

TORCHMARK CORPORATION

Life Annualized Premium In Force Rollforward and Lapse Rates

(In Thousands)

	2Q 2014		1Q 2014		4Q 2013		3Q 2013		2Q 2013	
	\$	Lapse Rate	\$	Lapse Rate	\$	Lapse Rate	\$	Lapse Rate	\$	Lapse Rate
American Income Life										
Beginning of Qtr	\$ 758,062		\$ 749,165		\$ 741,680		\$ 727,970		\$ 715,053	
Net Sales	44,628		38,125		37,624		36,642		40,773	
Lapses										
First Year	(10,369)	8.02%	(10,960)	8.70%	(12,497)	9.77%	(11,891)	9.15%	(11,036)	8.52%
Renewal Year	(14,013)	2.24%	(14,363)	2.33%	(14,583)	2.40%	(13,633)	2.30%	(12,989)	2.24%
	<u>(24,382)</u>	3.23%	<u>(25,323)</u>	3.41%	<u>(27,080)</u>	3.68%	<u>(25,524)</u>	3.54%	<u>(24,025)</u>	3.38%
Deaths and Other *	3,341		(3,905)		(3,059)		2,592		(3,831)	
End of Qtr	<u>\$ 781,649</u>		<u>\$ 758,062</u>		<u>\$ 749,165</u>		<u>\$ 741,680</u>		<u>\$ 727,970</u>	
Direct Response										
Beginning of Qtr	\$ 705,695		\$ 688,866		\$ 688,607		\$ 688,818		\$ 677,246	
Net Sales	44,418		40,439		34,373		33,209		39,527	
Lapses										
First Year	(13,634)	13.64%	(12,710)	13.87%	(17,506)	18.85%	(16,611)	17.50%	(11,278)	12.24%
Renewal Year	(12,425)	2.17%	(13,850)	2.46%	(13,729)	2.45%	(13,361)	2.41%	(11,685)	2.14%
	<u>(26,058)</u>	3.87%	<u>(26,560)</u>	4.06%	<u>(31,235)</u>	4.79%	<u>(29,972)</u>	4.62%	<u>(22,963)</u>	3.60%
Deaths and Other *	(10,222)		2,950		(2,879)		(3,448)		(4,992)	
End of Qtr	<u>\$ 713,833</u>		<u>\$ 705,695</u>		<u>\$ 688,866</u>		<u>\$ 688,607</u>		<u>\$ 688,818</u>	
Liberty National										
Beginning of Qtr	\$ 285,162		\$ 287,079		\$ 288,767		\$ 290,868		\$ 292,021	
Net Sales	8,732		7,380		8,194		7,542		8,187	
Lapses										
First Year	(2,236)	7.20%	(2,401)	7.95%	(2,681)	8.68%	(2,721)	8.69%	(2,475)	7.83%
Renewal Year	(5,165)	2.03%	(6,436)	2.52%	(6,077)	2.37%	(5,930)	2.30%	(5,516)	2.13%
	<u>(7,401)</u>	2.59%	<u>(8,837)</u>	3.09%	<u>(8,758)</u>	3.04%	<u>(8,651)</u>	2.99%	<u>(7,991)</u>	2.75%
Deaths and Other *	(965)		(460)		(1,124)		(992)		(1,349)	
End of Qtr	<u>\$ 285,528</u>		<u>\$ 285,162</u>		<u>\$ 287,079</u>		<u>\$ 288,767</u>		<u>\$ 290,868</u>	

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