

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

3 Months Ended			1Q	4Q	3Q	2Q	1Q
3/11	3/10		2011	2010	2010	2010	2010
		UNDERWRITING INCOME					
		Life:					
\$430,657	\$413,926	Premium	\$430,657	\$415,384	\$417,044	\$417,345	\$413,926
-166,025	-162,990	Net Policy Obligations	-166,025	-162,612	-159,787	-162,715	-162,990
-145,545	-139,872	Commissions and Acquisition Expenses	-145,545	-137,891	-141,828	-140,738	-139,872
119,087	111,064	Underwriting Margin	119,087	114,881	115,429	113,892	111,064
		Health:					
191,784	202,651	Premium	191,784	188,337	189,357	198,622	202,651
-112,826	-119,688	Net Policy Obligations	-112,826	-113,264	-112,120	-117,137	-119,688
-42,065	-47,494	Commissions and Acquisition Expenses	-42,065	-39,640	-40,623	-43,254	-47,494
36,893	35,469	Underwriting Margin	36,893	35,433	36,614	38,231	35,469
4,993	5,076	Health - Part D Underwriting Margin	4,993	8,548	5,558	5,130	5,076
558	490	Annuity Underwriting Margin	558	365	259	234	490
161,531	152,099	Total Underwriting Margin	161,531	159,227	157,860	157,487	152,099
543	596	Other Income	543	510	778	950	596
-37,739	-37,074	Admin. Expenses	-37,739	-40,693	-38,413	-39,435	-37,074
124,335	115,621	Underwriting Income	124,335	119,044	120,225	119,002	115,621
		EXCESS INVESTMENT INCOME					
175,302	167,045	Net Investment Income	175,302	175,391	172,271	170,546	167,045
-81,749	-76,113	Required Interest on Net Policy Liabilities	-81,749	-80,460	-78,863	-77,407	-76,113
-19,394	-18,871	Interest on Debt	-19,394	-18,924	-18,724	-18,746	-18,871
74,159	72,061	Total Excess Investment Income	74,159	76,007	74,684	74,393	72,061
-2,425	-2,562	Parent Company Expenses	-2,425	-1,681	-1,965	-2,601	-2,562
196,069	185,120	Pre-Tax Operating Income	196,069	193,370	192,944	190,794	185,120
-65,288	-62,534	Income Tax	-65,288	-64,735	-64,837	-64,398	-62,534
\$130,781	\$122,586	Net Operating Income Before Stock Compensation Expense	\$130,781	\$128,635	\$128,107	\$126,396	\$122,586
-1,979	-1,973	Stock Compensation Expense, Net of Tax	-1,979	-1,806	-1,804	-2,118	-1,973
\$128,802	\$120,613	Net Operating Income from Continuing Operations	\$128,802	\$126,829	\$126,303	\$124,278	\$120,613
\$1.62	\$1.45	Per Share	\$1.62	\$1.57	\$1.55	\$1.50	\$1.45
0	5,963	Discontinued Operations - UILIC	0	9,401	6,059	6,509	5,963
\$128,802	\$126,576	Net Operating Income from All Operations	\$128,802	\$136,230	\$132,362	\$130,787	\$126,576
\$1.62	\$1.52	Per Share	\$1.62	\$1.68	\$1.63	\$1.58	\$1.52
79,343	83,214	Average Diluted Shares Outstanding	79,343	80,937	81,355	82,603	83,214
		Reconciling items, net of tax:					
-\$15,459	\$4,719	Capital Gain (Loss) - Investments	-\$15,459	\$17,573	\$5,229	-\$3,251	\$4,719
0	320	Capital Gain (Loss) - Discontinued Operations - UILIC	0	380	1,460	-308	320
-599	0	Loss on Disposal of Discontinued Operations	-599	-3,928	-31,085	0	0
-2,463	-9,939	Part D Adjustment	-2,463	4,553	6,565	-1,179	-9,939
-4,082	0	State administrative settlement	-4,082	0	0	0	0
-666	0	Loss on Sale of Equipment	-666	0	0	0	0
\$105,533	\$121,676	Net Income	\$105,533	\$154,808	\$114,531	\$126,049	\$121,676

