

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

9 Months Ended			3Q	2Q	1Q	4Q	3Q
9/10	9/09		2010	2010	2010	2009	2009
		<b>UNDERWRITING INCOME</b>					
		Life:					
\$1,248,315	\$1,190,980	Premium	\$417,044	\$417,345	\$413,926	\$400,873	\$397,390
-485,492	-471,488	Net Policy Obligations	-159,787	-162,715	-162,990	-157,844	-155,576
<u>-422,438</u>	<u>-401,142</u>	Commissions and Acquisition Expenses	<u>-141,828</u>	<u>-140,738</u>	<u>-139,872</u>	<u>-133,967</u>	<u>-135,419</u>
340,385	318,350	Underwriting Margin	115,429	113,892	111,064	109,062	106,395
		Health:					
590,630	636,115	Premium	189,357	198,622	202,651	200,501	200,197
-348,945	-376,399	Net Policy Obligations	-112,120	-117,137	-119,688	-117,547	-118,264
<u>-131,371</u>	<u>-144,918</u>	Commissions and Acquisition Expenses	<u>-40,623</u>	<u>-43,254</u>	<u>-47,494</u>	<u>-48,495</u>	<u>-46,205</u>
110,314	114,798	Underwriting Margin	36,614	38,231	35,469	34,459	35,728
15,764	15,363	Health - Part D Underwriting Margin	5,558	5,130	5,076	5,790	5,767
<u>983</u>	<u>2</u>	Annuity Underwriting Margin	<u>259</u>	<u>234</u>	<u>490</u>	<u>310</u>	<u>2</u>
467,446	448,513	Total Underwriting Margin	157,860	157,487	152,099	149,621	147,892
2,324	2,058	Other Income	778	950	596	856	694
<u>-114,922</u>	<u>-113,587</u>	Admin. Expenses	<u>-38,413</u>	<u>-39,435</u>	<u>-37,074</u>	<u>-36,738</u>	<u>-36,450</u>
354,848	336,984	Underwriting Income	120,225	119,002	115,621	113,739	112,136
		<b>EXCESS INVESTMENT INCOME</b>					
509,862	473,424	Net Investment Income	172,271	170,546	167,045	158,852	158,906
-232,383	-212,097	Required Interest on Net Policy Liabilities	-78,863	-77,407	-76,113	-74,861	-72,863
<u>-56,341</u>	<u>-50,725</u>	Interest on Debt	<u>-18,724</u>	<u>-18,746</u>	<u>-18,871</u>	<u>-18,943</u>	<u>-20,277</u>
221,138	210,602	Total Excess Investment Income	74,684	74,393	72,061	65,048	65,766
<u>-7,128</u>	<u>-7,002</u>	Parent Company Expenses	<u>-1,965</u>	<u>-2,601</u>	<u>-2,562</u>	<u>-2,588</u>	<u>-2,430</u>
568,858	540,584	Pre-Tax Operating Income	192,944	190,794	185,120	176,199	175,472
<u>-191,769</u>	<u>-181,942</u>	Income Tax	<u>-64,837</u>	<u>-64,398</u>	<u>-62,534</u>	<u>-59,662</u>	<u>-58,614</u>
\$377,089	\$358,642	Net Operating Income Before Stock Compensation Expense	\$128,107	\$126,396	\$122,586	\$116,537	\$116,858
<u>-5,895</u>	<u>-4,963</u>	Stock Compensation Expense, Net of Tax	<u>-1,804</u>	<u>-2,118</u>	<u>-1,973</u>	<u>-1,446</u>	<u>-1,579</u>
<b>\$371,194</b>	<b>\$353,679</b>	<b>Net Operating Income from Continuing Operations</b>	<b>\$126,303</b>	<b>\$124,278</b>	<b>\$120,613</b>	<b>\$115,091</b>	<b>\$115,279</b>
<b>\$4.50</b>	<b>\$4.26</b>	<b>Per Share</b>	<b>\$1.55</b>	<b>\$1.50</b>	<b>\$1.45</b>	<b>\$1.39</b>	<b>\$1.39</b>
18,531	20,066	Discontinued Operations - UILIC	6,059	6,509	5,963	6,744	7,009
<b>\$389,725</b>	<b>\$373,745</b>	<b>Net Operating Income from All Operations</b>	<b>\$132,362</b>	<b>\$130,787</b>	<b>\$126,576</b>	<b>\$121,835</b>	<b>\$122,288</b>
<b>\$4.72</b>	<b>\$4.50</b>	<b>Per Share</b>	<b>\$1.63</b>	<b>\$1.58</b>	<b>\$1.52</b>	<b>\$1.47</b>	<b>\$1.48</b>
82,500	83,115	Average Diluted Shares Outstanding	81,355	82,603	83,214	83,075	82,844
		Reconciling items, net of tax:					
\$6,697	-\$70,535	Capital Gain (Loss) - Investments	\$5,229	-\$3,251	\$4,719	-\$14,810	-\$20,715
1,472	-7,749	Capital Gain (Loss) - Discontinued Operations - UILIC	1,460	-308	320	-160	-4,767
-31,085	0	Loss on Disposal of Discontinued Operations	-31,085	0	0	0	0
-4,553	-6,626	Part D Adjustment	6,565	-1,179	-9,939	6,626	4,364
0	3,020	Tax Settlements	0	0	0	-162	-139
<u>0</u>	<u>-231</u>	Loss on Company Occupied Property	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>-231</u>
<b>\$362,256</b>	<b>\$291,624</b>	<b>Net Income</b>	<b>\$114,531</b>	<b>\$126,049</b>	<b>\$121,676</b>	<b>\$113,329</b>	<b>\$100,800</b>

