

**TORCHMARK CORPORATION**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
(Unaudited and in thousands except per share data)

	3 Months Ended September 30,		9 Months Ended September 30,	
	2009	2008	2009	2008
<b>Revenues:</b>				
Life premium	\$414,392	\$406,114	\$1,242,184	\$1,215,554
Health premium	241,054	268,940	776,408	861,688
Other premium	2,324	3,543	7,204	11,352
<b>Total premium</b>	<b>657,770</b>	<b>678,597</b>	<b>2,025,796</b>	<b>2,088,594</b>
Net investment income	169,608	169,034	506,005	503,763
Realized investment gains (losses)	8,434	-2,046	17,026	-3,784
Other-than-temporary impairments	-74,677	-93,175	-161,755	-106,099
Portion recognized in other comprehensive income	23,268	0	25,830	0
Other income	451	942	1,324	3,803
<b>Total revenue</b>	<b>784,854</b>	<b>753,352</b>	<b>2,414,226</b>	<b>2,486,277</b>
<b>Benefits and expenses:</b>				
Life policyholder benefits	272,353	268,338	818,789	809,540
Health policyholder benefits	152,312	174,363	528,514	592,995
Other policyholder benefits	10,667	8,535	29,978	24,500
<b>Total policyholder benefits</b>	<b>435,332</b>	<b>451,236</b>	<b>1,377,281</b>	<b>1,427,035</b>
Amortization of deferred acquisition costs	104,967	101,429	323,840	297,701
Commissions and premium taxes	34,542	34,514	96,783	111,318
Insurance G&A	37,753	38,289	117,001	118,380
Parent expense	2,430	4,021	7,002	8,373
Stock compensation expense	2,430	2,725	7,636	8,306
Interest expense	20,343	15,507	50,923	46,497
<b>Total benefits and expenses</b>	<b>637,797</b>	<b>647,721</b>	<b>1,980,466</b>	<b>2,017,610</b>
Income before income taxes	147,057	105,631	433,760	468,667
Income taxes	-46,257	-42,480	-142,136	-153,617
<b>Net income</b>	<b>\$100,800</b>	<b>\$63,151</b>	<b>\$291,624</b>	<b>\$315,050</b>
<b>Basic net income per share</b>	<b>\$1.22</b>	<b>\$0.73</b>	<b>\$3.51</b>	<b>\$3.54</b>
<b>Diluted net income per share</b>	<b>\$1.22</b>	<b>\$0.72</b>	<b>\$3.51</b>	<b>\$3.49</b>