

TORCHMARK CORPORATION

Life Annualized Premium In Force Rollforward and Lapse Rates

(In Thousands)

| | 4Q 2013 | | 3Q 2013 | | 2Q 2013 | | 1Q 2013 | | 4Q 2012 | |
|-----------------------------|-------------------|------------|-------------------|------------|-------------------|------------|-------------------|------------|-------------------|------------|
| | \$ | Lapse Rate | \$ | Lapse Rate | \$ | Lapse Rate | \$ | Lapse Rate | \$ | Lapse Rate |
| American Income Life | | | | | | | | | | |
| Beginning of Qtr | \$ 741,680 | | \$ 727,970 | | \$ 715,053 | | \$ 705,417 | | \$ 694,640 | |
| Net Sales | 37,624 | | 36,642 | | 40,773 | | 37,607 | | 39,560 | |
| Lapses | | | | | | | | | | |
| First Year | (12,497) | 9.77% | (11,891) | 9.15% | (11,036) | 8.52% | (11,600) | 9.15% | (14,095) | 10.80% |
| Renewal Year | (14,583) | 2.40% | (13,633) | 2.30% | (12,989) | 2.24% | (13,636) | 2.36% | (13,393) | 2.40% |
| | (27,080) | 3.68% | (25,524) | 3.54% | (24,025) | 3.38% | (25,236) | 3.59% | (27,488) | 3.99% |
| Deaths and Other * | (3,059) | | 2,592 | | (3,831) | | (2,735) | | (1,295) | |
| End of Qtr | <u>\$ 749,165</u> | | <u>\$ 741,680</u> | | <u>\$ 727,970</u> | | <u>\$ 715,053</u> | | <u>\$ 705,417</u> | |
| Direct Response | | | | | | | | | | |
| Beginning of Qtr | \$ 688,607 | | \$ 688,818 | | \$ 677,246 | | \$ 659,026 | | \$ 658,008 | |
| Net Sales | 34,373 | | 33,209 | | 39,527 | | 37,254 | | 31,873 | |
| Lapses | | | | | | | | | | |
| First Year | (17,506) | 18.85% | (16,611) | 17.50% | (11,278) | 12.24% | (12,799) | 14.57% | (16,906) | 18.44% |
| Renewal Year | (13,729) | 2.45% | (13,361) | 2.41% | (11,685) | 2.14% | (12,827) | 2.40% | (12,966) | 2.45% |
| | (31,235) | 4.79% | (29,972) | 4.62% | (22,963) | 3.60% | (25,626) | 4.12% | (29,871) | 4.81% |
| Deaths and Other * | (2,879) | | (3,448) | | (4,992) | | 6,592 | | (984) | |
| End of Qtr | <u>\$ 688,866</u> | | <u>\$ 688,607</u> | | <u>\$ 688,818</u> | | <u>\$ 677,246</u> | | <u>\$ 659,026</u> | |
| Liberty National | | | | | | | | | | |
| Beginning of Qtr | \$ 288,767 | | \$ 290,868 | | \$ 292,021 | | \$ 295,396 | | \$ 296,311 | |
| Net Sales | 8,194 | | 7,542 | | 8,187 | | 7,127 | | 8,553 | |
| Lapses | | | | | | | | | | |
| First Year | (2,681) | 8.68% | (2,721) | 8.69% | (2,475) | 7.83% | (2,782) | 8.81% | (2,902) | 8.96% |
| Renewal Year | (6,077) | 2.37% | (5,930) | 2.30% | (5,516) | 2.13% | (6,737) | 2.58% | (6,446) | 2.45% |
| | (8,758) | 3.04% | (8,651) | 2.99% | (7,991) | 2.75% | (9,519) | 3.25% | (9,348) | 3.17% |
| Deaths and Other * | (1,124) | | (992) | | (1,349) | | (983) | | (120) | |
| End of Qtr | <u>\$ 287,079</u> | | <u>\$ 288,767</u> | | <u>\$ 290,868</u> | | <u>\$ 292,021</u> | | <u>\$ 295,396</u> | |

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