

Torchmark Corporation

Medicare Part D

Reconciliation Between Torchmark's Operating Summary and GAAP (\$'s in thousands)

	Twelve months ended December 31, 2008			
	<u>Operating Summary</u>	<u>% of Premium</u>	<u>(1) Adjustments</u>	<u>GAAP</u>
Premium	\$175,633		\$122	\$175,755
Policy Obligations	-138,239	79	-122	-138,361
PBM fees	-11,252	6		-11,252
Amortization of DAC	<u>-4,381</u>	2	<u></u>	<u>-4,381</u>
Underwriting Margin	<u>\$21,761</u>	12	<u>\$0</u>	<u>\$21,761</u>

- (1) The amount due The Centers of Medicare & Medicaid Services (CMS) for risk sharing related to claims paid by the company in 2008. This adjustment classifies the risk sharing payments as premium instead of claims in accordance with GAAP reporting standards.