

**TORCHMARK CORPORATION**  
Life Annualized Premium In Force Rollforward and Lapse Rates  
(In Thousands)

	2Q 11		1Q 11		4Q 10		3Q 10		2Q 10		1Q 10	
	\$	Lapse Rate	\$	Lapse Rate	\$	Lapse Rate	\$	Lapse Rate	\$	Lapse Rate	\$	Lapse Rate
<b>American Income Life</b>												
Beginning of Qtr	\$606,870		\$596,583		\$585,373		\$575,049		\$560,150		\$549,540	
Net Sales	36,160		32,865		32,843		33,541		36,715		34,455	
Lapses												
First Year	(10,145)	9.23%	(10,670)	9.63%	(11,693)	10.47%	(13,196)	11.63%	(10,020)	9.00%	(11,004)	10.45%
Renewal Year	(12,233)	2.51%	(12,658)	2.66%	(12,512)	2.69%	(12,045)	2.66%	(11,975)	2.70%	(12,105)	2.75%
	(22,377)	3.74%	(23,328)	3.97%	(24,205)	4.20%	(25,242)	4.46%	(21,994)	3.96%	(23,109)	4.23%
Deaths and Other *	301		750		2,572		2,025		178		(736)	
End of Qtr	<u>\$620,954</u>		<u>\$606,870</u>		<u>\$596,583</u>		<u>\$585,373</u>		<u>\$575,049</u>		<u>\$560,150</u>	
<b>Direct Response</b>												
Beginning of Qtr	\$616,925		\$602,593		\$602,938		\$607,111		\$593,301		\$578,223	
Net Sales	36,741		36,166		30,626		31,705		37,336		36,986	
Lapses												
First Year	(12,093)	13.50%	(12,896)	14.88%	(15,923)	17.99%	(17,628)	19.11%	(11,732)	13.01%	(12,589)	15.38%
Renewal Year	(11,805)	2.42%	(13,023)	2.72%	(13,022)	2.74%	(13,346)	2.84%	(11,473)	2.47%	(12,817)	2.78%
	(23,899)	4.14%	(25,919)	4.58%	(28,945)	5.13%	(30,974)	5.50%	(23,205)	4.19%	(25,406)	4.68%
Deaths and Other *	(494)		4,085		(2,026)		(4,904)		(321)		3,498	
End of Qtr	<u>\$629,273</u>		<u>\$616,925</u>		<u>\$602,593</u>		<u>\$607,938</u>		<u>\$607,111</u>		<u>\$593,301</u>	
<b>LNL Exclusive Agency</b>												
Beginning of Qtr	\$308,096		\$310,475		\$312,454		\$314,076		\$313,905		\$317,413	
Net Sales	9,772		9,443		10,776		11,398		11,881		10,708	
Lapses												
First Year	(3,393)	8.39%	(4,074)	9.68%	(4,596)	10.47%	(5,209)	11.63%	(5,013)	11.28%	(5,884)	14.63%
Renewal Year	(6,246)	2.34%	(7,416)	2.77%	(6,839)	2.55%	(7,037)	2.62%	(5,997)	2.23%	(7,725)	2.79%
	(9,638)	3.14%	(11,489)	3.71%	(11,435)	3.67%	(12,245)	3.91%	(11,010)	3.52%	(13,609)	4.30%
Deaths and Other *	(514)		(333)		(1,320)		(775)		(700)		(607)	
End of Qtr	<u>\$307,716</u>		<u>\$308,096</u>		<u>\$310,475</u>		<u>\$312,454</u>		<u>\$314,076</u>		<u>\$313,905</u>	

\* Include foreign exchange adjustments, changes in coverage and timing differences