

TORCHMARK CORPORATION

Life Annualized Premium In Force Rollforward and Lapse Rates

(Unaudited)

(Dollar amounts in thousands)

	2Q 2017		1Q 2017		4Q 2016		3Q 2016		2Q 2016	
	\$	Lapse	\$	Lapse	\$	Lapse	\$	Lapse	\$	Lapse
American Income Life										
Beginning of Qtr	\$ 987,226		\$ 966,990		\$ 949,430		\$ 930,966		\$ 901,914	
Net Sales	56,754		53,397		51,907		52,348		55,361	
Lapses										
First Year	(13,630)	7.53%	(15,329)	8.59%	(15,543)	8.78%	(15,203)	8.55%	(12,987)	7.51%
Renewal Year	(16,906)	2.11%	(17,256)	2.20%	(16,707)	2.18%	(16,201)	2.17%	(14,923)	2.06%
	<u>(30,536)</u>	3.11%	<u>(32,585)</u>	3.39%	<u>(32,250)</u>	3.42%	<u>(31,404)</u>	3.40%	<u>(27,910)</u>	3.11%
Deaths and Other ⁽¹⁾	(111)		(576)		(2,097)		(2,480)		1,601	
End of Qtr	<u>\$ 1,013,333</u>		<u>\$ 987,226</u>		<u>\$ 966,990</u>		<u>\$ 949,430</u>		<u>\$ 930,966</u>	
Globe Life Direct Response										
Beginning of Qtr	\$ 794,027		\$ 782,222		\$ 782,808		\$ 781,632		\$ 768,518	
Net Sales	36,994		38,731		34,043		34,613		40,456	
Lapses										
First Year	(12,892)	13.25%	(14,101)	14.75%	(17,582)	17.65%	(18,472)	17.64%	(13,748)	13.02%
Renewal Year	(13,591)	2.01%	(15,086)	2.26%	(14,740)	2.23%	(14,299)	2.19%	(12,598)	1.97%
	<u>(26,483)</u>	3.42%	<u>(29,187)</u>	3.83%	<u>(32,322)</u>	4.25%	<u>(32,771)</u>	4.33%	<u>(26,346)</u>	3.53%
Deaths and Other ⁽¹⁾	(1,578)		2,261		(2,307)		(666)		(996)	
End of Qtr	<u>\$ 802,960</u>		<u>\$ 794,027</u>		<u>\$ 782,222</u>		<u>\$ 782,808</u>		<u>\$ 781,632</u>	
Liberty National										
Beginning of Qtr	\$ 288,698		\$ 288,005		\$ 287,259		\$ 286,757		\$ 284,645	
Net Sales	11,767		10,946		10,303		9,984		10,421	
Lapses										
First Year	(3,418)	8.26%	(3,333)	8.42%	(3,523)	9.16%	(3,020)	8.02%	(2,693)	7.42%
Renewal Year	(5,136)	2.07%	(5,867)	2.36%	(5,388)	2.16%	(5,578)	2.24%	(4,848)	1.95%
	<u>(8,554)</u>	2.96%	<u>(9,200)</u>	3.19%	<u>(8,911)</u>	3.10%	<u>(8,598)</u>	3.00%	<u>(7,541)</u>	2.64%
Deaths and Other ⁽¹⁾	(1,092)		(1,053)		(646)		(884)		(768)	
End of Qtr	<u>\$ 290,819</u>		<u>\$ 288,698</u>		<u>\$ 288,005</u>		<u>\$ 287,259</u>		<u>\$ 286,757</u>	

⁽¹⁾ Include foreign exchange adjustments, changes in coverage and timing differences.

Annualized premium in force is a statistical measure used as an indicator of potential growth in premium revenue. It is defined as the premium income that would be received over the following twelve months at any given date on all active policies if those policies remain in force throughout the twelve month period.