## TORCHMARK CORPORATION

Insurance Operations (Unaudited), Excluding Discontinued Operations  
(In thousands)

	LIFE				HEALTH				HEALTH - PART D				ANNUITY	
	3Q 2010	%	3Q 2009	%	3Q 2010	%	3Q 2009	%	3Q 2010	%	3Q 2009	%	3Q 2010	3Q 2009
<b>LNL Exclusive Agency *</b>														
Premium	\$73,228		\$74,596		\$79,732		\$92,806							
Net Policy Obligations	29,601	40	33,394	45	46,926	59	55,433	60						
Comm. & Acq. Exp.	28,037	38	26,974	36	21,054	26	24,181	26						
Underwriting Margin	15,590	21	14,228	19	11,752	15	13,192	14						
<b>UA Independent</b>														
Premium	6,270		7,001		75,436		77,000							
Net Policy Obligations	2,900	46	3,163	45	47,565	63	46,921	61						
Comm. & Acq. Exp.	3,038	48	3,528	50	13,749	18	15,815	21						
Underwriting Margin	332	5	310	4	14,122	19	14,264	19						
<b>Direct Response</b>														
Premium	141,503		133,171		13,750		11,434							
Net Policy Obligations	63,957	45	60,230	45	10,264	75	8,495	74						
Comm. & Acq. Exp.	41,599	29	39,593	30	696	5	1,353	12						
Underwriting Margin	35,947	25	33,348	25	2,790	20	1,586	14						
<b>American Income Agency</b>														
Premium	141,748		127,549		20,439		18,957							
Net Policy Obligations	42,884	30	37,955	30	7,365	36	7,415	39						
Comm. & Acq. Exp.	51,448	36	46,245	36	5,124	25	4,856	26						
Underwriting Margin	47,416	33	43,349	34	7,950	39	6,686	35						
<b>Military</b>														
Premium	48,486		49,273											
Net Policy Obligations	19,430	40	19,915	40										
Comm. & Acq. Exp.	15,481	32	16,256	33										
Underwriting Margin	13,575	28	13,102	27										
<b>Part D</b>														
Premium								\$52,506		\$47,610				
Net Policy Obligations								44,316	84	38,897	82			
Net Amortization of DAC								951	2	994	2			
Fees to PBM								1,681	3	1,952	4			
Underwriting Margin								5,558	11	5,767	12			
<b>Other Distribution</b>														
Premium	5,809		5,800									\$152	\$95	
Net Policy Obligations	1,015	17	919	16								-2,675	-1,524	
Comm. & Acq. Exp.	2,225	38	2,823	49								2,568	1,617	
Underwriting Margin	2,569	44	2,058	35								259	2	
<b>Totals:</b>														
Premium	\$417,044		\$397,390		\$189,357		\$200,197		\$52,506		\$47,610	\$152	\$95	
Net Policy Obligations	159,787	38	155,576	39	112,120	59	118,264	59	44,316	84	38,897	-2,675	-1,524	
Comm. & Acq. Exp.	141,828	34	135,419	34	40,623	21	46,205	23	2,632	5	2,946	2,568	1,617	
Underwriting Margin	\$115,429	28	\$106,395	27	\$36,614	19	\$35,728	18	\$5,558	11	\$5,767	\$259	\$2	
<b>TOTAL UNDERWRITING MARGINS, ALL LINES</b>					\$157,860		\$147,892							
Other Income					778		694							
Administrative & Other Expenses					-38,413		-36,450							
<b>INSURANCE UNDERWRITING INCOME</b>					<u>\$120,225</u>		<u>\$112,136</u>							
Insurance Underwriting Income - Discontinued Operations - UILIC					\$3,156		\$5,208							

