TORCHMARK CORP
Form DEF 14A
March 18, 2019
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

ý Filed by the Registrant
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Check the appropriate box:
¨ Preliminary Proxy Statement
¨ Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
ý Definitive Proxy Statement
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Torchmark Corporation
(Name of Registrant as specified in Its Charter)
(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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(1) Amount previously paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

March 18, 2019

To the Shareholders of
TORCHMARK CORPORATION (the Company):

Torchmark Corporation’s 2019 Annual Meeting of Shareholders (Annual Meeting) will be held at Company headquarters, 3700 South Stonebridge Drive, McKinney, Texas 75070 at 10:00 a.m., Central Daylight Time, on Thursday, April 25, 2019. The Annual Meeting will be conducted using Robert’s Rules of Order and Torchmark Corporation’s Shareholders' Rights Policy. This policy is posted on the Company’s website at www.torchmarkcorp.com/investors or you may obtain a printed copy by writing to the Corporate Secretary at 3700 South Stonebridge Drive, McKinney, Texas 75070.

The accompanying Notice and Proxy Statement discuss proposals which will be submitted to a shareholder vote. If you have any questions or comments about the matters discussed in the Proxy Statement or about the operations of the Company, we will be pleased to hear from you.

It is important that your shares be voted at the Annual Meeting. Please mark, sign, and return your proxy or vote over the telephone or on the Internet. If you attend the Annual Meeting, you may withdraw your proxy and vote your stock in person if you desire to do so.

We hope that you will take this opportunity to meet with us to discuss the results of operations of the Company during 2018.

Sincerely,

Gary L. Coleman
Co-Chairman and Chief Executive Officer

Larry M. Hutchison
Co-Chairman and Chief Executive Officer

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Notice of Annual Meeting of Shareholders
to be held April 25, 2019

To the Holders of Common Stock of
TORCHMARK CORPORATION

The Annual Meeting of Shareholders of Torchmark Corporation will be held at Company Headquarters, 3700 South Stonebridge Drive, McKinney, Texas 75070 on Thursday, April 25, 2019 at 10:00 a.m., Central Daylight Time. Directions to attend the Annual Meeting where you may vote in person can be found on our website at www.torchmarkcorp.com/investors. The meeting will be conducted in accordance with Robert's Rules of Order and our Shareholders' Rights Policy. You will be asked to:

1. Elect the 12 nominees shown in the Proxy Statement as directors to serve for one-year terms or until their successors have been duly elected and qualified.

2. Ratify the appointment of Deloitte & Touche LLP as the independent registered public accounting firm of the Company.

3. Approve on an advisory basis the compensation of our named executive officers, as described in Compensation Discussion and Analysis, the executive compensation tables and accompanying narrative in the Proxy Statement.

4. Transact any other business that properly comes before the meeting.

The Board of Directors recommends that you vote FOR Proposals 1, 2 and 3 above. These matters are more fully discussed in the accompanying Proxy Statement.
The close of business on Friday, March 1, 2019 is the record date for determining shareholders who are entitled to notice of and to vote at the Annual Meeting. You are requested to mark, date, sign and return the enclosed form of proxy in the accompanying envelope, whether or not you expect to attend the Annual Meeting in person. You may also choose to vote your shares over the telephone or on the Internet. You may revoke your proxy at any time before it is voted at the meeting.
The Annual Meeting may be adjourned from time to time without further notice other than by an announcement at the meeting or at any adjournment. Any business described in this notice may be transacted at any adjourned meeting.

By Order of the Board of Directors

Carol A. McCoy
Vice President, Associate Counsel and
Corporate Secretary

McKinney, Texas
March 18, 2019

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to be held on April 25, 2019: The Company's Proxy Statement and 2018 Annual Report are available at: http://www.torchmarkcorp.com/investors/annualreports.

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Note: The Company cautions you that this Proxy Statement may contain forward-looking statements within the meaning of the federal securities law. These prospective statements reflect management's current expectations, but are not guarantees of future performance. Accordingly, please refer to the Company's cautionary statement regarding forward-looking statements and the business environment in which the Company operates, contained in the Company's Form 10-K for the period ended December 31, 2018, found on file with the Securities and Exchange Commission. The Company specifically disclaims any obligation to update or revise any forward-looking statement because of new information, future developments, or otherwise.

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PROXY STATEMENT

PROXY SUMMARY
Company Highlights

The Company experienced another successful year in 2018. Net operating income as a return on equity, excluding net unrealized gains or losses on fixed maturities (NOI ROE), was 15% and total premiums grew 4%. Net operating income per share grew 27% from a year ago, including the impact of utilizing the new corporate tax of rate of 21% (revised from 35%), effective January 1, 2018. We believe the Company is well positioned to create sustainable growth and build shareholder value for years to come. The charts below highlight what we consider to be the most important metrics we use to evaluate our business.

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Executive Compensation

The compensation recommendations and decisions for 2018 of our management, the Compensation Committee (with the aid of its independent compensation consultant, Board Advisory, Inc.) and the independent members of the Board (with respect to the persons who served as Co-CEOs during 2018) are summarized in the Executive Summary of Compensation Discussion and Analysis in this Proxy Statement.

Corporate Governance

Corporate governance remains a focus of our Board and Company management. In 2018, our efforts for improvements in corporate governance continued, led by the Co-CEOs of the Company, our independent Lead Director and the Governance and Nominating Committee. Cornerstones of our corporate governance framework include:

ü Independent Lead Director	ü Clawback Policy
ü Annual Election of Directors	ü Appropriate Mix of Diversity and Tenure on Board - 3 New Female Directors Added in 2018
ü Majority Voting Standard for Uncontested Director Elections	ü Shareholders' Rights Policy
ü 100% Independent Board Committees	ü No Supermajority Voting Provisions
ü Annual Board and Committee Self-Evaluations	ü Regular Executive Sessions of the Independent Members of the Board
ü Anti-Hedging Policy	ü Environmental, Social and Governance (ESG) Report

Additional information about corporate governance can be found in the Corporate Governance section of this Proxy Statement.

Meeting Actions

At Torchmark Corporation’s 2019 Annual Meeting of Shareholders, you are being asked to:

- Elect Directors – Twelve of our current directors are standing for re-election to a one-year term based upon a majority voting standard: Charles E. Adair, Linda L. Addison, Marilyn A. Alexander, Cheryl D. Alston, Jane M. Buchan, Gary L. Coleman, Larry M. Hutchison, Robert W. Ingram, Steven P. Johnson, Darren M. Rebelez, Lamar C. Smith and Mary E. Thigpen.

  Information about the director nominees’ qualifications and tenure on the Board is located in the section of this Proxy Statement entitled Proposal Number 1 - Election of Directors.

- Approve Auditors – Deloitte and Touche, LLP, who have served as Torchmark Corporation's registered independent public accountants since 1999, are proposed to be ratified to continue in that role for 2019.