TORCHMARK CORPORATION

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

	LIFE				HEALTH				HEALTH - PART D				ANNUITY	
	1Q 2011	%	1Q 2010	%	1Q 2011	%	1Q 2010	%	1Q 2011	%	1Q 2010	%	1Q 2011	1Q 2010
LNL Exclusive Agency *														
Premium	\$73,143		\$74,425		\$77,478		\$88,559							
Net Policy Obligations	29,933	41	33,526	45	45,065	58	52,169	59						
Comm. & Acq. Exp.	26,496	36	26,942	36	22,229	29	24,565	28						
Underwriting Margin	16,714	23	13,957	19	10,184	13	11,825	13						
Direct Response														
Premium	151,577		143,714		14,662		13,179							
Net Policy Obligations	69,124	46	62,752	44	11,209	76	9,888	75						
Comm. & Acq. Exp.	44,785	30	43,382	30	768	5	1,489	11						
Underwriting Margin	37,668	25	37,580	26	2,685	18	1,802	14						
American Income Agency														
Premium	146,115		134,798		19,507		19,032							
Net Policy Obligations	44,796	31	41,847	31	6,263	32	7,097	37						
Comm. & Acq. Exp.	53,554	37	48,680	36	4,984	26	4,888	26						
Underwriting Margin	47,765	33	44,271	33	8,260	42	7,047	37						
Part D														
Premium									\$49,451		\$52,328			
Net Policy Obligations									41,766	84	43,950	84		
Net Amortization of DAC									763	2	947	2		
Fees to PBM									1,929	4	2,355	5		
Underwriting Margin									4,993	10	5,076	10		
Other Distribution														
Premium	59,822		60,989		80,137		81,881						\$138	\$152
Net Policy Obligations	22,172	37	24,865	41	50,289	63	50,534	62					-3,210	-2,476
Comm. & Acq. Exp.	20,710	35	20,868	34	14,084	18	16,552	20					2,790	2,138
Underwriting Margin	16,940	28	15,256	25	15,764	20	14,795	18					558	490
Totals:														
Premium	\$430,657		\$413,926		\$191,784		\$202,651		\$49,451		\$52,328		\$138	\$152
Net Policy Obligations	166,025	39	162,990	39	112,826	59	119,688	59	41,766	84	43,950	84	-3,210	-2,476
Comm. & Acq. Exp.	145,545	34	139,872	34	42,065	22	47,494	23	2,692	5	3,302	6	2,790	2,138
Underwriting Margin	\$119,087	28	\$111,064	27	\$36,893	19	\$35,469	18	\$4,993	10	\$5,076	10	\$558	\$490
TOTAL UNDERWRITING MARGINS, ALL LINES					\$161,531		\$152,099							
Other Income					543		596							
Administrative & Other Expenses					-37,739		-37,074							
INSURANCE UNDERWRITING INCOME					<u>\$124,335</u>		<u>\$115,621</u>							
Insurance Underwriting Income - Discontinued Operations - UILIC					\$0		\$3,902							

* 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 3/11</u>	<u>YTD 3/10</u>	<u>% Incr (Decr)</u>
<u>LIFE</u>			
Direct Response	\$36,166	\$36,986	-2
American Income Agency	32,865	34,455	-5
LNL Exclusive Agency **	9,443	10,708	-12
Other Distribution	2,636	2,959	-11
Total Life	<u>81,110</u>	<u>85,108</u>	<u>-5</u>
<u>HEALTH</u>			
Direct Response	1,698	2,104	-19
American Income Agency	2,499	3,478	-28
LNL Exclusive Agency **	2,971	3,708	-20
UA Independent	7,120	7,661	-7
Total Health	<u>14,288</u>	<u>16,951</u>	<u>-16</u>
Part D	7,491	16,602	-55
TOTAL NET SALES	\$102,889	\$118,661	-13