\* Components of underwriting margin for UA Branch Office Agency are included in LNL Exclusive Agency

## TORCHMARK CORPORATION

Insurance Operations (Unaudited), Excluding Discontinued Operations  
(In thousands)

	LIFE				HEALTH				HEALTH - PART D				ANNUITY	
	YTD 9/10	%	YTD 9/09	%	YTD 9/10	%	YTD 9/09	%	YTD 9/10	%	YTD 9/09	%	YTD 9/10	YTD 9/09
<b>LNL Exclusive Agency</b>														
Premium	\$221,579		\$224,649		\$252,625		\$298,315							
Net Policy Obligations	96,859	44	100,554	45	148,726	59	176,567	59						
Comm. & Acq. Exp.	81,214	37	78,490	35	67,844	27	76,212	26						
Underwriting Margin	43,506	20	45,605	20	36,055	14	45,536	15						
<b>UA Independent</b>														
Premium	19,469		21,714		237,866		247,429							
Net Policy Obligations	8,576	44	9,716	45	147,961	62	152,722	62						
Comm. & Acq. Exp.	9,363	48	10,689	49	45,347	19	50,903	21						
Underwriting Margin	1,530	8	1,309	6	44,558	19	43,804	18						
<b>Direct Response</b>														
Premium	428,257		403,774		40,816		34,771							
Net Policy Obligations	189,017	44	182,475	45	30,568	75	26,330	76						
Comm. & Acq. Exp.	128,272	30	121,591	30	3,166	8	3,383	10						
Underwriting Margin	110,968	26	99,708	25	7,082	17	5,058	15						
<b>American Income Agency</b>														
Premium	416,318		375,448		59,323		55,600							
Net Policy Obligations	128,294	31	115,317	31	21,690	37	20,780	37						
Comm. & Acq. Exp.	150,309	36	134,925	36	15,014	25	14,420	26						
Underwriting Margin	137,715	33	125,206	33	22,619	38	20,400	37						
<b>Military</b>														
Premium	146,078		148,500											
Net Policy Obligations	59,638	41	59,737	40										
Comm. & Acq. Exp.	46,567	32	48,630	33										
Underwriting Margin	39,873	27	40,133	27										
<b>Part D</b>														
Premium								\$157,727				\$138,954		
Net Policy Obligations								133,231	84			114,980	83	
Net Amortization of DAC								2,856	2			2,914	2	
Fees to PBM								5,876	4			5,697	4	
Underwriting Margin								15,764	10			15,363	11	
<b>Other Distribution</b>														
Premium	16,614		16,895										\$442	\$412
Net Policy Obligations	3,108	19	3,689	22									-7,590	-3,853
Comm. & Acq. Exp.	6,713	40	6,817	40									7,049	4,263
Underwriting Margin	6,793	41	6,389	38									983	2
<b>Totals:</b>														
Premium	\$1,248,315		\$1,190,980		\$590,630		\$636,115		\$157,727			\$138,954	\$442	\$412
Net Policy Obligations	485,492	39	471,488	40	348,945	59	376,399	59	133,231	84		114,980	83	-7,590
Comm. & Acq. Exp.	422,438	34	401,142	34	131,371	22	144,918	23	8,732	6		8,611	6	7,049
Underwriting Margin	\$340,385	27	\$318,350	27	\$110,314	19	\$114,798	18	\$15,764	10		\$15,363	11	\$983
<b>TOTAL UNDERWRITING MARGINS, ALL LINES</b>					\$467,446		\$448,513							
Other Income					2,324		2,058							
Administrative & Other Expenses					-114,922		-113,587							
<b>INSURANCE UNDERWRITING INCOME</b>					<u>\$354,848</u>		<u>\$336,984</u>							
Insurance Underwriting Income - Discontinued Operations - UILIC					\$11,065		\$13,331							

