

TORCHMARK CORPORATION

Life Annualized Premium In Force Rollforward and Lapse Rates

(In Thousands)

	4Q 2016		3Q 2016		2Q 2016		1Q 2016		4Q 2015	
	\$	Lapse Rate	\$	Lapse Rate	\$	Lapse Rate	\$	Lapse Rate	\$	Lapse Rate
American Income Life										
Beginning of Qtr	\$ 949,430		\$ 930,966		\$ 901,914		\$ 880,021		\$ 860,648	
Net Sales	51,907		52,348		55,361		50,240		50,265	
Lapses										
First Year	(15,543)	8.78%	(15,203)	8.55%	(12,987)	7.51%	(14,586)	8.77%	(14,379)	8.78%
Renewal Year	<u>(16,707)</u>	2.18%	<u>(16,201)</u>	2.17%	<u>(14,923)</u>	2.06%	<u>(16,076)</u>	2.28%	<u>(14,843)</u>	2.14%
	(32,250)	3.42%	(31,404)	3.40%	(27,910)	3.11%	(30,662)	3.51%	(29,222)	3.41%
Deaths and Other *	(2,097)		(2,480)		1,601		2,315		(1,670)	
End of Qtr	<u>\$ 966,990</u>		<u>\$ 949,430</u>		<u>\$ 930,966</u>		<u>\$ 901,914</u>		<u>\$ 880,021</u>	
Globe Life Direct Response										
Beginning of Qtr	\$ 782,808		\$ 781,632		\$ 768,518		\$ 757,518		\$ 755,464	
Net Sales	34,043		34,613		40,456		41,155		36,707	
Lapses										
First Year	(17,582)	17.65%	(18,472)	17.64%	(13,748)	13.02%	(15,072)	14.40%	(18,293)	17.02%
Renewal Year	<u>(14,740)</u>	2.23%	<u>(14,299)</u>	2.19%	<u>(12,598)</u>	1.97%	<u>(14,051)</u>	2.24%	<u>(13,429)</u>	2.16%
	(32,322)	4.25%	(32,771)	4.33%	(26,346)	3.53%	(29,123)	3.98%	(31,722)	4.35%
Deaths and Other *	(2,307)		(666)		(996)		(1,032)		(2,931)	
End of Qtr	<u>\$ 782,222</u>		<u>\$ 782,808</u>		<u>\$ 781,632</u>		<u>\$ 768,518</u>		<u>\$ 757,518</u>	
Liberty National										
Beginning of Qtr	\$ 287,259		\$ 286,757		\$ 284,645		\$ 284,597		\$ 284,779	
Net Sales	10,303		9,984		10,421		9,451		8,955	
Lapses										
First Year	(3,523)	9.16%	(3,020)	8.02%	(2,693)	7.42%	(2,774)	7.99%	(3,031)	8.74%
Renewal Year	<u>(5,388)</u>	2.16%	<u>(5,578)</u>	2.24%	<u>(4,848)</u>	1.95%	<u>(5,782)</u>	2.32%	<u>(5,329)</u>	2.13%
	(8,911)	3.10%	(8,598)	3.00%	(7,541)	2.64%	(8,556)	3.01%	(8,360)	2.94%
Deaths and Other *	(646)		(884)		(768)		(847)		(777)	
End of Qtr	<u>\$ 288,005</u>		<u>\$ 287,259</u>		<u>\$ 286,757</u>		<u>\$ 284,645</u>		<u>\$ 284,597</u>	

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