



2nd QUARTER 2011 CONFERENCE CALL

July 28, 2011

Corporation Participants

Mark McAndrew, Chairman and CEO

Gary L. Coleman, EVP and CFO

Larry Hutchison, EVP & General Counsel

Mike Majors, VP of Investor Relations

Mark McAndrew: Thank you, good morning everyone. Joining me this morning is Gary Coleman, our Chief Financial Officer; Larry Hutchison, our General Counsel; and Mike Majors, Vice President of Investor Relations.

Some of our comments or answers to your questions may contain forward-looking statements that are provided for general guidance purposes only. Accordingly, please refer to our 2010 10-K and any subsequent forms 10-Q on file with the SEC.

Net operating income for the second quarter was \$129 million, or \$1.14 per share — a per share increase of 8% from a year ago. Net operating income per share from continuing operations increased 14%. Net income was \$149 million, or \$1.32 per share — up 29% from a year ago.

Excluding FAS 115, our return on equity was 13.5% and our book value per share was \$33.61 — an 8% increase from a year ago. On a GAAP reported basis, with fixed maturities carried at market value, book value grew 10% to \$35.40 per share.

In our life insurance operations, premium revenue (excluding United Investors) grew 4% to \$434 million and life underwriting margins increased

10% to \$125 million. Life net sales declined 4% in the quarter to \$85.5 million, while life insurance first-year collected premiums were down 2% to \$62 million.

At American Income, life premiums were up 8% to \$151 million and life underwriting margin was up 11% to \$51 million. Net life sales declined 2% for the quarter to \$36 million.

The producing agent count at the end of the quarter was 4,332, up 3% from a year ago, and up 7% from the last quarter.

I am pleased with the continued progress being made at American Income. The agent count is now is at an all-time high and growing at a strong pace. The number of new agents who achieved our top bonus level for the first time increased 27% during the quarter. Our mid-level sales management ranks also increased 11% during the second quarter.

In our Direct Response operation at Globe Life, life premiums were up 5% to \$151 million and life underwriting margins were up 1% to \$38 million. Net life sales were down 2% to \$37 million.

While second quarter sales were somewhat less than expected. I remain optimistic that we will see significant growth during the second half of 2011. While the previously discussed change in our direct response underwriting, which utilizes prescription drug data has improved our margins; it had a negative impact on our second quarter sales — as we rejected additional uninsurable applicants.

We have made a significant improvement in the design of our insert media packaging which resulted

in a 16% improvement in our initial response rates during the second quarter.

As a result of the improvements made in our sales packaging and the additional margins from the change in underwriting, we have increased our 3rd quarter insert media distribution in excess of 20%. While there is a 60-90 day lag before this increase is reflected in our net sales. I am confident that we will see significant growth in our direct response life sales during the second half of this year.

Life premiums at Liberty National declined 2% to \$73 million and life underwriting margin was up 29% to \$18 million. Net life sales declined 18% to \$10 million. The producing agent count at Liberty National at the end of the second quarter was 1,792 — a decline of 3% during the quarter and down 20% from a year ago.

On a bright note, health sales at Liberty National increased 10% from a year ago and 40% from the 1st quarter levels as a result of the introduction of a new cancer policy.

We made good progress during the quarter in our efforts to conserve our in-force life insurance.

During the second quarter, our new incentives conserved \$2.2 million of life premium. We currently project that number to grow to \$15 - \$16 million during the second half of this year and \$40 - \$45 million in 2012.

On the health side, premium revenue, excluding Part D, declined 7% to \$185 million while health underwriting margin was down 11% to \$34 million. Health net sales were \$13 million for the quarter – 15% less than a year ago.

Premium revenue from Medicare Part D was \$49 million for the quarter which was down 8% and the underwriting margin was \$5.4 million which was up 6%.

Administrative expenses were \$40 million which were up 2% from a year ago quarter and in line with our expectations.

I will now turn the call over to Gary Coleman, our Chief Financial Officer, for his comments.

Gary Coleman: Thanks, Mark.

I want to spend a few minutes discussing our investment portfolio, excess investment income, capital and share repurchases.

First, the investment portfolio:

On our website are three schedules that provide summary information regarding our portfolio as of June 30, 2011.

