

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

	3 Months Ended September 30,		9 Months Ended September 30,	
	2010	2009	2010	2009
<b>Revenues:</b>				
Life premium	\$417,044	\$397,390	\$1,248,315	\$1,190,980
Health premium	240,631	241,054	749,583	776,408
Other premium	152	95	442	412
<b>Total premium</b>	<b>657,827</b>	<b>638,539</b>	<b>1,998,340</b>	<b>1,967,800</b>
Net investment income	172,337	158,972	510,060	473,622
Realized investment gains (losses)	8,045	4,836	12,016	12,475
Other-than-temporary impairments	0	-63,745	-1,712	-145,283
Portion recognized in other comprehensive income	0	23,268	0	25,830
Other income	679	451	1,757	1,302
<b>Total revenue</b>	<b>838,888</b>	<b>762,321</b>	<b>2,520,461</b>	<b>2,335,746</b>
<b>Benefits and expenses:</b>				
Life policyholder benefits	269,069	258,932	809,109	777,437
Health policyholder benefits	154,011	152,312	516,873	528,514
Other policyholder benefits	10,434	9,542	30,643	25,655
<b>Total policyholder benefits</b>	<b>433,514</b>	<b>420,786</b>	<b>1,356,625</b>	<b>1,331,606</b>
Amortization of deferred acquisition costs	104,045	101,986	318,498	314,370
Commissions and premium taxes	31,072	33,781	94,592	94,846
Insurance G&A	38,413	36,805	114,922	113,942
Parent expense	1,965	2,430	7,128	7,002
Stock compensation expense	2,776	2,430	9,070	7,636
Interest expense	18,790	20,343	56,539	50,923
<b>Total benefits and expenses</b>	<b>630,575</b>	<b>618,561</b>	<b>1,957,374</b>	<b>1,920,325</b>
Income before income taxes	208,313	143,760	563,087	415,421
Income taxes	-70,216	-45,202	-189,749	-136,114
Discontinued operations, net of tax	6,059	7,009	18,531	20,066
Discontinued operations - realized gains (losses), net of tax	1,460	-4,767	1,472	-7,749
Loss on disposition of discontinued operations, net of tax	-31,085	0	-31,085	0
<b>Net income</b>	<b>\$114,531</b>	<b>\$100,800</b>	<b>\$362,256</b>	<b>\$291,624</b>
<b>Basic net income per share</b>	<b>\$1.42</b>	<b>\$1.22</b>	<b>\$4.42</b>	<b>\$3.51</b>
<b>Diluted net income per share</b>	<b>\$1.41</b>	<b>\$1.22</b>	<b>\$4.39</b>	<b>\$3.51</b>