\* Components of underwriting margin for UA Branch Office Agency are included in LNL Exclusive Agency

## TORCHMARK CORPORATION

Net Sales and First Year Collected Premium (Unaudited), Excluding Discontinued Operations  
(In thousands)

### NET SALES \*

	<u>YTD</u> <u>9/10</u>	<u>YTD</u> <u>9/09</u>	<u>% Incr</u> <u>(Decr)</u>	<u>3rd Qtr.</u> <u>2010</u>	<u>3rd Qtr.</u> <u>2009</u>	<u>% Incr</u> <u>(Decr)</u>
<b><u>LIFE</u></b>						
Direct Response	\$106,027	\$101,158	5	\$31,705	\$32,569	-3
American Income Agency	104,711	92,549	13	33,541	32,028	5
LNL Agency:						
LNL Exclusive Agency	26,755	36,081	-26	8,881	11,442	-22
UA Branch Office Agency	7,232	6,934	4	2,517	2,702	-7
Military	4,623	5,011	-8	1,423	1,608	-12
UA Independent	650	551	18	88	209	-58
Other Distribution	2,856	2,959	-3	790	859	-8
Total Life	<u>252,854</u>	<u>245,243</u>	<u>3</u>	<u>78,945</u>	<u>81,417</u>	<u>-3</u>
<b><u>HEALTH</u></b>						
Direct Response	4,368	2,930	49	870	921	-6
American Income Agency	10,241	9,761	5	3,151	3,388	-7
LNL Agency:						
LNL Exclusive Agency	4,872	9,478	-49	1,740	3,122	-44
UA Branch Office Agency	5,972	15,010	-60	1,613	3,113	-48
UA Independent	<u>19,220</u>	<u>20,741</u>	<u>-7</u>	<u>5,224</u>	<u>7,291</u>	<u>-28</u>
Total Health	<u>44,673</u>	<u>57,920</u>	<u>-23</u>	<u>12,598</u>	<u>17,835</u>	<u>-29</u>
<b>Part D</b>	24,725	15,546	59	6,685	2,928	128
<b>TOTAL NET SALES</b>	<b>\$322,252</b>	<b>\$318,709</b>	<b>1</b>	<b>\$98,228</b>	<b>\$102,180</b>	<b>-4</b>
Discontinued Operations - UILIC	379	366		107	220	

\* 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>9/10</u>	<u>YTD</u> <u>9/09</u>	<u>% Incr</u> <u>(Decr)</u>	<u>3rd Qtr.</u> <u>2010</u>	<u>3rd Qtr.</u> <u>2009</u>	<u>% Incr</u> <u>(Decr)</u>
<b><u>LIFE</u></b>						
Direct Response	\$68,421	\$63,668	7	\$22,020	\$20,930	5
American Income Agency	83,113	69,505	20	27,917	24,217	15
LNL Exclusive Agency **	26,542	26,261	1	8,617	8,647	0
Military	4,568	4,770	-4	1,508	1,576	-4
UA Independent	593	323	84	180	121	49
Other Distribution	2,767	2,556	8	944	934	1
Total Life	<u>186,004</u>	<u>167,083</u>	<u>11</u>	<u>61,186</u>	<u>56,425</u>	<u>8</u>
<b><u>HEALTH</u></b>						
Direct Response	7,036	2,985	136	2,677	1,038	158
American Income Agency	10,757	9,515	13	4,013	3,538	13
LNL Exclusive Agency **	12,773	27,163	-53	3,674	6,923	-47
UA Independent	<u>25,878</u>	<u>19,874</u>	<u>30</u>	<u>9,376</u>	<u>6,327</u>	<u>48</u>
Total Health	<u>56,444</u>	<u>59,537</u>	<u>-5</u>	<u>19,740</u>	<u>17,826</u>	<u>11</u>
<b>Part D</b>	36,439	19,774	84	13,207	7,231	83
<b>TOTAL FIRST YEAR COLLECTED PREMIUM</b>	<b>\$278,887</b>	<b>\$246,394</b>	<b>13</b>	<b>\$94,133</b>	<b>\$81,482</b>	<b>16</b>
Discontinued Operations - UILIC	271	371		96	127	