As indicated on these schedules, invested assets are \$11.2 billion, including \$10.7 billion of fixed maturities at amortized cost. Of the fixed maturities, \$10 billion are investment grade with an average rating of A-. Below investment grade bonds are \$721 million, down from \$863 million at December, 2010. The \$142 decline this year is due primarily to dispositions; \$119 million of sales, \$12 million of calls and \$10 million of maturities.

The percentage of below investment grade bonds to fixed maturities is 6.7%, the lowest that it has been since the fourth quarter of 2008. That percentage may still be a little high relative to our peers; however, due to our significantly lower portfolio leverage, the percentage of below investment grade bonds to equity, excluding OCI, is 20%, which is likely less than the peer average. Overall, the total portfolio is rated A-, compared to BBB+, a year ago.

During the quarter, we recognized realized gains of \$31 million pre-tax, \$21 million after tax. These gains resulted primarily from dispositions of below investment grade bonds that had been impaired in previous years.

We have net unrealized gains in the fixed maturity portfolio of \$306 million compared to gains of \$156 million at end of the first quarter and \$178 million a year ago. The increase in unrealized gains in the second quarter is due primarily to treasury yields declining more than credit spread increased.

Regarding investment yield:

In the second quarter we invested \$432 million in investment grade fixed maturities, primarily in the industrial sectors. We invested an average annual effective yield of 5.75%, an average rating of A–, and an average life of 28 years. For the six months, we've invested \$697 million at an average yield of 5.84%.

For the entire portfolio, the second quarter yield was 6.56% compared to 6.62% yield in the previous quarter and 6.74% in the second quarter of 2010. The decline in yield is due to the lower new money yields. As of June 30, the yield on the portfolio is 6.55%.

Now, turning to excess investment income:

Excess investment income is net investment income less the interest cost of the net policy liabilities and the financing costs of our debt. In the second quarter, it was \$74 million, down \$492 thousand from a year ago. However on a per share basis, reflecting the impact of our share repurchase program, excess investment income was \$.65 per share, up 8% over the second quarter of 2010. Of the components:

- Net investment income was up \$6 million, or 4%, slightly lower than the 5% increase in average invested assets. Despite lower yields in the bond portfolio, investment income increased at around the same rate as the related assets because we held significantly more cash and short-term securities during the second quarter of 2010 than we have in 2011.
- The interest costs on the net policy liabilities increased \$6 million, or 8%, in line with the 7% increase in the average liabilities.

Now turning to capital, regarding RBC:

We plan to maintain our capital at the level necessary to retain our current ratings. For the last two years, that level has been round an NAIC RBC ratio of 325%. This ratio is lower than some peer companies, but is sufficient for our companies in light of our consistent statutory earnings, the relatively lower risk of our policy liabilities, and the level of our ratings.

Finally, regarding share repurchases and parent company assets:

In the first six months, we spent \$602 million to buy 14 million Torchmark shares. So far in July, we have used \$15 million to buy another 350 thousand shares. For the full year through today, we have used \$617 million of parent company cash to acquire 14.3 million shares, or 12% of the diluted outstanding shares at the beginning of the year.

The available liquid assets at the parent consist of assets on hand and the expected free cash flow from operations. Free cash flow results from the dividends received up to the parent from the subsidiaries less the dividends paid to Torchmark shareholders and the interest paid on the debt.

The parent began the year with liquid assets of \$205 million, and we expect to generate approximately \$665 million of free cash flow for the entire year. Thus, the total free cash available for all of 2011 will be around \$870 million.

Now in the first six months, we generated about \$485 million of free cash flow and that included the \$305 million resulting from the sale of United Investors. As mentioned, the parent used \$602 million in the first six months for Torchmark share repurchases.

As a result, the parent ended the quarter with \$87 million of available liquid assets, and that's comprised of the \$205 million of beginning assets plus the \$485 million of free cash flow less the \$602 million of share repurchases. Now going forward along with the \$87 million of cash on hand at the end of the second quarter, we should generate approximately \$180 million of free cash flow in the next two quarters. As of today, after deducting the \$15 million of July share repurchases, the parent will have approximately \$252 million available between now and the end of the year.

As noted before, we will use our cash as efficiently as possible. If market conditions are favorable, we expect that share repurchases will continue to be a primary use of those funds.

Those are my comments. I will now turn the call back to Mark.

Mark McAndrew: Thank you Gary.

We are narrowing the range of our earnings guidance for 2011 and raising the low end of the range. We currently expect our net operating income per share will range from \$4.60 to \$4.73.

Those are my comments for this morning. I will now open it up for questions.

