

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

	3 Months Ended June 30,		6 Months Ended June 30,	
	2010	2009	2010	2009
<b>Revenues:</b>				
Life premium	\$433,828	\$415,044	\$864,127	\$827,792
Health premium	252,086	264,014	508,952	535,354
Other premium	2,191	2,483	4,395	4,880
<b>Total premium</b>	<b>688,105</b>	<b>681,541</b>	<b>1,377,474</b>	<b>1,368,026</b>
Net investment income	181,620	167,354	358,919	336,397
Realized investment gains (losses)	-5,476	8,478	3,989	8,592
Other-than-temporary impairments	0	-34,665	-1,712	-87,078
Portion recognized in other comprehensive income	0	-3,442	0	2,562
Other income	728	468	1,112	873
<b>Total revenue</b>	<b>864,977</b>	<b>819,734</b>	<b>1,739,782</b>	<b>1,629,372</b>
<b>Benefits and expenses:</b>				
Life policyholder benefits	283,131	276,102	565,761	546,436
Health policyholder benefits	173,317	179,422	362,862	376,202
Other policyholder benefits	12,009	8,811	23,607	19,311
<b>Total policyholder benefits</b>	<b>468,457</b>	<b>464,335</b>	<b>952,230</b>	<b>941,949</b>
Amortization of deferred acquisition costs	108,867	104,205	222,273	218,873
Commissions and premium taxes	33,027	30,635	64,851	62,241
Insurance G&A	39,981	39,831	77,813	79,248
Parent expense	2,601	2,640	5,163	4,572
Stock compensation expense	3,258	2,765	6,294	5,206
Interest expense	18,812	14,916	37,749	30,580
<b>Total benefits and expenses</b>	<b>675,003</b>	<b>659,327</b>	<b>1,366,373</b>	<b>1,342,669</b>
Income before income taxes	189,974	160,407	373,409	286,703
Income taxes	-63,925	-46,289	-125,684	-95,879
<b>Net income</b>	<b>\$126,049</b>	<b>\$114,118</b>	<b>\$247,725</b>	<b>\$190,824</b>
<b>Basic net income per share</b>	<b>\$1.54</b>	<b>\$1.38</b>	<b>\$3.01</b>	<b>\$2.29</b>
<b>Diluted net income per share</b>	<b>\$1.53</b>	<b>\$1.38</b>	<b>\$2.98</b>	<b>\$2.29</b>