

TORCHMARK CORPORATION
Life Annualized Premium In Force Rollforward and Lapse Rates
(Unaudited)
(Dollar amounts in thousands)

	Q1 2018		Q4 2017		Q3 2017		Q2 2017		Q1 2017	
	\$	Lapse Rate	\$	Lapse Rate	\$	Lapse Rate	\$	Lapse Rate	\$	Lapse Rate
American Income Life										
Beginning of Qtr	\$1,059,216		\$1,042,049		\$1,013,333		\$ 987,226		966,990	
Net Sales	55,101		55,781		57,327		56,754		53,397	
Lapses										
First Year	(16,479)	8.72%	(16,343)	8.67%	(16,030)	8.63%	(13,630)	7.53%	(15,329)	8.59%
Renewal Year	(20,197)	2.34%	(19,525)	2.30%	(17,906)	2.17%	(16,906)	2.11%	(17,256)	2.20%
	<u>(36,676)</u>	3.49%	<u>(35,868)</u>	3.46%	<u>(33,936)</u>	3.36%	<u>(30,536)</u>	3.11%	<u>(32,585)</u>	3.39%
Deaths and Other ⁽¹⁾ ..	(4,232)		(2,746)		5,325		(111)		(576)	
End of Qtr	<u>\$1,073,409</u>		<u>\$1,059,216</u>		<u>\$1,042,049</u>		<u>\$1,013,333</u>		<u>\$ 987,226</u>	
Globe Life Direct Response										
Beginning of Qtr	\$ 796,628		\$ 799,336		\$ 802,960		\$ 794,027		782,222	
Net Sales	32,183		29,052		30,927		36,994		38,731	
Lapses										
First Year	(12,442)	14.84%	(15,561)	17.35%	(17,281)	18.03%	(12,892)	13.25%	(14,101)	14.75%
Renewal Year	(15,557)	2.24%	(15,159)	2.19%	(14,979)	2.18%	(13,591)	2.01%	(15,086)	2.26%
	<u>(27,999)</u>	3.60%	<u>(30,720)</u>	3.93%	<u>(32,260)</u>	4.13%	<u>(26,483)</u>	3.42%	<u>(29,187)</u>	3.83%
Deaths and Other ⁽¹⁾ ..	3,477		(1,040)		(2,291)		(1,578)		2,261	
End of Qtr	<u>\$ 804,289</u>		<u>\$ 796,628</u>		<u>\$ 799,336</u>		<u>\$ 802,960</u>		<u>\$ 794,027</u>	
Liberty National										
Beginning of Qtr	\$ 295,235		\$ 292,672		\$ 290,819		\$ 288,698		\$ 288,005	
Net Sales	11,361		12,277		11,896		11,767		10,946	
Lapses										
First Year	(3,957)	8.68%	(3,962)	8.93%	(3,846)	8.98%	(3,418)	8.26%	(3,333)	8.42%
Renewal Year	(5,942)	2.38%	(5,215)	2.09%	(5,255)	2.11%	(5,136)	2.07%	(5,867)	2.36%
	<u>(9,899)</u>	3.36%	<u>(9,177)</u>	3.13%	<u>(9,101)</u>	3.12%	<u>(8,554)</u>	2.96%	<u>(9,200)</u>	3.19%
Deaths and Other ⁽¹⁾ ..	(1,396)		(537)		(942)		(1,092)		(1,053)	
End of Qtr	<u>\$ 295,301</u>		<u>\$ 295,235</u>		<u>\$ 292,672</u>		<u>\$ 290,819</u>		<u>\$ 288,698</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.