- Advise on Executive Compensation – You are being asked to approve, on a non-binding advisory basis, the executive compensation of our named executive officers as disclosed in the various compensation tables and accompanying narrative compensation disclosures found in the Compensation Discussion and Analysis section of this Proxy Statement.

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PROPOSAL NUMBER 1

Election of Directors

The Company's By-laws provide that there will be not less than seven nor more than 15 directors with the exact number to be fixed by the Board. Effective February 28, 2019, the Board determined to reduce the number of directors from 14 to 12 persons effective upon the retirement of David L. Boren and Paul J. Zucconi, as discussed below.
The Board of Directors proposes the election of Charles E. Adair, Linda L. Addison, Marilyn A. Alexander, Cheryl D. Alston, Jane M. Buchan, Gary L. Coleman, Larry M. Hutchison, Robert W. Ingram, Steven P. Johnson, Darren M. Rebelez, Lamar C. Smith and Mary E. Thigpen as directors, each to hold office for a one-year term, expiring at the close of the Annual Meeting of Shareholders to be held in 2020 and until his or her successor is elected and qualified.
Upon their re-nomination as directors, all directors tendered an irrevocable contingent resignation letter pursuant to the Company's Director Resignation Policy. David L. Boren and Paul J. Zucconi will retire from the Board with 23 years and 16 and three-quarters years of Board service, respectively, immediately prior to the Annual Meeting of Shareholders on April 25, 2019.
Non-management directors first elected to the Board prior to April 28, 2005 must retire from the Board at the annual meeting of shareholders which immediately follows their 78th birthday. Non-management directors first elected to the Board after April 28, 2005 must retire from the Board at the annual meeting of shareholders immediately following their 74th birthday. Directors who are employees/officers of the Company must retire from active service as directors at the annual meeting of shareholders immediately following their 70th birthday.
If any of the nominees becomes unavailable for election, the directors' proxies will vote for the election of any other person recommended by the Board unless the Board reduces the number of directors.

Profiles of Director Nominees

	Charles E. Adair
	Independent Director Member, Governance and Nominating Committee
Director since April 2003 Age 71	Principal Occupation: President of Kowaliga Capital, Montgomery, Alabama, an investment management company since December 1993. He is also a director of Tech Data Corporation and of Rayonier Advanced Materials, Inc. Mr. Adair holds a B.S. in Accounting from the University of Alabama and participated in the Advanced Management Program at Harvard Business School. He brings to the Board extensive corporate governance experience developed from more than 20 years of experience as the former President and Chief Operating Officer of a NASDAQ-listed pharmaceutical and medical supplies distributor. Additionally, Mr. Adair has served on both public and private company boards, participating in acquisitions, divestitures and debt and equity financings.

	Linda L. Addison
	Independent Director Member, Compensation Committee

Director since Feb. 2018 Age 67	Principal occupation: Immediate Past Managing Partner of Norton Rose Fulbright US LLP since January 2017. (Formerly Managing Partner and Chair of the Management Committee of Norton Rose Fulbright US LLP, 2013-2016). She serves as an independent director of KPMG LLP, the U.S. audit, tax, and advisory firm and as a director of the non-profit boards of Catalyst and the M.D. Anderson Center Board of Visitors. Additionally, she serves as a Trustee of the University of Texas Law School Foundation. Ms. Addison received a B.A. from the University of Texas at Austin and a J.D. from the University of Texas School of Law. She earned the CERT Certificate in Cybersecurity Oversight from Carnegie Mellon University's Software Engineering Institute. As a global business leader with more than three decades of practical experience, Ms. Addison brings a broad array of skills to the Board, including expertise in corporate governance, cybersecurity oversight, technology, strategic planning, risk assessment and risk management, regulatory/compliance, compensation, mergers and acquisitions, human resources, and marketing.

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Marilyn A. Alexander

Independent Director Chair, Governance and Nominating Committee

Director since Feb. 2013 Age 67	Principal occupation: Self-employed management consultant since November 2003 and Principal in Alexander & Friedman, LLC, Laguna Beach, California, a management consultancy practice focusing on business planning, brand strategy and development, communications, process and organizational issues since January 2006. She formerly served as a director of DCT Industrial Trust, Inc. (2011-2018) and of Tutor Perini Corporation (2008-2016). Additionally, she is a member of the Board of Trustees, Chapman University, Orange, California. Ms. Alexander has an A.B. in Philosophy from Georgetown University and a M.B.A. from Wharton Graduate School at the University of Pennsylvania. Ms. Alexander contributes to the Board from her extensive expertise in finance, marketing and strategic planning based upon more than 35 years of experience at top corporations including Disneyland Resort, where she was Senior Vice President and Chief Financial Officer, Walt Disney World Resort, Marriott Corporation and Towers Perrin, as well as her own consultancy practice.

Cheryl D. Alston

Independent Director Member, Audit Committee

Director since Feb. 2018 Age 52	Principal occupation: Executive Director and Chief Investment Officer of the Employees' Retirement Fund of the City of Dallas, Texas ("ERF"), a $3.6 billion pension plan for the City's civilian employees, since October 2004. Ms. Alston serves on the Board of CHRISTUS Health, Blue Cross Blue Shield of Kansas City, and the Federal Home Loan Bank of Dallas. She formerly served as a director of Mercy Health in St. Louis, MO and as a member of the Pension Benefit Guaranty Corporation Advisory Committee. She holds a B.S. in Economics from the Wharton School of Business at the University of Pennsylvania and a M.B.A. from the Leonard N. Stern School of Business at New York University. With a career spanning more than 20 years in the financial services industry, including positions at ERF, Cigna Corporation and Chase Global Securities, Ms. Alston brings to the Board significant experience in the areas of strategic planning, investment management, asset allocation, corporate governance, finance and budget

administration.

Jane M. Buchan

Independent Director Member, Compensation Committee

Director since Oct. 2005
Age 55

Principal Occupation: Chief Executive Officer and Co-Chief Investment Officer of Martlet Asset Management LLC, Newport Beach, California, an institutional asset management firm since Aug. 2018 (Formerly CEO and Managing Director of Pacific Alternative Asset Management Company, LLC, Irvine, California, a fund of hedge funds focused on institutional investors, March 2000 - July 2018; Co-CEO of PAAMCO Prisma Holdings June 2017 - July 2018).

Ms. Buchan is a director of AGF Management Limited. She formerly served as Chairwoman and Director of Chartered Alternative Investment Association (CAIA). She is a Trustee of Reed College, Portland, Oregon and University of California Irvine Foundation.

She has a B.A. in Economics from Yale University and a M.A. and Ph.D. in Business Economics/Finance from Harvard University.