\*\* UA Branch Office premiums are included in LNL Exclusive Agency

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

	<u>At September 30,</u>	
	<u>2010</u>	<u>2009</u>
<b>Assets</b>		
Investments:		
Fixed maturities available for sale *	\$10,965,135	\$8,473,085
Equity securities available for sale	17,601	16,842
Mortgage loans	14,844	16,234
Real estate	1,518	1,665
Policy loans	370,763	344,864
Other long-term investments	26,235	37,387
Short-term investments	119,694	238,625
Total investments	<u>11,515,790</u>	<u>9,128,702</u>
Cash	30,264	171,520
Accrued investment income	191,037	166,533
Other receivables	205,210	820,908
Deferred acquisition costs	3,311,266	3,228,087
Value of insurance purchased	44,692	50,063
Property and equipment	51,543	51,240
Goodwill	396,891	396,891
Other assets	323,929	187,279
Discontinued operations assets **	1,645,845	1,648,747
Total assets	<u>\$17,716,467</u>	<u>\$15,849,970</u>
<b>Liabilities and Shareholders' Equity</b>		
Liabilities:		
Future policy benefits	\$9,031,866	\$8,481,634
Unearned and advance premium	79,015	83,288
Policy claims and other benefits payable	218,279	212,695
Other policy liabilities	90,633	89,726
Current and deferred income taxes	1,340,590	968,788
Short-term debt	188,865	233,410
Long-term debt	913,135	919,557
Other liabilities	311,545	241,780
Discontinued operations liabilities **	1,274,845	1,303,833
Total liabilities	<u>13,448,773</u>	<u>12,534,711</u>
Shareholders' equity:		
Preferred stock	0	0
Common stock	83,875	85,875
Additional paid-in-capital	447,296	449,398
Unrealized investment gains (losses), net of tax	356,836	-297,532
Retained earnings	3,554,063	3,185,308
Treasury stock, at cost	-174,376	-107,790
Total shareholders' equity	<u>4,267,694</u>	<u>3,315,259</u>
Total liabilities and shareholders' equity	<u>\$17,716,467</u>	<u>\$15,849,970</u>
Diluted Basis:		
Shares outstanding	80,877	83,039
Book value per common share	\$52.77	\$39.92
Book value per common share excluding the revaluation of fixed maturities available for sale to fair value required by accounting rule	\$47.92	\$42.82

\* Amortized cost of fixed maturities from Continuing Operations      \$10,392,871      \$8,875,462

\*\* Includes Separate Accounts of \$731,904 and \$788,155 respectively.

**TORCHMARK CORPORATION**

Invested Assets  
(Millions of \$)  
September 30, 2010

<b>Investment Portfolio at 9/30/10</b>	<u>Amort. Cost</u>	<u>% of Total</u>	<u>Industry *</u>
Fixed maturities	\$10,393	95%	74%
Equities	15	0%	2%
Mortgage loans	15	0%	11%
Investment real estate	2	0%	1%
Policy loans	371	3%	4%
Other long-term investments	26	0%	4%
Short-term investments	<u>120</u>	<u>1%</u>	<u>4%</u>
 Total, Continuing Operations	 \$10,941	 100%	
 Discontinued Operations	 \$734		

\* Data available from the American Council of Life Insurance

**Fixed Maturities at 9/30/10**

Summary

	<u>Amort. Cost</u>	<u>Market Value</u>	<u>Net Unreal. Gain (Loss)</u>	<u>Average Rating</u>	<u>% of Total Amort. Cost</u>
Investment Grade	\$9,571	\$10,269	\$698	A-	92%
Below Investment Grade	<u>822</u>	<u>696</u>	<u>-126</u>	B+	8%
 Total, Continuing Operations	 \$10,393	 \$10,965	 \$572	 BBB+	
 Discontinued Operations	 \$690	 \$750	 \$60		

By Type

Corporates	7,710	\$8,284	\$574	BBB+	74%
Redeemable preferred stock:					
U.S.	1,235	1,206	-29	BBB	12%
Foreign	115	110	-5	BBB	1%
Municipals	1,132	1,190	58	AA	11%
Government-sponsored enterprises	57	60	3	AAA	1%
Government & Agencies	36	38	2	AAA	0%
Residential mortgage-backed securities	17	18	2	AAA	0%
CDO's	56	18	-37	C+	1%
Other asset-backed securities	<u>37</u>	<u>40</u>	<u>3</u>	BBB+	0%
 Total, Continuing Operations	 \$10,393	 \$10,965	 \$572	 BBB+	

**TORCHMARK CORPORATION**  
Invested Assets  
Excluding Discontinued Operations - UILIC  
(Millions of \$)  
September 30, 2010

