

TORCHMARK CORPORATION

Summary of Net Realized Investment Gains/(Losses) (In thousands)

	<u>Qtr Ended</u> <u>03/31/2013</u>	<u>Qtr Ended</u> <u>06/30/2013</u>	<u>YTD</u> <u>6/30/2013</u>
Realized Gain (Loss), Before Tax	-\$1,229	\$5,913	\$4,684
Real Estate Writedown, Before Tax	<u>-2,678</u>	<u>0</u>	<u>-2,678</u>
Capital Gain (Loss), Before Tax (A)	<u>-\$3,907</u>	<u>\$5,913</u>	<u>\$2,006</u>
Income taxes:			
Tax benefit	\$139	-\$2,069	-\$1,930
Valuation allowance on deferred tax assets	<u>0</u>	<u>0</u>	<u>0</u>
Net income tax benefit (B)	<u>\$139</u>	<u>-\$2,069</u>	<u>-\$1,930</u>
Capital Gain (Loss), Net of Tax (A) + (B)	<u><u>-\$3,768</u></u>	<u><u>\$3,844</u></u>	<u><u>\$76</u></u>
Effective tax rate (B)/(A)	3.56%	34.99%	96.21%

The YTD net realized investment gains consisted of net gains in fixed maturities of \$6,81 and a gain on other assets of \$1,332 included in a Rabbi Trust used to fund our SERP liability. These gains are offset by an OCI adjustment of (\$3,533).