Ms. Buchan's 30+ year career as an investment professional, including her experience as CEO of Pacific Alternative Asset Management and as Co-CEO of PAAMCO Prisma Holdings, LLC (which grew to $32 billion under management placing it third globally in the league tables at the time of her retirement), her time in the Capital Markets Group of J.P. Morgan Investment Management, and as an Assistant Professor of Finance at the Amos Tuck School of Business at Dartmouth College provides the Board with a broad range of investment management skills.

Gary L. Coleman

Co-Chairman and Chief Executive Officer

Director since Aug. 2012
Age 66

Principal occupation: Co-Chairman of the Company since April 2014 and Co-Chief Executive Officer since June 2012.

Mr. Coleman is also a member of the Board of Directors, Texas Rangers Baseball Foundation.

He earned a B.B.A. from the University of Texas at Austin.

Mr. Coleman's 44 years of experience, which includes seven years at KPMG where he primarily served insurance clients and 37 years service in or responsibilities for various accounting, financial and investment functions at the Company and its subsidiaries, including 13 years as the Chief Financial Officer of the Company, provides the

Board with financial and operating perspectives from both management and independent accounting.

Larry M. Hutchison

Co-Chairman and Chief Executive Officer

Director since Aug. 2012

Age 65

Principal occupation: Co-Chairman of the Company since April 2014 and Co-Chief Executive Officer since June 2012.

Mr. Hutchison received a B.B.A. in Economics from the University of Iowa and a J.D. from Drake University.

He contributes valuable legal, human resources, and governmental and industry relations perspectives to the Board from his 37 years of experience as an in-house corporate attorney and business executive, including six years at two different insurers prior to joining the Company and its subsidiaries as a staff attorney more than 32 years ago and culminating in 15 years of service as the General Counsel of the Company.

Robert W. Ingram

Independent Director

Lead Director

Member, Governance and Nominating Committee

Director since Oct. 2005

Age 70

Principal Occupation: Retired Accounting Educator.

He has a B.A. in English from Eastern New Mexico University, a M.A. in English from Abilene Christian University and Ph.D. in Accounting from Texas Tech University.

Mr. Ingram's background of 32 years as an accounting educator at the undergraduate and graduate collegiate levels at four different universities and his experience as Director of the Culverhouse School of Accountancy and Senior Associate Dean of the Culverhouse College of Commerce at the University of Alabama provides the Board with extensive accounting, financial reporting and management expertise.

Steven P. Johnson

Independent Director

Chair, Audit Committee

Director since Nov. 2016

Age 68

Principal occupation: Financial Consultant and Advisor for Boulder Creek Development, LLC, a developer of office/warehouse buildings, primarily for smaller businesses, and its affiliated companies since June 2013.

He earned a B.B.A. from the University of Wisconsin-Eau Claire.

Mr. Johnson brings to the Board considerable expertise in accounting, auditing, corporate governance, Sarbanes-Oxley compliance and enterprise risk management, as well as insurance industry experience as an external auditor, stemming from his 41-year career with Deloitte & Touche, LLP, where he held a variety of senior firm leadership and client service positions, including Worldwide Lead Client Service Partner for several prominent firm clients and six years as Deputy Managing Partner - Operations.

Darren M. Rebelez

Independent Director Chair, Compensation Committee

Director since Feb. 2010
Age 53

Principal Occupation: President of International House of Pancakes, LLC (IHOP) of Glendale, California, a leading family dining brand with franchise locations throughout the United States and internationally, since May 2015. (Formerly Executive Vice President and Chief Operating Officer of 7-Eleven, Inc. (7-Eleven), Dallas, Texas, the world's largest convenience store chain, August 2007-October 2014).

Mr. Rebelez also serves as an advisory board member of Children of Fallen Patriots Foundation. He is also a director of the International Franchise Association (IFA).

He holds a B.S. in General Engineering from the United States Military Academy and a M.B.A. from the University of Houston.

Through his roles at IHOP and 7-Eleven, companies which also target the middle income market, Mr. Rebelez brings to the Board experience in store development, franchising, information technology and business transformation. His prior work at ExxonMobil and Thornton Oil Corporation provides the Board with expertise in merchandising, strategic planning, management and marketing.

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	Lamar C. Smith
	Independent Director Member, Compensation Committee
Director since Oct. 1999 Age 71	Principal Occupation: Retired Financial Services Executive; Director and majority owner of Coles Bay Capital LLC, Forth Worth, Texas, a private holding company acquiring and operating other companies, since February 2013. He is also a National Association of Corporate Directors (NACD) Board Leadership Fellow and serves as Chairman of the Board of Trustees, Search Ministries, Inc. and as a board member of Christian Prayer Breakfast of Fort Worth & Tarrant County, Inc. Mr. Smith has a B.S./B.B.A. from Georgia State University. He gained valuable experience over a 30-year career at First Command Financial Services, a financial planning company providing insurance, mutual funds and banking services to middle income families including current and former military officers, as its President and Chief Operating Officer for seven years and as its Chairman and CEO for 15 years, and through his time as Owner and CEO of Vista Commercial Technologies, a supplier of custom fabricated components for defense equipment. Mr. Smith furnishes a perspective on insurance marketing issues and the operations of a large independent insurance and financial services agency.

	Mary E. Thigpen
	Independent Director Member, Audit Committee
Director since Feb. 2018 Age 59	Principal occupation: Self-employed Consultant providing advisory services in strategy development, technology assessments, and global go-to-market operational competencies since February 2019 and September 2015-October 2017. (Formerly CEO and Director of OpsDataStore, LLC , Johns Creek, Georgia, a big data analytics and visualization software company, October 2017-January 2019; CEO of North Plains, LLC, Toronto, Canada, a global digital marketing software company, April 2014 - August 2015).

Ms. Thigpen also serves as a director of AchieveIt Online, LLC.

She received a B.S. in Mathematical and Computer Sciences from Clemson University.

Ms. Thigpen provides the Board with expertise in technology, strategic planning, corporate governance, international business, sales and marketing developed as a result of her time as a CEO at OpsDataStore and North Plains and through senior leadership positions at Cox Communications, BearingPoint, Arthur Andersen LLP and Hewlett-Packard Company, as well as through her consultancy practice.

Board Composition Highlights

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Director Skills Matrix

The Board has emphasized the importance of identifying and proposing for shareholder approval Director Nominees that possess a well-rounded range of skills, qualifications, professional experiences and perspectives. It is the Board’s belief that a Board comprised of individuals with diverse viewpoints will serve to enhance its ability to effectively oversee the Company’s business operations and guide management’s efforts to achieve the Company’s long-term strategic objectives. The Nominees’ varied and distinguished backgrounds as corporate, governmental and academic leaders both within and outside the insurance industry provide a solid foundation of skills and experiences for successfully guiding the Company during the upcoming year. While not an exhaustive list, the table below reflects some of the skills and qualifications possessed by the Director Nominees.