<u>By Sector</u>	<u>Amort. Cost</u>	<u>Market Value</u>	<u>Net Unreal. Gain (Loss)</u>	<u>Average Rating</u>	<u>% of Total Amort. Cost</u>
Financial - Life/Health/PC Insurance	\$1,683	\$1,655	-\$28	BBB+	16%
Financial - Bank	1,522	1,528	6	BBB+	15%
Financial - Financial Guarantor	79	54	-25	BBB-	1%
Financial - Insurance Brokers	47	46	-1	BBB-	0%
Financial - Other	370	371	1	A-	4%
Utilities	1,548	1,734	186	BBB+	15%
Energy	1,063	1,175	112	BBB+	10%
Consumer, Non-cyclical	532	599	67	BBB+	5%
Consumer, Cyclical	309	318	9	BBB-	3%
Communications	464	499	35	BBB+	4%
Basic Materials	714	792	78	BBB+	7%
Transportation	261	300	39	BBB+	3%
Technology	77	103	27	BBB+	1%
Other Industrials	428	466	38	BBB+	4%
ABS - CDO	56	18	-37	C+	1%
MBS	17	18	2	AAA	0%
Government	1,224	1,288	64	AA	12%
<b>Total</b>	<b>\$10,393</b>	<b>\$10,965</b>	<b>\$572</b>	<b>BBB+</b>	

<u>By Sector by Rating: Amortized Cost</u>	<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>BBB</u>	<u>BIG</u>	<u>Total</u>
Financial - Life/Health/PC Insurance		\$7	\$514	\$1,029	\$133	\$1,683
Financial - Bank	71	163	583	437	268	1,522
Financial - Financial Guarantor			17		62	79
Financial - Insurance Brokers				47		47
Financial - Other		103	61	196	10	370
Utilities		49	533	948	17	1,548
Energy		23	232	798	11	1,063
Consumer, Non-cyclical		34	273	186	39	532
Consumer, Cyclical		40	39	145	85	309
Communications			187	240	38	464
Basic Materials			143	510	61	714
Transportation		7	50	205		261
Technology			37	26	14	77
Other Industrials			137	264	28	428
ABS - CDO					56	56
MBS	17					17
Government	331	728	166			1,224
<b>Total \$</b>	<b>\$418</b>	<b>\$1,153</b>	<b>\$2,970</b>	<b>\$5,030</b>	<b>\$822</b>	<b>\$10,393</b>
<b>% of Total</b>	<b>4%</b>	<b>11%</b>	<b>29%</b>	<b>48%</b>	<b>8%</b>	<b>100%</b>

**TORCHMARK CORPORATION**  
Invested Assets  
Excluding Discontinued Operations - UILIC  
(Millions of \$)  
September 30, 2010

<u>Below Investment Grade Bonds by Sector</u>	<u>9/30/10</u>	<u>6/30/10</u>	<u>Increase / (Decrease)</u>
Financial - Life/Health/PC Insurance	\$133	\$133	\$0
Financial - Bank	268	278	-10
Financial - Financial Guarantor	62	62	0
Financial - Mortgage Insurer	0	2	-2
Financial - Insurance Brokers	0	0	0
Financial - Other	10	10	0
Utilities	17	17	0
Energy	11	0	11
Consumer, Non-cyclical	39	43	-4
Consumer, Cyclical	85	86	0
Communications	38	38	0
Basic Materials	61	67	-6
Transportation	0	0	0
Technology	14	14	0
Other Industrials	28	28	0
ABS - CDO	56	55	1
MBS	0	0	0
Government	0	0	0
<b>Total</b>	<b>\$822</b>	<b>\$832</b>	<b>-\$10</b>

<u>Below Investment Grade Bonds By SVO Class (Statutory)</u>	<u>9/30/10</u>	<u>6/30/10</u>	<u>Increase / (Decrease)</u>
Asset Class 3	\$403	\$472	-\$69
Asset Class 4	232	232	0
Asset Class 5	41	41	0
Asset Class 6 (at market value)	54	53	1
	<b>\$730</b>	<b>\$798</b>	<b>-\$68</b>

**Fixed Maturity Acquisitions:**

	<u>3Q'10</u>	<u>3Q'09</u>
Amount	\$447	\$929
Yield	5.6%	6.4%
Ratings	A-	A
Average Life To:		
First Call	23.0	12.8
Maturity	25.4	19.2