

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

| | Q3 2018 | | Q2 2018 | | Q1 2018 | | Q4 2017 | | Q3 2017 | |
|---------------------------------------|--------------------|------------|--------------------|------------|--------------------|------------|--------------------|------------|--------------------|------------|
| | Amount | Lapse Rate | Amount | Lapse Rate | Amount | Lapse Rate | Amount | Lapse Rate | Amount | Lapse Rate |
| American Income Life | | | | | | | | | | |
| Beginning of Quarter | \$1,097,253 | | \$1,073,409 | | \$1,059,216 | | \$1,042,049 | | 1,013,333 | |
| Net Sales | 54,671 | | 59,670 | | 55,101 | | 55,781 | | 57,327 | |
| Lapses | | | | | | | | | | |
| First Year | (15,420) | 7.99% | (13,928) | 7.25% | (16,479) | 8.72% | (16,343) | 8.67% | (16,030) | 8.63% |
| Renewal Year | (19,984) | 2.23% | (18,805) | 2.14% | (20,197) | 2.34% | (19,525) | 2.30% | (17,906) | 2.17% |
| | (35,404) | 3.25% | (32,733) | 3.06% | (36,676) | 3.49% | (35,868) | 3.46% | (33,936) | 3.36% |
| Deaths and Other ⁽¹⁾ | 1,037 | | (3,093) | | (4,232) | | (2,746) | | 5,325 | |
| End of Quarter | <u>\$1,117,557</u> | | <u>\$1,097,253</u> | | <u>\$1,073,409</u> | | <u>\$1,059,216</u> | | <u>\$1,042,049</u> | |
| Globe Life Direct Response | | | | | | | | | | |
| Beginning of Quarter | \$ 814,212 | | \$ 804,289 | | \$ 796,628 | | \$ 799,336 | | 802,960 | |
| Net Sales | 29,755 | | 35,040 | | 32,183 | | 29,052 | | 30,927 | |
| Lapses | | | | | | | | | | |
| First Year | (14,802) | 17.35% | (10,923) | 12.92% | (12,442) | 14.84% | (15,561) | 17.35% | (17,281) | 18.03% |
| Renewal Year | (14,917) | 2.10% | (13,700) | 1.95% | (15,557) | 2.24% | (15,159) | 2.19% | (14,979) | 2.18% |
| | (29,719) | 3.74% | (24,623) | 3.13% | (27,999) | 3.60% | (30,720) | 3.93% | (32,260) | 4.13% |
| Deaths and Other ⁽¹⁾ | (60) | | (494) | | 3,477 | | (1,040) | | (2,291) | |
| End of Quarter | <u>\$ 814,188</u> | | <u>\$ 814,212</u> | | <u>\$ 804,289</u> | | <u>\$ 796,628</u> | | <u>\$ 799,336</u> | |
| Liberty National | | | | | | | | | | |
| Beginning of Quarter | \$ 298,466 | | \$ 295,301 | | \$ 295,235 | | \$ 292,672 | | \$ 290,819 | |
| Net Sales | 11,959 | | 12,869 | | 11,361 | | 12,277 | | 11,896 | |
| Lapses | | | | | | | | | | |
| First Year | (4,621) | 9.70% | (3,891) | 8.31% | (3,957) | 8.68% | (3,962) | 8.93% | (3,846) | 8.98% |
| Renewal Year | (5,835) | 2.32% | (5,253) | 2.10% | (5,942) | 2.38% | (5,215) | 2.09% | (5,255) | 2.11% |
| | (10,456) | 3.49% | (9,144) | 3.08% | (9,899) | 3.36% | (9,177) | 3.13% | (9,101) | 3.12% |
| Deaths and Other ⁽¹⁾ | (124) | | (560) | | (1,396) | | (537) | | (942) | |
| End of Quarter | <u>\$ 299,845</u> | | <u>\$ 298,466</u> | | <u>\$ 295,301</u> | | <u>\$ 295,235</u> | | <u>\$ 292,672</u> | |

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

Annualized premium in force 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. Annualized premium in force is an indicator of potential growth in premium revenue.