QUESTION AND ANSWER

Jimmy Bhullar - JP Morgan Chase & Co - Analyst

Hi, thank you. I had a question on just the basic buy backs. You mentioned you bought back \$617 million worth of stock so far this year. Should we assume that the \$252 million that is available for buybacks until year end, most of that will be used up for buy back, or are you going to keep some of the \$87 million in cushion? Are you going to keep some of that?

The second question I had was just on Liberty National. The agent count declined again in the second quarter, sales were weak, I think they were down around 18%. What is your outlook as for growth in the agent count and sales in the second half of the year at Liberty National? Thanks.

MARK McANDREW - TORCHMARK CORP - CHAIRMAN, CEO

Okay well first off, Jimmy, on share repurchase, as Gary said, I think we have \$252 million available at the parent for the balance of the year. It's something that again we have a Board meeting next week, so we'll continue to evaluate. We took the free cash down to \$87 million at the end of last quarter. I think it's fair to assume that we'll probably keep it somewhere around that level for the balance of the year. But again, it's something that we'll continue to evaluate each quarter.

As far as Liberty National; the agent count decline slowed, but it was still down I think 3% during the quarter.

I'm not expecting any big turn-around. I think we're about at the bottom of that, but I'm not expecting for the balance of this year any big turn-around. We're seeing some growth on the health side as a result of a new product we introduced, but I would expect our life sales at Liberty National for the balance of the year to stay at about the same level that they're at.

JIMMY BHULLAR:

Okay, thank.

JEFFREY SCHUMAN - KEEFE, BRUYETTE & WOODS - ANALYST

Thank you. You talked about kind of the trajectory for the conserved premiums \$15 million - \$16 million in the back half, \$40 million - \$45 million next year. I am sure you said this but I didn't quite follow it. Was that company-wide, or was that mostly specific to American Income; or what are we talking about there?

MARK McANDREW - TORCHMARK CORP - CHAIRMAN, CEO

Well, that's Company wide. We'll have the most impact at American Income, and again I think we put, we have a new exhibit out on the website now showing lapses by distribution. We think we can conserve 20% of the lapses in 2012 at American Income ranging down I think to roughly 13% at Liberty National and roughly 15% in the Direct Response.

So the bigger portion, in the second quarter we first started with American Income because that is obviously our most profitable business. But those numbers that I gave are across the board and we will have an impact in all three of the major distribution systems, but it will be a little higher at American Income.

JEFFREY SCHUMAN:

Okay, thanks for that. And then on the prescription drug underwriting impact, can you remind us what the trajectory is there? Is that something where the better mortality will bleed in over many years, or is it something that maybe a year from now it actually would be really visible to us? What should we expect there?

MARK McANDREW:

Well, it will bleed in basically over a number of years. It will have more impact in that it will allow us to grow our sales.

But on the insert media side, which is about 60% of our sales it improves our margin by I believe 16% to 18%. Now, that's a significant block of business, but that's just on new business going forward. So while it will have some impact and it will

be a growing impact on our financials, it gives us more margin to work with as far as increasing our sales.

As I mentioned earlier, partially the result of that we're increasing our volume, our distribution volume by I think 22% in the third quarter and right now we anticipate increasing our volume by 24% in the fourth quarter. So you'll see more impact on the sales side.

JEFFREY SCHUMAN:

Okay, thanks a lot, Mark.

RANDY BINNER - FBR CAPITAL MARKETS - ANALYST

Yes, thanks. I have a question about -- there are some callable preferreds out there, I believe, that have a pretty high coupon, I think it's 710 basis points. So, I think there is \$120 million worth and they are callable, they were callable in June. So, I didn't see anything in the results that indicated that those had been called.

To me it seems kind of like a no-brainer to try and do it because you have such much cheaper sources of funding. But, I didn't know if that was still on the table and if there was color around that, and if the big buyback in the quarter had anything to do with that. I would love to hear color on that potential opportunity.

GARY COLEMAN - TORCHMARK CORP - EVP, CFO

Randy that is something we did take a look at. It came callable as of June 1, they are callable in whole or part at par, and they'll continue to be callable. It wasn't a one-time thing. We did take a look at that.

In terms of how to redeem it, we felt the use of the cash, if we're going to use cash; we felt that using the cash for share repurchases provided a greater return. We also looked, though, if we refinance it. If we issued a similar security, similar trust preferred, the coupon would actually; would be a little bit higher than the 710 that we have today.

