

TORCHMARK CORPORATION

Life Annualized Premium In Force Rollforward and Lapse Rates

(Unaudited)

(Dollar amounts in thousands)

	3Q 2017		2Q 2017		1Q 2017		4Q 2016		3Q 2016	
	\$	Lapse	\$	Lapse	\$	Lapse	\$	Lapse	\$	Lapse
American Income Life										
Beginning of Qtr	\$ 1,013,333		\$ 987,226		\$ 966,990		\$ 949,430		\$ 930,966	
Net Sales	57,327		56,754		53,397		51,907		52,348	
Lapses										
First Year	(16,030)	8.63%	(13,630)	7.53%	(15,329)	8.59%	(15,543)	8.78%	(15,203)	8.55%
Renewal Year	(17,906)	2.17%	(16,906)	2.11%	(17,256)	2.20%	(16,707)	2.18%	(16,201)	2.17%
	(33,936)	3.36%	(30,536)	3.11%	(32,585)	3.39%	(32,250)	3.42%	(31,404)	3.40%
Deaths and Other ⁽¹⁾	5,325		(111)		(576)		(2,097)		(2,480)	
End of Qtr	<u>\$ 1,042,049</u>		<u>\$ 1,013,333</u>		<u>\$ 987,226</u>		<u>\$ 966,990</u>		<u>\$ 949,430</u>	
Globe Life Direct Response										
Beginning of Qtr	\$ 802,960		\$ 794,027		\$ 782,222		\$ 782,808		\$ 781,632	
Net Sales	30,927		36,994		38,731		34,043		34,613	
Lapses										
First Year	(17,281)	18.03%	(12,892)	13.25%	(14,101)	14.75%	(17,582)	17.65%	(18,472)	17.64%
Renewal Year	(14,979)	2.18%	(13,591)	2.01%	(15,086)	2.26%	(14,740)	2.23%	(14,299)	2.19%
	(32,260)	4.13%	(26,483)	3.42%	(29,187)	3.83%	(32,322)	4.25%	(32,771)	4.33%
Deaths and Other ⁽¹⁾	(2,291)		(1,578)		2,261		(2,307)		(666)	
End of Qtr	<u>\$ 799,336</u>		<u>\$ 802,960</u>		<u>\$ 794,027</u>		<u>\$ 782,222</u>		<u>\$ 782,808</u>	
Liberty National										
Beginning of Qtr	\$ 290,819		\$ 288,698		\$ 288,005		\$ 287,259		\$ 286,757	
Net Sales	11,896		11,767		10,946		10,303		9,984	
Lapses										
First Year	(3,846)	8.98%	(3,418)	8.26%	(3,333)	8.42%	(3,523)	9.16%	(3,020)	8.02%
Renewal Year	(5,255)	2.11%	(5,136)	2.07%	(5,867)	2.36%	(5,388)	2.16%	(5,578)	2.24%
	(9,101)	3.12%	(8,554)	2.96%	(9,200)	3.19%	(8,911)	3.10%	(8,598)	3.00%
Deaths and Other ⁽¹⁾	(942)		(1,092)		(1,053)		(646)		(884)	
End of Qtr	<u>\$ 292,672</u>		<u>\$ 290,819</u>		<u>\$ 288,698</u>		<u>\$ 288,005</u>		<u>\$ 287,259</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.