* 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 3/11</u>	<u>YTD 3/10</u>	<u>% Incr (Decr)</u>
<u>LIFE</u>			
Direct Response	\$23,450	\$23,378	0
American Income Agency	27,298	26,788	2
LNL Exclusive Agency **	8,298	9,001	-8
Other Distribution	2,405	2,666	-10
Total Life	<u>61,451</u>	<u>61,833</u>	<u>-1</u>
<u>HEALTH</u>			
Direct Response	1,588	1,617	-2
American Income Agency	2,867	3,300	-13
LNL Exclusive Agency **	2,927	4,912	-40
UA Independent	7,014	7,060	-1
Total Health	<u>14,396</u>	<u>16,889</u>	<u>-15</u>
Part D	7,190	10,938	-34
TOTAL FIRST YEAR COLLECTED PREMIUM	\$83,037	\$89,660	-7

** UA Branch Office sales and premiums are included in LNL Exclusive Agency

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

	At March 31,	
	2011	2010
<u>Assets</u>		
Investments:		
Fixed maturities available for sale *	\$10,679,547	\$9,763,382
Equity securities available for sale	16,979	17,605
Mortgage loans	14,112	15,551
Real estate	2,154	1,770
Policy loans	382,151	356,642
Other long-term investments	25,202	32,139
Short-term investments	271,019	330,706
Total investments	11,391,164	10,517,795
Cash	283,673	28,201
Accrued investment income	193,098	188,065
Other receivables	254,108	192,097
Deferred acquisition costs	3,388,335	3,286,325
Value of insurance purchased	41,484	47,338
Property and equipment	52,934	51,672
Goodwill	396,891	396,891
Other assets	323,560	219,677
Assets held for sale	0	1,673,310
Total assets	\$16,325,247	\$16,601,371
<u>Liabilities and Shareholders' Equity</u>		
Liabilities:		
Future policy benefits	\$9,263,983	\$8,750,111
Unearned and advance premium	78,940	83,508
Policy claims and other benefits payable	229,067	222,581
Other policy liabilities	91,877	90,048
Current and deferred income taxes	1,248,023	1,119,510
Short-term debt	200,435	199,925
Long-term debt	913,582	919,974
Other liabilities	340,175	227,009
Liabilities held for sale	0	1,311,683
Total liabilities	12,366,082	12,924,349
Shareholders' equity:		
Preferred stock	0	0
Common stock	79,875	83,875
Additional paid-in-capital	441,062	440,492
Unrealized investment gains (losses), net of tax	55,757	-141,405
Retained earnings	3,599,304	3,338,417
Treasury stock, at cost	-216,833	-44,357
Total shareholders' equity	3,959,165	3,677,022
Total liabilities and shareholders' equity	\$16,325,247	\$16,601,371
Diluted Basis:		
Shares outstanding	78,090	83,326
Book value per common share	\$50.70	\$44.13
Book value per common share excluding the revaluation of fixed maturities available for sale to fair value required by accounting rule	\$49.45	\$45.37
* Amortized cost of fixed maturities from Continuing Operations	\$10,523,981	\$9,948,147

TORCHMARK CORPORATION

Invested Assets

(Millions of \$)

March 31, 2011

Investment Portfolio at 3/31/11

	Amort. Cost	% of Total	Industry *
Fixed maturities	\$10,524	94%	75%
Equities	15	0%	2%
Mortgage loans	14	0%	10%
Investment real estate	2	0%	1%
Policy loans	382	3%	4%
Other long-term investments	25	0%	4%
Short-term investments	271	2%	4%
Total	\$11,233	100%	

* Data available from the American Council of Life Insurance

Fixed Maturities at 3/31/11

Summary

	Amort. Cost	Market Value	Net Unreal. Gain (Loss)	Average Rating	% of Total Amort. Cost
Investment Grade	\$9,766	\$10,012	\$246	A-	93%
Below Investment Grade	758	668	-90	B+	7%
Total	\$10,524	\$10,680	\$156	BBB+	