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PROPOSAL NUMBER 2

Approval of Auditors

A proposal to ratify the appointment of the firm of Deloitte & Touche LLP (Deloitte) as the independent registered public accounting firm of the Company for the year ending December 31, 2019 will be presented to the shareholders at the Annual Meeting. Deloitte served as the Company's independent registered public accounting firm, auditing the financial statements of the Company and its subsidiaries for the fiscal year ended December 31, 2018 and has served in this capacity since 1999. After review and evaluation, the Audit Committee of the Board has appointed Deloitte to serve as the Company's independent registered public accounting firm for 2019 and has recommended that the shareholders ratify the appointment of Deloitte for 2019.

A representative of Deloitte is expected to be present at the meeting and available to respond to appropriate questions and, although the firm has indicated that no statement will be made, an opportunity for a statement will be provided.

If the shareholders do not ratify the appointment of Deloitte, the selection of an independent registered public accounting firm will be reconsidered by the Audit Committee of the Board of Directors.

PROPOSAL NUMBER 3

Advisory Vote on Executive Compensation

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the Dodd-Frank Act), enacted in July 2010, enables Company shareholders to vote to approve, on an advisory and non-binding basis, the compensation of the Company's named executive officers as disclosed in this Proxy Statement in accordance with SEC rules.

We are asking for shareholder approval of the compensation of our named executive officers, as disclosed in the Compensation Discussion and Analysis section of this Proxy Statement in accordance with SEC rules, which includes the disclosures under "Executive Compensation—Compensation Discussion and Analysis," the compensation tables and the related narrative compensation disclosures. This vote is not intended to address any specific item of compensation, but rather this vote relates to the overall compensation of our named executive officers and the compensation policies and practices described in this Proxy Statement.

The compensation of our executive officers is based on a philosophy that emphasizes and rewards the attainment of performance measures that the Compensation Committee believes promote the creation of long-term shareholder value and therefore align management's interests with the interests of long-term shareholders. As described more fully in the Compensation Discussion and Analysis, the mix of compensation elements, the terms of the annual bonus plan and the terms of long-term equity incentive awards are all designed to enable the Company to attract, motivate, reward and retain key executives while, at the same time, creating a close relationship between performance and compensation. The Compensation Committee believes that the design of the compensation program and the compensation of named executive officers under the program fulfill this objective. Shareholders are urged to read the Compensation Discussion and Analysis section of this Proxy Statement for a detailed discussion of how our compensation policies and practices implement our compensation philosophy.

This vote is advisory and therefore not binding on the Company, the Board or the Compensation Committee. The Board and the Compensation Committee value the opinions of Company shareholders and to the extent there is any significant vote against the named executive officer compensation as disclosed in this Proxy Statement, we will consider those shareholders' concerns, and the Compensation Committee will evaluate whether any actions are necessary to address those concerns.

Accordingly, the Company is asking shareholders to approve the following resolution at the Annual Meeting:

"RESOLVED, that the Company's shareholders hereby approve, on an advisory basis, the compensation of the named executive officers, as disclosed in the Company's Proxy Statement for the 2019 Annual Meeting of Shareholders pursuant to the executive compensation disclosure rules of the Securities and Exchange Commission,

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which disclosure includes the Compensation Discussion and Analysis, the compensation tables and related compensation disclosures."

OTHER BUSINESS

The directors are not aware of any other matters which may properly be and are likely to be brought before the Annual Meeting. If any other proper matters are brought before the Annual Meeting, the persons named in the proxy, Gary L. Coleman and Larry M. Hutchison, will vote in accordance with their judgment on these matters.

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INFORMATION REGARDING DIRECTORS, NOMINEES AND EXECUTIVE OFFICERS

Executive Officers

The following table shows certain information concerning each person deemed to be an executive officer of the Company, except those persons also serving as directors. Each executive officer is appointed by the Board of the Company or its subsidiaries annually and serves at the pleasure of that board. There are no arrangements or understandings between any executive officer and any other person pursuant to which the officer was selected.

Name	Current Age	Principal Occupation and Business Experience for the Past Five Years [1]
J. Matthew Darden	48	Executive Vice President and Chief Strategy Officer of Company since Jan. 2017; President of American Income since July 2018. (President of Family Heritage Jan. 2017 - July 2018; Executive Vice President-Innovations & Business Development of Company Oct. 2014 - Dec. 2016; Partner of Deloitte & Touche LLP Aug. 2006 - Oct. 2014)
Steven J. DiChiaro	52	Chief Executive Officer, LNL Agency Division of Liberty since Jan. 2018. (President of LNL Agency Division Jan. 2017 - Dec. 2017, President of Liberty Jan. 2015 - Dec. 2016, Executive Vice President and Chief Agency Officer of Liberty Dec. 2011 - Dec. 2014)
Steven K. Greer	46	Chief Executive Officer, AIL Agency Division of American Income since Jan. 2018. (President of AIL Agency Division Jan. 2017 - Dec. 2017, President Jan. 2016 - Dec. 2016, State General Agent of American Income for the State of Texas May 2001 - Dec. 2015)
Jennifer A. Haworth	45	Vice President, Marketing of Company since Jan. 2018; Senior Vice President, Marketing of Globe since Dec. 2011.
Mary E. Henderson	55	Vice President, Enterprise Lead Generation of Company since Jan. 2018; Senior Vice President of American Income, Family Heritage, Globe, Liberty and United American since Apr. 2017. (Senior Vice President of Globe Feb. 2011 - Apr. 2017)
M. Shane Henrie	45	Vice President and Chief Accounting Officer of Company since Jan. 2019; Senior Vice President, Corporate Accounting, Chief Financial Officer and Treasurer of Family Heritage since May 2017; Senior Vice President, Corporate Accounting, Chief Financial Officer and Assistant Treasurer of Liberty since Jan. 2014; Senior Vice President, Corporate Accounting, Chief Financial Officer and Treasurer of American Income, Globe and United American since Sept. 2012.
Thomas P. Kalmbach	54	Executive Vice President and Chief Actuary of Company since Jan. 2019; Senior Vice President and Chief Actuary of American Income, Globe, Liberty and United American since Aug. 2018. (Senior Vice President of Finance and Compliance for Liberty Mutual Benefits business of Liberty Mutual Group, Boston, Massachusetts, a property and casualty insurance group June 2014 - June 2018; Vice President of Finance for Individual Life business of Liberty Mutual Group June 2010 - June 2014)
Bill E. Leavell	56	President and Chief Executive Officer, Globe Life Direct Response of Globe since Jan. 2017. (President of Globe Nov. 2013 - Dec. 2016)
Michael C. Majors	56	Executive Vice President - Administration and Investor Relations of Company since July 2018; President of United American since Mar. 2015. (Vice President, Investor Relations of Company May 2008 - July 2018)
Kenneth J. Matson	51	President and Chief Executive Officer, FHL Agency Division of Family Heritage since Jan. 2017. (President Mar. 2014 - Dec. 2016)
Carol A. McCoy	64	Vice President, Associate Counsel and Corporate Secretary of Company since Apr. 2001.
James E. McPartland	52	Executive Vice President and Chief Information Officer of Company since Nov. 2014; President of Family Heritage since July 2018. (Vice President, Information Systems Enterprise Planning & Analytics of Tenet Healthcare Corporation, Dallas, Texas, an owner and operator of hospitals

