

TORCHMARK CORPORATION

Life Annualized Premium In Force Rollforward and Lapse Rates

(Unaudited)

(Dollar amounts in thousands)

	4Q 2017		3Q 2017		2Q 2017		1Q 2017		4Q 2016	
	\$	Lapse	\$	Lapse	\$	Lapse	\$	Lapse	\$	Lapse
American Income Life										
Beginning of Qtr	\$ 1,042,049		\$ 1,013,333		\$ 987,226		\$ 966,990		\$ 949,430	
Net Sales	55,781		57,327		56,754		53,397		51,907	
Lapses										
First Year	(16,343)	8.67%	(16,030)	8.63%	(13,630)	7.53%	(15,329)	8.59%	(15,543)	8.78%
Renewal Year	(19,525)	2.30%	(17,906)	2.17%	(16,906)	2.11%	(17,256)	2.20%	(16,707)	2.18%
	<u>(35,868)</u>	3.46%	<u>(33,936)</u>	3.36%	<u>(30,536)</u>	3.11%	<u>(32,585)</u>	3.39%	<u>(32,250)</u>	3.42%
Deaths and Other ⁽¹⁾	(2,746)		5,325		(111)		(576)		(2,097)	
End of Qtr	<u>\$ 1,059,216</u>		<u>\$ 1,042,049</u>		<u>\$ 1,013,333</u>		<u>\$ 987,226</u>		<u>\$ 966,990</u>	
Globe Life Direct Response										
Beginning of Qtr	\$ 799,336		\$ 802,960		\$ 794,027		\$ 782,222		\$ 782,808	
Net Sales	29,052		30,927		36,994		38,731		34,043	
Lapses										
First Year	(15,561)	17.35%	(17,281)	18.03%	(12,892)	13.25%	(14,101)	14.75%	(17,582)	17.65%
Renewal Year	(15,159)	2.19%	(14,979)	2.18%	(13,591)	2.01%	(15,086)	2.26%	(14,740)	2.23%
	<u>(30,720)</u>	3.93%	<u>(32,260)</u>	4.13%	<u>(26,483)</u>	3.42%	<u>(29,187)</u>	3.83%	<u>(32,322)</u>	4.25%
Deaths and Other ⁽¹⁾	(1,040)		(2,291)		(1,578)		2,261		(2,307)	
End of Qtr	<u>\$ 796,628</u>		<u>\$ 799,336</u>		<u>\$ 802,960</u>		<u>\$ 794,027</u>		<u>\$ 782,222</u>	
Liberty National										
Beginning of Qtr	\$ 292,672		\$ 290,819		\$ 288,698		\$ 288,005		\$ 287,259	
Net Sales	12,277		11,896		11,767		10,946		10,303	
Lapses										
First Year	(3,962)	8.93%	(3,846)	8.98%	(3,418)	8.26%	(3,333)	8.42%	(3,523)	9.16%
Renewal Year	(5,215)	2.09%	(5,255)	2.11%	(5,136)	2.07%	(5,867)	2.36%	(5,388)	2.16%
	<u>(9,177)</u>	3.13%	<u>(9,101)</u>	3.12%	<u>(8,554)</u>	2.96%	<u>(9,200)</u>	3.19%	<u>(8,911)</u>	3.10%
Deaths and Other ⁽¹⁾	(537)		(942)		(1,092)		(1,053)		(646)	
End of Qtr	<u>\$ 295,235</u>		<u>\$ 292,672</u>		<u>\$ 290,819</u>		<u>\$ 288,698</u>		<u>\$ 288,005</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.