Remember, this is very long-term. This is another 35 years around this security. So at 710 you know for long-term security, it's not that bad of a rate. The other thing that we looked at though, is if we refinance through issuing debt, for example, five-

to ten-year debt, we can do that at a lower rate and we would pick up \$0.01 to \$0.03 maybe of earnings per share.

But, the concern there is the refinancing risk. Five to ten years from now what interest rates will be? They may be much higher. Our current thinking is we will stay where we are and not redeem them, but that is something that we'll continue to look at as conditions change.

RANDY BINNER:

I guess, I mean if the buyback clearly has to slow from the pace of the first half. I mean, if there is less cash available for buyback, does a re-fi, meaning you know; the earning yield on your buyback is better than 710 basis points right now according to most analyst's forward numbers, so I get that. But if you have less cash available for buyback, would that affect the decision, or is it a longer term decision than that?

GARY COLEMAN:

Well I think it's a little bit longer term decision than that. The fact of the matter, though you know how consistent our cash flow is, the free cash flow. We'll continue to generate free cash flow and what we might do is start redeeming them, or calling them in parts as opposed to calling the whole \$120 million at one time.

RANDY BINNER:

Okay, very good. Thank you.

CHRISTOPHER GIOVANNI - GOLDMAN SACHS - ANALYST

Thanks so much. I just wanted to see if you guys could update us on sort of the liquidity buffer that you guys had been keeping at the parent company. I believe it was roughly \$200 million or so. You're certainly below that today. As we kind of get through here and maybe some of the economic uncertainty increases, how are you thinking about moving forward with that cushion?

MARK McANDREW - TORCHMARK CORP - CHAIRMAN, CEO

Well, Chris, that's why we are not giving a lot of guidance there because, as Gary mentioned, we

have \$252 million available at the parent for the balance of this year. Obviously, the pace of our share repurchase so far in July, we have slowed down. It is something that we'll continue to evaluate.

Sure, there is some definite uncertainty out there today. And even in our guidance I think we put in a range of I think \$78 million, Gary, to \$228 million as far as the range of share repurchase in our guidance.

GARY COLEMAN - TORCHMARK CORP - EVP, CFO:

Right, right

MARK McANDREW:

It didn't make a lot of difference. It only made a couple of cents difference in our earnings for the balance of the year. But, it is something that I'm not really prepared to say how much we will spend in the balance of the year. We'll continue to evaluate it as we go.

CHRISTOPHER GIOVANNI:

Okay. Within agent count trends, obviously, American Income you're having some success there. Could you comment a little bit on sort of some of the drivers there, and are there any takeaways that you can try to pull out to try to improve sort of the downward trend we've been seeing at Liberty National?

MARK McANDREW:

Well first off, I'll talk about American Income. I'm very pleased with where we are at. Sales were still down 2%, but if you look at the numbers, we were down 4% going into the quarter on our agent count and we're up 3% by the end of the quarter. We grew by almost 300 agents during the quarter.

If we can continue close to that pace, if we can continue and grow 250 agents a quarter the next two, by year end our agent count will be up 25% from a year ago, and sales will follow that trend. There is you know not a lot new going on. There is more of just a refocus.

As I mentioned we've grown our middle management ranks in a very concerted effort to

promote more people into middle management. We grew that by 11% during the quarter. The other problem we had last year even though recruiting was up, because we did not have more middle managers, and because we lost focus on the training of those new agents, our turnover went up.

That's why that number as far as new bonus earners hitting the top-level bonus, those are the people we retain. For that number to be up 27% from a year ago, it is being reflected in higher agent retention. So, all of the things that we talked about the last really six, nine months are panning out.

We are refocused. We're hiring more agents and we're also retaining more agents. So I feel very good about where American Income is, and their sales will come back very strongly in the second half.

CHRISTOPHER GIOVANNI:

Okay, thank you. And then just one last one: Any updates on EITF 09-G in terms of impact or implementation for you guys?

GARY COLEMAN:

No, update on that. The current status of that, well first of all, we will elect to adopt retroactively, which I think most companies will. We're in the process of doing our calculations of what the initial write-down will be, of the DAC asset but there are still implementations issues that have not been fully resolved. I know the big four firms are still consulting with the SEC on how to interpret certain provisions, and of course, as we work through that that affects what we're doing. So I think that all this should be cleared up in the third quarter, and by the time we get to the analyst call for the third quarter we'll have pretty definitive numbers at that point.

