

TORCHMARK CORPORATION

Life Annualized Premium In Force Rollforward and Lapse Rates

(In Thousands)

	3Q 2014		2Q 2014		1Q 2014		4Q 2013		3Q 2013	
	\$	Lapse Rate	\$	Lapse Rate	\$	Lapse Rate	\$	Lapse Rate	\$	Lapse Rate
American Income Life										
Beginning of Qtr	\$ 781,649		\$ 758,062		\$ 749,165		\$ 741,680		\$ 727,970	
Net Sales	43,362		44,628		38,125		37,624		36,642	
Lapses										
First Year	(11,196)	8.23%	(10,369)	8.02%	(10,960)	8.70%	(12,497)	9.77%	(11,891)	9.15%
Renewal Year	(14,303)	2.23%	(14,013)	2.24%	(14,363)	2.33%	(14,583)	2.40%	(13,633)	2.30%
	<u>(25,499)</u>	3.28%	<u>(24,382)</u>	3.23%	<u>(25,323)</u>	3.41%	<u>(27,080)</u>	3.68%	<u>(25,524)</u>	3.54%
Deaths and Other *	(4,679)		3,341		(3,905)		(3,059)		2,592	
End of Qtr	<u>\$ 794,833</u>		<u>\$ 781,649</u>		<u>\$ 758,062</u>		<u>\$ 749,165</u>		<u>\$ 741,680</u>	
Direct Response										
Beginning of Qtr	\$ 713,833		\$ 705,695		\$ 688,866		\$ 688,607		\$ 688,818	
Net Sales	35,464		44,418		40,439		34,373		33,209	
Lapses										
First Year	(17,494)	16.77%	(13,634)	13.64%	(12,710)	13.87%	(17,506)	18.85%	(16,611)	17.50%
Renewal Year	(14,219)	2.45%	(12,425)	2.17%	(13,850)	2.46%	(13,729)	2.45%	(13,361)	2.41%
	<u>(31,713)</u>	4.63%	<u>(26,058)</u>	3.87%	<u>(26,560)</u>	4.06%	<u>(31,235)</u>	4.79%	<u>(29,972)</u>	4.62%
Deaths and Other *	430		(10,222)		2,950		(2,879)		(3,448)	
End of Qtr	<u>\$ 718,014</u>		<u>\$ 713,833</u>		<u>\$ 705,695</u>		<u>\$ 688,866</u>		<u>\$ 688,607</u>	
Liberty National										
Beginning of Qtr	\$ 285,528		\$ 285,162		\$ 287,079		\$ 288,767		\$ 290,868	
Net Sales	8,876		8,732		7,380		8,194		7,542	
Lapses										
First Year	(2,753)	8.71%	(2,236)	7.20%	(2,401)	7.95%	(2,681)	8.68%	(2,721)	8.69%
Renewal Year	(5,085)	2.00%	(5,165)	2.03%	(6,436)	2.52%	(6,077)	2.37%	(5,930)	2.30%
	<u>(7,838)</u>	2.75%	<u>(7,401)</u>	2.59%	<u>(8,837)</u>	3.09%	<u>(8,758)</u>	3.04%	<u>(8,651)</u>	2.99%
Deaths and Other *	(851)		(965)		(460)		(1,124)		(992)	
End of Qtr	<u>\$ 285,715</u>		<u>\$ 285,528</u>		<u>\$ 285,162</u>		<u>\$ 287,079</u>		<u>\$ 288,767</u>	

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