

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

	4Q 2012		3Q 2012		2Q 2012		1Q 2012		4Q 2011	
	\$	Lapse Rate	\$	Lapse Rate	\$	Lapse Rate	\$	Lapse Rate	\$	Lapse Rate
American Income Life										
Beginning of Qtr	\$ 694,640		\$ 675,112		\$ 662,049		\$ 642,803		\$ 628,935	
Net Sales	39,560		40,582		39,878		38,589		36,520	
Lapses										
First Year	(14,095)	10.80%	(12,239)	9.48%	(11,522)	9.09%	(9,868)	8.34%	(10,072)	8.73%
Renewal Year	(13,393)	2.40%	(13,134)	2.43%	(12,258)	2.31%	(12,507)	2.38%	(12,994)	2.56%
	(27,488)	3.99%	(25,373)	3.79%	(23,780)	3.62%	(22,374)	3.48%	(23,067)	3.70%
Deaths and Other *	(1,295)		4,319		(3,035)		3,031		415	
End of Qtr	<u>\$ 705,417</u>		<u>\$ 694,640</u>		<u>\$ 675,112</u>		<u>\$ 662,049</u>		<u>\$ 642,803</u>	
Direct Response										
Beginning of Qtr	\$ 658,008		\$ 659,421		\$ 649,509		\$ 630,044		\$ 627,965	
Net Sales	31,873		31,432		38,255		39,368		33,166	
Lapses										
First Year	(16,906)	18.44%	(17,057)	17.70%	(11,991)	12.63%	(12,645)	14.38%	(15,282)	17.50%
Renewal Year	(12,966)	2.45%	(12,550)	2.40%	(10,767)	2.10%	(12,563)	2.49%	(13,301)	2.66%
	(29,871)	4.81%	(29,607)	4.78%	(22,759)	3.74%	(25,208)	4.26%	(28,584)	4.86%
Deaths and Other *	(984)		(3,238)		(5,584)		5,305		(2,503)	
End of Qtr	<u>\$ 659,026</u>		<u>\$ 658,008</u>		<u>\$ 659,421</u>		<u>\$ 649,509</u>		<u>\$ 630,044</u>	
Liberty National										
Beginning of Qtr	\$ 296,311		\$ 298,810		\$ 299,161		\$ 302,489		\$ 305,626	
Net Sales	8,553		8,297		8,045		7,401		8,333	
Lapses										
First Year	(2,902)	8.96%	(2,798)	8.67%	(2,796)	8.41%	(3,644)	10.57%	(3,725)	9.94%
Renewal Year	(6,446)	2.45%	(5,764)	2.18%	(5,645)	2.13%	(6,995)	2.63%	(6,567)	2.46%
	(9,348)	3.17%	(8,562)	2.89%	(8,442)	2.83%	(10,639)	3.54%	(10,292)	3.39%
Deaths and Other *	(120)		(2,234)		46		(90)		(1,178)	
End of Qtr	<u>\$ 295,396</u>		<u>\$ 296,311</u>		<u>\$ 298,810</u>		<u>\$ 299,161</u>		<u>\$ 302,489</u>	

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