CHRISTOPHER GIOVANNI:

Okay, thank you for the time.

COLIN DEVINE - CITIGROUP - ANALYST

Good morning, good afternoon I guess now. A couple of questions: First I guess with the buybacks and the amount you've done, I appreciate you still have a fair amount of debt capacity, does that mean that M&A is really not something that is likely to pan out this year? And I suppose that also brings up in your current thinking of what to do with First

Command. Mark, with respect to Liberty National, it sounds like you're getting fairly frustrated with it. What is not working there that clearly worked so well for you at American Income?

MARK McANDREW - TORCHMARK CORP - CHAIRMAN, CEO

Okay well, first off on the M&A activity. Colin, we've looked extensively, and really don't see anything out there. When we made the decision to buyback that much in the quarter, it was because we didn't see any M&A activity on the short-term horizon. So your conclusion there is accurate.

At Liberty National, as I've mentioned before, there are so many differences between Liberty and American Income. Again, I've equated it in the past to a franchise versus a company owned store.

At American Income it's a straight commission situation, whereas at Liberty National, the agents and managers are employees, those are our offices, we have a lot of fixed expenses, and the production per agent is substantially less. It's, well it's about half of what it is at American Income. We've been really over the last two or three years trying to move Liberty more to an American Income model, and we'll continue to do so, but there is just not a quick fix there. The things that work at American Income we have tried to implement similar type programs at Liberty National, but up to this point they have not been successful.

COLIN DEVINE:

Let's get First Command if there is any comment on that. And also Liberty, with the new DAC treatment, it seems to me that it puts that business model even under more pressure than it's at right now.

MARK McANDREW:

Well, that's correct. Well first off, with First Command that is an independent agency that we continue to --their sales have been down a number of years. It's a very persistent business, a very consistently profitable business and will continue. There are no plans to do anything at this point, but it is an independent agency that we really don't control.

But you know it's another one of those things we don't believe we can get fair value out of it.

We don't control the distribution, but it's become a relatively small piece of our total, so really no plans to do anything there.

COLIN DEVINE:

Okay. Then with the DAC change, does that really put even more pressure on you right now with Liberty?

MARK McANDREW:

It does, and again that's something that we've been addressing and will continue to address. The number of offices that we have at Liberty has -- I think we're somewhere in the mid 90's now where I believe a year ago we were at 150. So we have been very much addressing some of that, where we have been reducing our expense there, and we're continuing to look for ways to lessen the impact of the DAC change.

COLIN DEVINE:

Okay, thank you.

JOHN NADEL - STERNE, AGEE & LEACH, INC. - ANALYST

Hi! Good afternoon everybody. A couple of questions for you: One to go back to the guidance in the buybacks. I just want to understand. Your revised guidance, it appears, I think as you mentioned, Mark, in response to somebody's question. It seems your revised guidance includes a higher level of buybacks than you were originally assuming you know six or nine months ago when you were originally giving that guidance. Is that the case?

MARK McANDREW - TORCHMARK CORP - CHAIRMAN, CEO

There is no doubt at the beginning of the year even though we knew what the available cash would be, the reason we had such a wide range was not just how much we would spend on share repurchase, but at what price. Obviously, earlier in the year the pre-split stock was up around \$68. So when we ran our projections out, we ran not only different amounts being spent, but different prices. We did spend towards the high end of our guidance so as far as the amount of money we spent, but we also got it at a lower price than what our guidance

was. So now that the bulk of that share repurchase has been completed, and we know the price and the amount, it definitely took the bottom end of that range out of the picture.

JOHN NADEL:

Understood; I guess was sort of wondering if the upper end of the range would have otherwise been higher if not for something else going on in the business relative to the original guidance, I'm not sure.

MARK McANDREW:

No, I think everything else is going pretty much according to plan as far as even last quarter even though we were under the street estimate we were right where our projections were and the same this quarter. Other than the share repurchase, our earnings are about where we thought they would be at the beginning of the year.

JOHN NADEL:

And then, okay, so separately just a question on the life underwriting margin. My model definitely does not go back nearly as far as your business does, but as far as I can see, your underwriting margin on the life insurance business this quarter was as high as I've ever seen it. Is that sustainable? Is there something that your know went really well this quarter, that we ought to think about that more like we've seen it over the past few years.

