

## TORCHMARK CORPORATION

### Life Annualized Premium In Force Rollforward and Lapse Rates

(In Thousands)

	3Q 2013		2Q 2013		1Q 2013		4Q 2012		3Q 2012	
	\$	Lapse Rate	\$	Lapse Rate	\$	Lapse Rate	\$	Lapse Rate	\$	Lapse Rate
<b>American Income Life</b>										
Beginning of Qtr	\$ 727,970		\$ 715,053		\$ 705,417		\$ 694,640		\$ 675,112	
Net Sales	36,642		40,773		37,607		39,560		40,582	
Lapses										
First Year	(11,891)	9.15%	(11,036)	8.52%	(11,600)	9.15%	(14,095)	10.80%	(12,239)	9.48%
Renewal Year	<u>(13,633)</u>	2.30%	<u>(12,989)</u>	2.24%	<u>(13,636)</u>	2.36%	<u>(13,393)</u>	2.40%	<u>(13,134)</u>	2.43%
	(25,524)	3.54%	(24,025)	3.38%	(25,236)	3.59%	(27,488)	3.99%	(25,373)	3.79%
Deaths and Other *	2,592		(3,831)		(2,735)		(1,295)		4,319	
End of Qtr	<u>\$ 741,680</u>		<u>\$ 727,970</u>		<u>\$ 715,053</u>		<u>\$ 705,417</u>		<u>\$ 694,640</u>	
<b>Direct Response</b>										
Beginning of Qtr	\$ 688,818		\$ 677,246		\$ 659,026		\$ 658,008		\$ 659,421	
Net Sales	33,209		39,527		37,254		31,873		31,432	
Lapses										
First Year	(16,611)	17.50%	(11,278)	12.24%	(12,799)	14.57%	(16,906)	18.44%	(17,057)	17.70%
Renewal Year	<u>(13,361)</u>	2.41%	<u>(11,685)</u>	2.14%	<u>(12,827)</u>	2.40%	<u>(12,966)</u>	2.45%	<u>(12,550)</u>	2.40%
	(29,972)	4.62%	(22,963)	3.60%	(25,626)	4.12%	(29,871)	4.81%	(29,607)	4.78%
Deaths and Other *	(3,448)		(4,992)		6,592		(984)		(3,238)	
End of Qtr	<u>\$ 688,607</u>		<u>\$ 688,818</u>		<u>\$ 677,246</u>		<u>\$ 659,026</u>		<u>\$ 658,008</u>	
<b>Liberty National</b>										
Beginning of Qtr	\$ 290,868		\$ 292,021		\$ 295,396		\$ 296,311		\$ 298,810	
Net Sales	7,542		8,187		7,127		8,553		8,297	
Lapses										
First Year	(2,721)	8.69%	(2,475)	7.83%	(2,782)	8.81%	(2,902)	8.96%	(2,798)	8.67%
Renewal Year	<u>(5,930)</u>	2.30%	<u>(5,516)</u>	2.13%	<u>(6,737)</u>	2.58%	<u>(6,446)</u>	2.45%	<u>(5,764)</u>	2.18%
	(8,651)	2.99%	(7,991)	2.75%	(9,519)	3.25%	(9,348)	3.17%	(8,562)	2.89%
Deaths and Other *	(992)		(1,349)		(983)		(120)		(2,234)	
End of Qtr	<u>\$ 288,767</u>		<u>\$ 290,868</u>		<u>\$ 292,021</u>		<u>\$ 295,396</u>		<u>\$ 296,311</u>	

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