		and ancillary health care facilities Mar. 2013 - Nov. 2014)
R. Brian Mitchell	55	Executive Vice President and General Counsel of Company since June 2012; Chief Risk Officer of Company since May 2017; President of Liberty since July 2018. (President of Globe Jan. 2017 - July 2018; Senior Vice President of American Income, Globe, Liberty and United American Nov. 2006 - Dec. 2016; Senior Vice President of Family Heritage July 2015 - Dec. 2016; General Counsel of American Income, Globe, Liberty and United American and Secretary of United American June 2010 - Dec. 2016; General Counsel of Family Heritage July 2015 - Dec. 2016; Secretary of Globe and Liberty May 2012 - Dec. 2016; Secretary of Family Heritage July 2015 - Dec. 2016)
W. Michael Pressley	67	Executive Vice President and Chief Investment Officer of Company since Jan. 2013.
Frank M. Svoboda	57	Executive Vice President and Chief Financial Officer of Company since June 2012; President of Globe since July 2018. (President of American Income Jan. 2017 - July 2018)
Rebecca E. Zorn	46	Vice President and Chief Talent Officer of Company since Jan. 2019. (Assistant Secretary and Director of Human Resources of Company Jan. 2018 - Dec. 2018; Assistant General Counsel of Globe Jan. 2017 - Dec. 2017; Assistant General Counsel of United American Apr. 2015 - Dec. 2016)

[1] American Income, Family Heritage, Globe, Liberty, and United American, as used in this Proxy Statement, refer to American Income Life Insurance Company, Family Heritage Life Insurance Company of America, Globe Life And Accident Insurance Company, Liberty National Life Insurance Company and United American Insurance Company, subsidiaries of the Company.

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Stock Ownership

The following table shows certain information about stock ownership as of January 31, 2019 for the directors, nominees and executive officers of the Company, including shares with respect to which they have the right to acquire beneficial ownership on or prior to April 1, 2019.

		Company Common Stock or Options Beneficially Owned as of January 31, 2019 [1]	
Name	City of Residence	Directly [2]	Indirectly [3]
Charles E. Adair	Montgomery, AL	45,264	0
Linda L. Addison	Houston, TX	5,442	0
Marilyn A. Alexander	Laguna Beach, CA	13,911	0
Cheryl D. Alston	Frisco, TX	8,359	0
Jane M. Buchan	Newport Coast, CA	92,139	0
Gary L. Coleman	Plano, TX	1,237,047	60,274
Larry M. Hutchison	Duncanville, TX	1,129,487	46,473
Robert W. Ingram	Gulf Breeze, FL	30,959	0
Steven P. Johnson	Plano, TX	7,051	0
Darren M. Rebelez	Glendale, CA	23,734	0
Lamar C. Smith	Fort Worth, TX	67,888	0
Mary E. Thigpen	Alpharetta, GA	4,301	0
J. Matthew Darden	Dallas, TX	67,438	0
Steven J. DiChiaro	Frisco, TX	63,879	2,646
Steven K. Greer	The Woodlands, TX	56,042	0
Jennifer A. Haworth	Yukon, OK	39,675	1,415
Mary E. Henderson	McKinney, TX	8,474	0
M. Shane Henrie	Plano, TX	10,750	79
Thomas P. Kalmbach	McKinney, TX	0	0
Bill E. Leavell	Pottsboro, TX	98,000	31,430
Michael C. Majors	Dallas, TX	42,975	0
Kenneth J. Matson	McKinney, TX	85,669	0
Carol A. McCoy	Plano, TX	162,981	17,272
James E. McPartland	Allen, TX	54,961	0
R. Brian Mitchell	McKinney, TX	81,290	9,120
W. Michael Pressley	Parker, TX	212,448	1,389

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Name	City of Residence	Company Common Stock or Options Beneficially Owned as of January 31, 2019 [1]	
		Directly [2]	Indirectly [3]
Frank M. Svoboda	Grapevine, TX	364,003	1,779
Rebecca E. Zorn	McKinney, TX	0	0
All Directors, Nominees and Executive Officers as a group:[4]		4,014,167	171,877

[1] No individual director, nominee or executive officer, other than Gary L. Coleman (1.13%) and Larry M. Hutchison (1.02%), beneficially owns 1% or more of the common stock of the Company.

[2] Includes: for Adair, 33,895 shares; for Alston, 7,217 shares; for Buchan, 11,667 shares; for Coleman, 587,500 shares; for Hutchison, 587,500 shares; for Rebelez, 5,269 shares; for Darden, 57,000 shares; for DiChiaro, 52,500 shares; for Greer, 54,000 shares; for Haworth, 39,675 shares; for Henderson, 8,474 shares; for Henrie, 10,750 shares; for Leavell, 98,000 shares; for Majors, 30,000 shares; for Matson, 75,000 shares; for McCoy, 67,938 shares; for McPartland, 52,000 shares; for Mitchell, 50,000 shares; for Pressley, 152,500 shares; for Svoboda, 271,000 shares and for all directors, executive officers and nominees as a group, 2,251,885 shares, that are subject to presently exercisable Company stock options.

[3] Indirect beneficial ownership includes shares (a) owned by the director, executive officer or spouse as trustee of a trust or executor of an estate, (b) held in a trust in which the director, executive officer or a family member living in his home has a beneficial interest, (c) owned by the spouse or a family member living in the director's, executive officer's or nominee's home or (d) owned by the director or executive officer in a personal corporation or limited partnership. Indirect beneficial ownership also includes approximately 60,274 shares, 46,473 shares, 2,646 shares, 1,415 shares, 79 shares, 4,633 shares, 17,272 shares, 9,120 shares, 1,389 shares and 1,779 shares calculated based upon conversion of stock unit balances held in the accounts of Coleman, Hutchison, DiChiaro, Haworth, Henrie, Leavell, McCoy, Mitchell, Pressley, and Svoboda, respectively, in the Company Savings and Investment Plan to shares. Indirect ownership for Mr. Leavell includes 26,797 shares held in his family living trust.

[4] All directors, nominees and executive officers, as a group, beneficially own 3.64% of the common stock of the Company.

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CORPORATE GOVERNANCE

Director Independence Determinations

The New York Stock Exchange (NYSE) rules require that the Company have a majority of independent directors. The rules provide that no director will qualify as "independent" unless the Board of Directors affirmatively determines that the director has no material relationship with the Company and its subsidiaries (collectively, the Company), either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company. In order to assist in the making of these determinations, the Board adopted the categorical standards prescribed by the NYSE as well as 12 additional categorical standards to assist it in making determinations of independence. All directors other than those deemed not "independent" under these standards will be deemed to be "independent" upon a Board determination.

