

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

	3 Months Ended December 31,		12 Months Ended December 31,	
	2010	2009	2010	2009
<b>Revenues:</b>				
Life premium	\$415,384	\$400,873	\$1,663,699	\$1,591,853
Health premium	237,838	241,303	987,421	1,017,711
Other premium	196	129	638	541
<b>Total premium</b>	<b>653,418</b>	<b>642,305</b>	<b>2,651,758</b>	<b>2,610,105</b>
Net investment income	166,304	158,918	676,364	632,540
Realized investment gains (losses)	30,174	1,404	42,190	13,879
Other-than-temporary impairments	-3,138	-18,854	-4,850	-164,137
Portion recognized in other comprehensive income	0	-5,064	0	20,766
Other income	413	618	2,170	1,920
<b>Total revenue</b>	<b>847,171</b>	<b>779,327</b>	<b>3,367,632</b>	<b>3,115,073</b>
<b>Benefits and expenses:</b>				
Life policyholder benefits	273,314	262,811	1,082,423	1,040,248
Health policyholder benefits	152,318	148,805	669,191	677,319
Other policyholder benefits	10,787	10,107	41,430	35,762
<b>Total policyholder benefits</b>	<b>436,419</b>	<b>421,723</b>	<b>1,793,044</b>	<b>1,753,329</b>
Amortization of deferred acquisition costs	100,392	101,616	418,890	415,986
Commissions and premium taxes	30,738	33,774	125,330	128,620
Insurance G&A	40,693	36,738	155,615	150,680
Parent expense	1,681	2,588	8,809	9,590
Stock compensation expense	2,778	2,224	11,848	9,860
Interest expense	18,990	19,009	75,529	69,932
<b>Total benefits and expenses</b>	<b>631,691</b>	<b>617,672</b>	<b>2,589,065</b>	<b>2,537,997</b>
Income before income taxes	215,480	161,655	778,567	577,076
Income taxes	-66,525	-54,910	-256,274	-191,024
Discontinued operations, net of tax	9,401	6,744	27,932	26,810
Discontinued operations - realized gains (losses), net of tax	380	-160	1,852	-7,909
Loss on disposition of discontinued operations, net of tax	-3,928	0	-35,013	0
<b>Net income</b>	<b>\$154,808</b>	<b>\$113,329</b>	<b>\$517,064</b>	<b>\$404,953</b>
<b>Basic net income per share</b>	<b>\$1.94</b>	<b>\$1.37</b>	<b>\$6.36</b>	<b>\$4.88</b>
<b>Diluted net income per share</b>	<b>\$1.91</b>	<b>\$1.36</b>	<b>\$6.30</b>	<b>\$4.88</b>