

TORCHMARK CORPORATION

Life Annualized Premium In Force Rollforward and Lapse Rates

(In Thousands)

	1Q 2014		4Q 2013		3Q 2013		2Q 2013		1Q 2013	
	\$	Lapse Rate	\$	Lapse Rate	\$	Lapse Rate	\$	Lapse Rate	\$	Lapse Rate
American Income Life										
Beginning of Qtr	\$ 749,165		\$ 741,680		\$ 727,970		\$ 715,053		\$ 705,417	
Net Sales	38,125		37,624		36,642		40,773		37,607	
Lapses										
First Year	(10,960)	8.70%	(12,497)	9.77%	(11,891)	9.15%	(11,036)	8.52%	(11,600)	9.15%
Renewal Year	(14,363)	2.33%	(14,583)	2.40%	(13,633)	2.30%	(12,989)	2.24%	(13,636)	2.36%
	(25,323)	3.41%	(27,080)	3.68%	(25,524)	3.54%	(24,025)	3.38%	(25,236)	3.59%
Deaths and Other *	(3,905)		(3,059)		2,592		(3,831)		(2,735)	
End of Qtr	<u>\$ 758,062</u>		<u>\$ 749,165</u>		<u>\$ 741,680</u>		<u>\$ 727,970</u>		<u>\$ 715,053</u>	
Direct Response										
Beginning of Qtr	\$ 688,866		\$ 688,607		\$ 688,818		\$ 677,246		\$ 659,026	
Net Sales	40,439		34,373		33,209		39,527		37,254	
Lapses										
First Year	(12,710)	13.87%	(17,506)	18.85%	(16,611)	17.50%	(11,278)	12.24%	(12,799)	14.57%
Renewal Year	(13,850)	2.46%	(13,729)	2.45%	(13,361)	2.41%	(11,685)	2.14%	(12,827)	2.40%
	(26,560)	4.06%	(31,235)	4.79%	(29,972)	4.62%	(22,963)	3.60%	(25,626)	4.12%
Deaths and Other *	2,950		(2,879)		(3,448)		(4,992)		6,592	
End of Qtr	<u>\$ 705,695</u>		<u>\$ 688,866</u>		<u>\$ 688,607</u>		<u>\$ 688,818</u>		<u>\$ 677,246</u>	
Liberty National										
Beginning of Qtr	\$ 287,079		\$ 288,767		\$ 290,868		\$ 292,021		\$ 295,396	
Net Sales	7,380		8,194		7,542		8,187		7,127	
Lapses										
First Year	(2,401)	7.95%	(2,681)	8.68%	(2,721)	8.69%	(2,475)	7.83%	(2,782)	8.81%
Renewal Year	(6,436)	2.52%	(6,077)	2.37%	(5,930)	2.30%	(5,516)	2.13%	(6,737)	2.58%
	(8,837)	3.09%	(8,758)	3.04%	(8,651)	2.99%	(7,991)	2.75%	(9,519)	3.25%
Deaths and Other *	(460)		(1,124)		(992)		(1,349)		(983)	
End of Qtr	<u>\$ 285,162</u>		<u>\$ 287,079</u>		<u>\$ 288,767</u>		<u>\$ 290,868</u>		<u>\$ 292,021</u>	

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