These independence standards are available on the Company's website by going to www.torchmarkcorp.com and clicking on the Investors page. They are located under the Board of Directors heading at Director Independence Criteria. You may also obtain a printed copy of the independence standards at no charge by writing to the Corporate Secretary at 3700 South Stonebridge Drive, McKinney, Texas 75070.

Based on these categorical standards and after evaluation of the directors' responses to an annual questionnaire, which includes questions based on the above-described independence criteria as well as any related party transactions disclosable pursuant to Item 404(a) of SEC Regulation S-K, the Governance and Nominating Committee makes recommendations to the Board of Directors regarding director independence. After review of such recommendations, the Board determined on February 28, 2019 that the following directors continued as of such date to meet the categorical standards set by the Board and are "independent": Charles E. Adair, Linda L. Addison, Marilyn A. Alexander, Cheryl D. Alston, Jane M. Buchan, Robert W. Ingram, Steven P. Johnson, Darren M. Rebelez, Lamar C. Smith and Mary E. Thigpen. The Board determined that and Gary L. Coleman and Larry M. Hutchison (as Company employees) were not considered "independent".

Board Leadership Structure

For a number of years, the Company has chosen to operate with the roles of Chairman of the Board and CEO combined, believing that it can operate effectively with these roles combined while continuing to provide the appropriate level of corporate governance for shareholders, policyholders, regulators and our other constituent groups. Although the Board is not currently chaired by an independent director, the Board has conducted frequent executive sessions of only the independent directors for a number of years, with all of such executive sessions presided over by a lead independent director. On January 26, 2010, the Board amended the Corporate Governance Guidelines to formally provide for the position of a lead independent director (the Lead Director), to define the qualifications and duties of that Lead Director and to elect a Lead Director. As set forth in the Corporate Governance Guidelines, the Lead Director is elected annually by and from the independent directors then serving on the Board; provided, however, that a director must have served a minimum of one year in order to qualify for election as the Lead Director and that a person may not serve as Lead Director for more than three one-year terms in succession without express agreement of the Board. The Lead Director has duties, including, but not limited to:

- coordinating the scheduling of and preparation for Board meetings and executive sessions of the Board;
- leading Board meetings if neither of the Co-Chairmen is present and leading all executive sessions of the independent directors;
- acting as the principal liaison between the independent directors and the Co-Chairmen and CEOs;
- advising the committee chairs in fulfilling their roles and responsibilities;
- defining the scope, quality and timeliness of the information flow between management and the Board;
- leading the process of employing, evaluating and compensating the Co-Chairmen and CEOs;
- coordinating Co-Chairman and CEO, director and Board performance evaluations;
- approving retention of Board consultants;

- having authority to call meetings of the independent directors; and
- being available for consultation and communication with shareholders upon request.

Robert W. Ingram was elected as Lead Director in April 2018 to serve for a term expiring April 25, 2019. The Board has determined that, at such time, Mr. Ingram will be recommended to serve for an additional one-year term.

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Board's Role in Risk Oversight

The Company's Board is committed to a corporate culture that aligns day-to-day decision-making with risk-awareness and helps assure that the Company's long-term strategic initiatives are consistent with its risk appetite. The Board has determined that overall responsibility for oversight of enterprise risk management at the Company rests with the full Board of Directors. The Board recognizes the importance of identifying, assessing and monitoring risks that may have a material adverse effect on the Company, including operational, financial, and strategic risks. In fulfilling its risk oversight function, the Board has delegated certain oversight responsibilities to its three standing committees—Audit Committee, Compensation Committee, and Governance and Nominating Committee—who assist the Board by monitoring and evaluating certain risks that fall within their respective purviews and overseeing management's implementation of associated controls. Although the Board has delegated various 'first-line' oversight responsibilities to its standing committees, these committees regularly report to the Board on specified risk areas and the Board maintains primary responsibility for risk oversight.

Board of Directors	Has overall responsibility for risk oversight at the Company. Receives regular reports from and engages with the Chief Risk Officer, Chief Security Officer, Chief Information Security Officer (CISO), and other management personnel on key risk areas and related mitigation and control efforts. Communicates with the Chief Strategy Officer to ensure that management has appropriately considered risks material to the Company during the development of its strategic plan. Evaluates the adequacy and appropriateness the Company's Information Security Program and controls.
Audit Committee	Discusses the Company's major financial risk exposures and the steps management has taken to monitor, control, and report such exposures. Reviews on behalf of and periodically reports to the Board regarding management's enterprise risk management processes.
Compensation Committee	Annually reviews the Company's compensation programs, plans, and practices as they relate to risk management and risk-taking initiatives to ascertain if they serve to incent risks which are reasonably likely to have a material adverse effect on the Company.
Governance and Nominating Committee	Assesses and monitors at all levels of the organization, including the Board, issues related to the Company's corporate governance risk, corporate culture risk (e.g., ethics, diversity and inclusion, and harassment training) and human capital risk (e.g., succession planning and leadership development, talent recruitment and retention, and employee engagement).

The Board oversees risk, in part, by regularly monitoring, receiving, and reviewing written and oral reports from and interacting with a senior management level Enterprise Risk Management Committee (ERM Committee) chaired by the Company's Chief Risk Officer. The Chair of the Audit Committee serves as the Board's official liaison to the ERM Committee and attends its meetings. Other Board members may attend such meetings and may submit matters and issues to be considered and reported on by the ERM Committee. Further discussion of the composition and role of the ERM Committee is included in the Company's Environmental Social & Governance Report on the Company's website at www.torchmarkcorp.com/investors.

Each of the Company's insurance subsidiaries has a Subsidiary Risk Committee that provides information on key risks to the ERM Committee. These committees are responsible for implementing the Company's enterprise risk management framework, maintaining a culture of risk management and establishing risk-related policies and procedures at each subsidiary.

In 2018, the Company established an Enterprise Risk Management Department to aid the ERM Committee's efforts to identify, assess, and prioritize the Company's most significant risks. This Department also (i) supports the Company's operational business units in evaluating and managing risk in their respective areas and (ii) partners with senior management to integrate risk considerations into the strategic planning process.

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The Board believes that the Company’s risk reporting structure serves to ensure that the Board, its standing committees, and management maintain the communication and understanding necessary to cultivate a corporate culture in which risk awareness is pervasive and integral to management’s efforts to achieve the Company’s operational and strategic objectives.

