance purchased	63,392	66,868
Property and equipment	43,076	30,225
Goodwill	423,519	378,436
Other assets	141,447	165,849
Separate account assets	1,479,040	1,477,105
Total assets	\$15,154,135	\$14,935,352
Liabilities and Shareholders' Equity		
Liabilities:		
Future policy benefits	\$7,821,375	\$7,299,657
Unearned and advance premium	89,324	90,673
Policy claims and other benefits payable	252,953	241,474
Other policy liabilities	90,342	89,781
Deferred and accrued income taxes	988,202	1,031,849
Securities lending obligation	0	170
Short-term debt	204,146	235,680
Long-term debt	721,603	870,293
Other liabilities	243,266	234,119
Separate account liabilities	1,479,040	1,477,105
Total liabilities	11,890,251	11,570,801
Shareholders' equity:		
Preferred stock	0	0
Common stock	99,875	104,875
Additional paid-in-capital	503,830	516,177
Unrealized investment gains (losses), net of tax	-20,633	164,782
Retained earnings	3,176,498	2,955,042
Treasury stock, at cost	-495,686	-376,325
Total shareholders' equity	3,263,884	3,364,551
Total liabilities and shareholders' equity	\$15,154,135	\$14,935,352
Diluted Basis:		
Shares outstanding	93,505	99,946
Book value per common share	\$34.91	\$33.66
Book value per common share excluding FAS 115	\$35.18	\$32.11
* Amortized cost of fixed maturities	\$9,174,723	\$8,917,842

TORCHMARK CORPORATION

Fixed Maturities
(Millions of \$)
September 30, 2007

Total Fixed Maturities

	<u>9/30/07</u>	<u>9/30/06</u>
Amortized Cost	\$9,175	\$8,918
Unrealized:		
Gains	210	337
Losses	<u>-254</u>	<u>-85</u>
Market	\$9,131	\$9,170
Annual Effective Yield (3Q)	7.0%	7.1%
Average Life	17.5	12.8

Fixed Maturities at 9/30/07

	<u>Amort. Cost</u>	<u>Unrealized</u>			<u>Market</u>	<u>Ratings</u>
		<u>Gains</u>	<u>Losses</u>	<u>Net</u>		
Investment Grade	\$8,457	\$185	-\$213	-\$28	\$8,429	A-
Below Investment Grade	<u>718</u>	<u>25</u>	<u>-41</u>	<u>-16</u>	<u>702</u>	BB-
Total	\$9,175	\$210	-\$254	-\$44	\$9,131	A-

Fixed Maturity Acquisitions:

	<u>3Q'07</u>	<u>3Q'06</u>
Amount	\$226	\$194
Yield	6.8%	7.2%
Ratings	A	BBB+
Average Life	22.1	21.8