MARK McANDREW:

Well, it was better this quarter, but particularly at Liberty, it was I think up to 29%. That was more of a result of a year ago it was a particularly bad quarter.

JOHN NADEL:

I guess I'm looking at underwriting income divided by premiums.

MARK McANDREW:

It was a little above average, but I, Gary, do you have any comments on that?

GARY COLEMAN - TORCHMARK CORP - EVP, CFO

Well, for example, 29% I think it's just about a point higher than we were last quarter. A big part of that was Liberty. We've had two, especially this quarter was unusually low in terms of life claims, whereas if you look at last year's comparison of the second quarter of last year, was particularly high claim quarter. We're seeing some fluctuation in those life claims. We anticipate that it will get back to more of a norm. So I would think that we're not looking for that level to continue at Liberty. As a result if it goes back to more of the norm then we'll get back to around the 28% level that we reported the last couple of quarters.

MARK McANDREW:

28% year-to-date I think that's sustainable. We're one point over that in the second quarter.

Gary Coleman:

Right

JOHN NADEL:

Okay, that's what I was going to ask you, if more the year-to-date was a better indication. Okay, thanks, guys.

MARK HUGHES- SUNTRUST ROBINSON HUMPHREY - ANALYST

Thank you. The use of the prescription drug data for underwriting, how much did that dampen sales in the quarter, can you say?

MARK McANDREW - TORCHMARK CORP - CHAIRMAN, CEO

Well, again, it had more of an impact on the insert media side which is 60% of our sales. We're declining about an additional 5%. But I'll give you a little more flavor on what's going on in Direct Response. Again, the insert media side, which is 60% of our Direct Response sales, we increased as a result of the potential gain in the underwriting margin.

In the first quarter we increased our circulation by 12%, but we saw a 13% decline in our response rate, so it kind of washed. We actually did

not see an increase in volume of new inquiries coming in, people saying that they're interested in buying life insurance.

However; as I mentioned we through some testing that we did, we found a package that performed much better. So in the second quarter our circulation there, we increased it 9% but we had a 17% improvement in our response rate as a result of the packaging. So we actually saw 27% improvement increase in the number of people responding in that marketplace.

So going forward again we're now back to where we're increasing the outbound circulation, 22% and 24% in the next two quarters, so we feel very good about where we are at going forward, but the first quarter our response rates were disappointing there, but that has definitely turned around in the second quarter, and we expect to see good growth for the balance of this year and next year. The problem is there is a lag between the initial response, and the time we report sales.

MARK HUGHES:

Right, now the good package or the better package in the second quarter is that more broadly distributed in Q3, or are these new packages that you're going to be distributing in the back half.

MARK McANDREW:

Well, now actually it's something that we had tested previously that we rolled out with in the second quarter. Again, that's why we went from a 13% decline in our response rates to a 16% - 17% improvement in the second quarter as a result of rolling out with that new package. We continue to expect to see that improvement in response rate in the second half of the year.

But again, you need to understand that those are people that send in a card saying, yes, I'm interested in buying life insurance. We then over the next six months are sending them numerous product packages. They in turn send an application back in. But even after the application is received because there is a \$1 introductory offer, we don't treat it as a sale until they pay the first full initial premium. So, that's why I say there is a 60 to 90 day lag from the time we get that initial inquiry in before we start reporting the sales.

That's why again; the second quarter sales numbers did not grow even though the number of new inquiries coming in grew at a very nice clip. That will be reflected in higher sales for several quarters down the road.

MARK HUGHES:

Good visibility for Q3 and Q4.

MARK McANDREW

Yes.

MARK HUGHES:

When you look at this kind of economic environment where there is -- I don't know if you can characterize it, but does it make much of a difference on your business when you've got kind of an economic slowdown, let's say, to more uncertainty in the economy. Should that have much impact?

MARK McANDREW:

Well, it hasn't, but in Direct Response, it has. Again, that's our constant challenge. As I mentioned again in the first quarter, our response rates were down 13% from a year ago basically using the same package that we were using a year ago, and barring us continuing to find ways to be better, our sales would be down fairly significantly in Direct Response. But again we continue to look for ways to be better. As a result, even in the difficult economy we fully expect to grow.

MARK HUGHES:

Great, thank you.

MARK McANDREW - TORCHMARK CORP - CHAIRMAN, CEO

Alright well, I want to thank everyone for joining us this afternoon, and we'll talk to you next quarter. Have a great day.