By Type

Corporates	7,794	\$8,039	\$245	BBB+	74%
Redeemable preferred stock:					
U.S.	1,194	1,180	-13	BBB	11%
Foreign	116	110	-6	BBB	1%
Municipals	1,218	1,181	-37	AA	12%
Government-sponsored enterprises	59	58	-1	AAA	1%
Government & Agencies	36	37	1	AAA	0%
Residential mortgage-backed securities	16	17	1	AAA	0%
CDO's	57	21	-37	C+	1%
Other asset-backed securities	34	36	2	BBB+	0%
Total	\$10,524	\$10,680	\$156	BBB+	

TORCHMARK CORPORATION

Invested Assets

(Millions of \$)

March 31, 2011

<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	\$1,711	\$1,685	-\$26	BBB+	16%
Financial - Bank	1,456	1,450	-6	BBB+	14%
Financial - Financial Guarantor	16	14	-3	A	0%
Financial - Insurance Brokers	47	47	0	BBB-	0%
Financial - Other	424	428	4	A-	4%
Utilities	1,604	1,669	66	BBB+	15%
Energy	1,084	1,131	47	BBB+	10%
Consumer, Non-cyclical	523	556	33	BBB+	5%
Consumer, Cyclical	319	321	3	BBB	3%
Communications	450	465	16	BBB	4%
Basic Materials	700	739	39	BBB+	7%
Transportation	294	312	18	BBB+	3%
Technology	77	100	24	BBB+	1%
Other Industrials	434	447	14	BBB	4%
ABS - CDO	57	21	-37	C+	1%
MBS	16	17	1	AAA	0%
Government	1,313	1,276	-37	AA	12%
Total	\$10,524	\$10,680	\$156	BBB+	

By Sector by Rating: Amortized Cost

	<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>BBB</u>	<u>BIG</u>	<u>Total</u>
Financial - Life/Health/PC Insurance		\$40	\$458	\$1,108	\$105	\$1,711
Financial - Bank	72	150	501	482	251	1,456
Financial - Financial Guarantor			16			16
Financial - Insurance Brokers				47		47
Financial - Other		103	61	256	3	424
Utilities		49	635	897	22	1,604
Energy		12	241	831		1,084
Consumer, Non-cyclical		32	259	199	33	523
Consumer, Cyclical		40	51	142	85	319
Communications			187	210	53	450
Basic Materials			159	457	84	700
Transportation		7	50	238		294
Technology			37	26	14	77
Other Industrials			114	270	50	434
ABS - CDO					57	57
MBS	16					16
Government	388	739	186			1,313
Total \$	\$476	\$1,172	\$2,954	\$5,164	\$758	\$10,524
% of Total	5%	11%	28%	49%	7%	100%

TORCHMARK CORPORATION
Invested Assets
Excluding Discontinued Operations - UILIC
(Millions of \$)
March 31, 2011

<u>Below Investment Grade Bonds by Sector</u>	<u>3/31/11</u>	<u>12/31/10</u>	<u>Increase / (Decrease)</u>
Financial - Life/Health/PC Insurance	\$105	\$127	-\$22
Financial - Bank	251	294	-43
Financial - Financial Guarantor	0	63	-63
Financial - Mortgage Insurer	0	0	0
Financial - Insurance Brokers	0	0	0
Financial - Other	3	10	-7
Utilities	22	22	0
Energy	0	0	0
Consumer, Non-cyclical	33	33	0
Consumer, Cyclical	85	85	0
Communications	53	53	0
Basic Materials	84	55	29
Transportation	0	0	0
Technology	14	14	0
Other Industrials	50	50	0
ABS - CDO	57	57	1
MBS	0	0	0
Government	0	0	0
Total	\$758	\$863	-\$104

<u>Below Investment Grade Bonds By SVO Class (Statutory)</u>	<u>3/31/11</u>	<u>12/31/10</u>	<u>Increase / (Decrease)</u>
Asset Class 3	\$282	\$320	-\$38
Asset Class 4	198	259	-61
Asset Class 5	95	77	18
Asset Class 6 (at market value)	40	58	-18
	\$615	\$714	-\$99

Fixed Maturity Acquisitions:

	<u>1Q'11</u>	<u>1Q'10</u>
Amount	\$265	\$600
Yield	6.0%	5.9%
Ratings	A-	A-
Average Life To:		
First Call	27.1	23.1
Maturity	27.7	24.8