

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

	2Q 2012		1Q 2012		4Q 2011		3Q 2011		2Q 2011	
	\$	Lapse Rate	\$	Lapse Rate	\$	Lapse Rate	\$	Lapse Rate	\$	Lapse Rate
<b>American Income Life</b>										
Beginning of Qtr	\$ 662,049		\$ 642,803		\$ 628,935		\$ 620,954		\$ 606,870	
Net Sales	39,878		38,589		36,520		36,248		36,160	
Lapses										
First Year	(11,522)	9.09%	(9,868)	8.34%	(10,072)	8.73%	(10,816)	9.56%	(10,145)	9.23%
Renewal Year	(12,258)	2.31%	(12,507)	2.38%	(12,994)	2.56%	(12,524)	2.50%	(12,233)	2.51%
	(23,780)	3.62%	(22,374)	3.48%	(23,067)	3.70%	(23,340)	3.80%	(22,377)	3.74%
Deaths and Other *	(3,035)		3,031		415		(4,927)		301	
End of Qtr	<u>\$ 675,112</u>		<u>\$ 662,049</u>		<u>\$ 642,803</u>		<u>\$ 628,935</u>		<u>\$ 620,954</u>	
<b>Direct Response</b>										
Beginning of Qtr	\$ 649,509		\$ 630,044		\$ 627,965		\$ 629,273		\$ 616,925	
Net Sales	38,255		39,368		33,166		30,590		36,741	
Lapses										
First Year	(11,991)	12.63%	(12,645)	14.38%	(15,282)	17.50%	(16,733)	18.47%	(12,093)	13.50%
Renewal Year	(10,767)	2.10%	(12,563)	2.49%	(13,301)	2.66%	(12,986)	2.62%	(11,805)	2.42%
	(22,759)	3.74%	(25,208)	4.26%	(28,584)	4.86%	(29,719)	5.07%	(23,899)	4.14%
Deaths and Other *	(5,584)		5,305		(2,503)		(2,179)		(494)	
End of Qtr	<u>\$ 659,421</u>		<u>\$ 649,509</u>		<u>\$ 630,044</u>		<u>\$ 627,965</u>		<u>\$ 629,273</u>	
<b>Liberty National</b>										
Beginning of Qtr	\$ 299,161		\$ 302,489		\$ 305,626		\$ 307,716		\$ 308,096	
Net Sales	8,045		7,401		8,333		8,790		9,772	
Lapses										
First Year	(2,796)	8.41%	(3,644)	10.57%	(3,725)	9.94%	(3,639)	9.26%	(3,393)	8.39%
Renewal Year	(5,645)	2.13%	(6,995)	2.63%	(6,567)	2.46%	(6,306)	2.36%	(6,246)	2.34%
	(8,442)	2.83%	(10,639)	3.54%	(10,292)	3.39%	(9,945)	3.25%	(9,638)	3.14%
Deaths and Other *	46		(90)		(1,178)		(935)		(514)	
End of Qtr	<u>\$ 298,810</u>		<u>\$ 299,161</u>		<u>\$ 302,489</u>		<u>\$ 305,626</u>		<u>\$ 307,716</u>	

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