Executive Sessions of the Board and Communications with the Board of Directors

The Company’s independent directors have met in regularly scheduled executive sessions without any participation by Company officers or employee directors since October 2002. These executive sessions are currently held either before or after the Board’s regularly scheduled, physical meetings. Additional executive sessions can be scheduled at the request of the independent directors. The Lead Director presided over the executive sessions during 2018. If that director had not been present, another independent director would have been chosen by the independent directors to preside.
Security holders of the Company and other interested parties may communicate with the full Board of Directors, the Lead Director, the independent directors or a specific director or directors by writing to them in care of the Corporate Secretary at 3700 South Stonebridge Drive, McKinney, Texas 75070.

Governance Guidelines and Codes of Ethics

The Company has adopted Corporate Governance Guidelines, a Code of Ethics for the Co-CEOs and Senior Financial Officers, and a Code of Business Conduct and Ethics for its directors, officers, employees and contractors, all of which comply with the requirements of securities law, applicable regulations and New York Stock Exchange rules. These documents are available on the Company’s website by going to www.torchmarkcorp.com and clicking on the Investors page. They are located under the Corporate Governance heading. Printed copies of these documents may be obtained at no charge by writing to the Corporate Secretary at 3700 South Stonebridge Drive, McKinney, Texas 75070.

Committees of the Board of Directors

The Board has the following standing committees more fully described below: Audit, Compensation, and Governance and Nominating. The Board may also, from time to time, establish additional special committees. In September 2018, the Pricing Committee, a special committee established by the Board comprised of Messrs. Adair, Coleman, Hutchison, Johnson and Zucconi met to fix the terms and provisions of the Company's offering of $550,000,000 of its 4.550% Senior Notes due 2028.

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The Board's Audit, Compensation, and Governance and Nominating Committees are currently comprised of the following members, each of whom is independent under the applicable rules and regulations of the SEC, the NYSE (including the NYSE's additional independence requirements for Compensation Committee members), Section 16 of the Securities Exchange Act of 1934 and Section 162(m) of the Internal Revenue Code:

	Board Committees		
Director	Audit Committee	Compensation Committee	Governance and Nominating Committee
Charles E. Adair			M
Linda L. Addison		M	
Cheryl D. Alston	M		
Marilyn A. Alexander			C
David L. Boren[1]			M
Jane M. Buchan		M	
Robert W. Ingram (L)			M
Steven P. Johnson	C		
Darren M. Rebelez		C	
Lamar C. Smith		M	
Mary E. Thigpen	M		
Paul J. Zucconi[1]	M		
Number of Meetings Held in 2018[2]	9	5	4

(L) - Lead Director; C - Chair; M - Member

[1] Scheduled to retire immediately prior to the Annual Meeting of Shareholders on April 25, 2019.

[2] Physical meetings indicated except in the case of the Audit Committee, which held 5 physical meetings and 4 teleconference meetings in 2018, and the Compensation Committee, which held 4 physical meetings and 1 teleconference meeting in 2018.

Each of the Board's Audit, Compensation, and Governance and Nominating Committees has a written charter, which is annually reviewed and updated if necessary. Copies of the committee charters are posted on the Company's website and can be viewed by going to www.torchmarkcorp.com, clicking on the Investors page and looking for the applicable committee listing under the Board of Directors heading. You may also obtain a printed copy of any of these committee charters at no charge by writing the office of the Corporate Secretary at 3700 South Stonebridge Drive, McKinney, Texas 75070.

Audit Committee

Responsibilities:

- reviews and discusses with management and the independent registered public accounting firm the Company's audited financial statements and quarterly financial statements prior to filing, the Company's earnings press releases and financial information and earnings guidance, and the Company's policies for financial risk assessment and management;
- selects, appoints, reviews and, if necessary, discharges the independent auditors;
- reviews the scope of the independent auditors' audit plan and pre-approves audit and non-audit services; reviews the adequacy of the Company's system of internal controls over financial reporting;
- periodically reviews pending litigation and regulatory matters;
- reviews the performance of the Company's internal audit function;

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- reviews related party disclosures to assure that they are adequately disclosed in the Company's financial statements and other SEC filings;
- reviews and appropriately treats complaints and concerns regarding accounting, internal accounting controls or auditing matters pursuant to a confidential "whistleblower" policy;
- discusses the Company's major financial risk exposures and the steps that management has taken to monitor and control such exposures;
- monitors and periodically reports to the Board regarding management's enterprise risk management processes;
- meets with the Company's independent auditors and internal auditors both with and without management present at each of its physically-held meetings;
- evaluates the Company's internal auditors and performs an annual evaluation of the independent auditor utilizing the external auditor evaluation tool developed by the Center for Audit Quality and several other governance organizations; and
- reviews information security and technology risks and provides guidance to management with respect to information security and privacy policies.

Compensation Committee

Responsibilities:

- determines the Company's stated general compensation philosophy and strategy;
- reviews and determines the compensation of senior management of the Company and its subsidiaries at certain levels, including establishing goals and objectives for the Co-CEOs' compensation, evaluating each Co-CEO's performance in light thereof, and recommending their total compensation to the independent directors for their approval;
- establishes the annual bonus pool;
- administers the Company's Management Incentive Plan, retirement and other employee benefit plans and equity incentive plans;
- makes recommendations to the Board with respect to executive compensation, incentive compensation plans and equity-based plans;
- reviews and recommends to the Board non-management director compensation;
- reviews and discusses with Company management the Compensation Discussion and Analysis section and recommends to the Board that it be included in the annual Proxy Statement; and
- oversees preparation of the Compensation Committee Report in the annual Proxy Statement.

The Compensation Committee is authorized to retain its own independent compensation consultant and has retained Board Advisory, Inc. (formerly Board Advisory, LLC) as its independent compensation consultant. The Compensation Committee receives input and recommendations from the Co-CEOs and other members of Company management on compensation matters more fully described in the Compensation Discussion and Analysis section of this Proxy Statement and delegates certain day-to-day administrative functions for implementation of its compensation decisions and programs to Company officers.

Compensation Committee Interlocks and Insider Participation—The Company has no compensation committee interlocks or insider participation as defined by Item 407(e)(4) of SEC Regulation S-K.

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Governance and Nominating Committee

Responsibilities:

- receives and evaluates the names and qualifications of potential director candidates;
- identifies individuals qualified to become Board members consistent with criteria set by the Board and recommends to the Board director nominees;
- recommends the directors to be appointed to Board committees, the committee chairs and the Lead Director;
- develops and recommends to the Board a set of governance guidelines and codes of business conduct and ethics (Governance Guidelines) for the Company;
- monitors and annually evaluates how effectively the Board and Company have implemented the Governance Guidelines;
- oversees the development and monitors the implementation of succession planning, both long term and emergency, for the Board, the Co-CEOs and Company management; and
- oversees evaluations of the performance of the Board, Board committees and Co-CEOs as coordinated by the Lead Director and monitoring the Co-CEOs' evaluations of senior Company management.

