

TORCHMARK CORPORATION

Life Annualized Premium In Force Rollforward and Lapse Rates

(In Thousands)

	4Q 2014		3Q 2014		2Q 2014		1Q 2014		4Q 2013	
	\$	Lapse Rate	\$	Lapse Rate	\$	Lapse Rate	\$	Lapse Rate	\$	Lapse Rate
American Income Life										
Beginning of Qtr	\$ 794,833		\$ 781,649		\$ 758,062		\$ 749,165		\$ 741,680	
Net Sales	46,156		43,362		44,628		38,125		37,624	
Lapses										
First Year	(14,029)	9.95%	(11,196)	8.23%	(10,369)	8.02%	(10,960)	8.70%	(12,497)	9.77%
Renewal Year	(14,659)	2.25%	(14,303)	2.23%	(14,013)	2.24%	(14,363)	2.33%	(14,583)	2.40%
	<u>(28,688)</u>	3.63%	<u>(25,499)</u>	3.28%	<u>(24,382)</u>	3.23%	<u>(25,323)</u>	3.41%	<u>(27,080)</u>	3.68%
Deaths and Other *	(4,366)		(4,679)		3,341		(3,905)		(3,059)	
End of Qtr	<u>\$ 807,935</u>		<u>\$ 794,833</u>		<u>\$ 781,649</u>		<u>\$ 758,062</u>		<u>\$ 749,165</u>	
Direct Response										
Beginning of Qtr	\$ 718,014		\$ 713,833		\$ 705,695		\$ 688,866		\$ 688,607	
Net Sales	37,768		35,464		44,418		40,439		34,373	
Lapses										
First Year	(18,225)	17.65%	(17,494)	16.77%	(13,634)	13.64%	(12,710)	13.87%	(17,506)	18.85%
Renewal Year	(14,276)	2.43%	(14,219)	2.45%	(12,425)	2.17%	(13,850)	2.46%	(13,729)	2.45%
	<u>(32,501)</u>	4.71%	<u>(31,713)</u>	4.63%	<u>(26,058)</u>	3.87%	<u>(26,560)</u>	4.06%	<u>(31,235)</u>	4.79%
Deaths and Other *	(2,020)		430		(10,222)		2,950		(2,879)	
End of Qtr	<u>\$ 721,261</u>		<u>\$ 718,014</u>		<u>\$ 713,833</u>		<u>\$ 705,695</u>		<u>\$ 688,866</u>	
Liberty National										
Beginning of Qtr	\$ 285,715		\$ 285,528		\$ 285,162		\$ 287,079		\$ 288,767	
Net Sales	9,414		8,876		8,732		7,380		8,194	
Lapses										
First Year	(2,970)	9.09%	(2,753)	8.71%	(2,236)	7.20%	(2,401)	7.95%	(2,681)	8.68%
Renewal Year	(5,463)	2.16%	(5,085)	2.00%	(5,165)	2.03%	(6,436)	2.52%	(6,077)	2.37%
	<u>(8,433)</u>	2.95%	<u>(7,838)</u>	2.75%	<u>(7,401)</u>	2.59%	<u>(8,837)</u>	3.09%	<u>(8,758)</u>	3.04%
Deaths and Other *	(1,495)		(851)		(965)		(460)		(1,124)	
End of Qtr	<u>\$ 285,201</u>		<u>\$ 285,715</u>		<u>\$ 285,528</u>		<u>\$ 285,162</u>		<u>\$ 287,079</u>	

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