

Torchmark Corporation

Medicare Part D

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

	Three months ended March 31, 2009			
	<u>Operating Summary</u>	<u>% of Premium</u>	<u>Adjustments</u>	<u>GAAP</u>
Premium	\$45,888		\$1,415 (1)	\$47,303
Policy Obligations	-37,766	82	-17,819 (2)	-55,585
PBM fees	-1,881	4		-1,881
Amortization of DAC	<u>-1,422</u>	3		<u>-1,422</u>
Underwriting Margin	<u>\$4,819</u>	11	<u>-\$16,404</u>	<u>-\$11,585</u>

(1) Reflects a receivable from The Centers of Medicare & Medicaid Services (CMS) for risk sharing related to claims paid by the company in the first three months. This receivable is not recognized in the Operating Summary because:

- The risk sharing adjustment, if any, will be based on the 2009 contract year experience, not the experience of interim quarters, and
- Torchmark does not anticipate that there will be a risk sharing adjustment for the 2009 contract year.

(2) Deferral of excess benefits incurred in the earlier interim quarters to later quarters in order to more closely match the benefit cost with the associated revenue during the 2009 contract year.