The Governance and Nominating Committee will receive, evaluate and consider the names and qualifications of any potential director candidates from all sources, including shareholders of the Company. Recommendations of potential director candidates and supporting material may be directed to the Governance and Nominating Committee in care of the Corporate Secretary at 3700 South Stonebridge Drive, McKinney, Texas 75070. Additionally, any Company shareholder entitled to vote at a shareholder meeting in which election of directors will be considered may use the director nomination procedures contained in Article III, Section 2 of the Company's By-Laws, which are described in Procedures for Director Nominations by Shareholders of this Proxy Statement.

Risk Assessment of Compensation Policies and Practices

The Compensation Committee, with input from its independent compensation consultant, has reviewed an inventory of the Company's compensation programs, plans and practices applicable to all of its employees as they relate to risk management and risk-taking initiatives to ascertain if they serve to incent risks which are "reasonably likely to have a material adverse effect" on the Company. As a result of this process, the Compensation Committee has concluded and informed the Board that any risks arising from these programs, plans and practices are not reasonably likely to have a material adverse effect on the Company.

In connection with its evaluation of risks which may rise to the level of impacting the Company's financial statements and financial reporting, the Audit Committee has also considered the Company's employee compensation programs, plans and practices as they may serve to incent risk-taking behavior impacting the Company's financial statements and financial reporting. In the course of this examination, the Audit Committee has determined that there were no compensation risks which would rise to the level of materially adversely impacting the Company's financial statements and financial reporting.

Succession Planning and Leadership Development

The Board is responsible for the succession planning process for the directors, the Board Chair and the Chief Executive Officer (CEO) position. Succession planning for directors is a principal focus of the Governance and Nominating Committee as well as the full Board. Using the standards for director independence set forth by the NYSE and the additional categorical standards adopted by the Board, the director qualification standards in the Corporate Governance Guidelines, and the Board-adopted statements on Qualifications of Directors and Procedures for Identifying and Evaluating Director Candidates, as the basis for beginning the director succession process, the Governance and Nominating Committee and the Board conduct extensive discussions regarding the qualities and characteristics to be sought in a successor to a departing director or in a nominee to fill a newly-created directorship. They evaluate potential

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director candidates from all sources, including shareholders and other security holders of the Company, working to develop a broad-based, inclusive pool of potential director candidates and may retain consultants or professional director search firms to assist them in the process. After compiling a list of potential director candidates, a search committee comprised of members of the Board, including independent directors, the Co-CEOs and the Lead Director, meets with these candidates and makes recommendations for successor directors to the Governance and Nominating Committee and the full Board for decision.

The Board also reviews and regularly discusses with the Co-CEOs potential candidates which the Co-CEOs have identified from among senior management as possible successors for the CEO position. The Board and the Co-CEOs also have the authority to examine persons outside of the Company as a part of the process to ultimately select a successor to a CEO. The Board may elect to retain outside professionals, including consultants or search firms, to assist in the CEO succession planning process. Candidates to succeed a CEO upon his retirement as well as in the event of any emergency involving, or the incapacity of, a CEO are considered and after discussion at the Board level, a successor to the CEO is determined. A written Emergency CEO Succession Plan has been developed, approved by the Board, and is currently in place. The Emergency CEO Succession Plan is reviewed at least annually by the Governance and Nominating Committee and discussed by the full Board in executive session.

A similar process is followed by the Co-CEOs, consulting with senior management, to identify successors for key Company positions, such as Chief Financial Officer, Chief Investment Officer, Chief Actuary, General Counsel, Chief Information Officer, Chief Strategy Officer, Executive Vice President - Administration and Investor Relations, Chief Talent Officer and the heads of the agency/marketing divisions of the principal insurance subsidiaries. These potential successors are discussed with the Board and the Board’s concurrence is obtained on the designated successors. The Board has engaged the services of an unaffiliated consulting firm to assist in the development of a more formalized structure for identifying and developing immediate and long-term successors for key personnel at all levels of the Company and its subsidiaries.

The Company has worked, using both internal and external resources, to integrate succession planning with leadership development in an effort to help ensure that high-potential employees obtain the experience, skills and development opportunities necessary to assume, and succeed in, future leadership roles within the organization. These efforts include the identification of key performance indicators for effective team management, the establishment of a defined learning path for managers, and internal collaboration to identify and support managers in need of learning and development opportunities. In 2018 and continuing into 2019, succession planning and leadership development at all levels of management at the Company and its subsidiaries, as well as at the Board of Directors, has remained a focus.

Director Qualification Standards

The Governance and Nominating Committee and the Board have adopted a statement on Qualifications of Directors containing the following factors which should at a minimum be considered in the nomination or appointment of Board members:

- Integrity: Directors should have integrity and be of personal and professional ethical character.
- Absence of Conflicts of Interest: Directors should not have any interests that would materially impair his or her ability to exercise independent judgment or otherwise discharge the fiduciary duties owed by a director to the Company and its shareholders.
- Achievement/Experience: Directors should have experience in management or at the policy-making level in one or more fields of business, government, education, technology, science, or community/civic affairs.
- Business Understanding: Directors should have a general appreciation regarding major issues facing public companies of size and operational scope similar to that of the Company, including business strategy, business environment, corporate finance, corporate governance and board operations.

- Oversight: Directors should have the ability to exercise sound business judgment.
- Available Time: Directors should have sufficient time to effectively carry out their duties, including preparing for and attending Board meetings, meetings of the Board committees on which they serve and the Annual Meeting of Shareholders, after taking into consideration their other business and professional commitments.
- Age: Directors must comply with the Board established retirement age limits for directors.
- Independence: Directors should be independent in their thought and judgment and be committed to enhancing long-term value for all shareholders. A majority of the Board must be independent directors, as defined by the New York Stock Exchange.
- Diversity: Directors should be selected so that the Board reflects appropriate diversity.
- Length of Service: The length of service of each individual director should be considered with respect to his or her anticipated contributions to the overall effectiveness of the Board.

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One of the factors considered by the Board in the nomination or appointment of directors, as set out in the Board-adopted statement on Qualifications of Directors, addresses diversity. The Company does not have representational directors; the director nomination and selection process involves consideration of the Board as a collective group. The Board as an entirety should reflect appropriate diversity, and such diversity encompasses a wide range of personal and professional experiences, backgrounds, skill sets, age, gender, race, national origin and other demographic characteristics. The Governance and Nominating Committee has the primary responsibility to see that this and all of the other Qualifications of Directors are implemented. As a part of the annual self-evaluation process, one of a number of factors that the Board and the Governance and Nominating Committee consider is whether the Board as a whole reflects appropriate diversity. In evaluating potential director candidates, the Governance and Nominating Committee also examines broadly-defined diversity in identifying and recommending director nominees. Additionally, the Company's Corporate Governance Guidelines discuss the following director qualification standards: Board membership criteria (including independence, limits on the number of boards on which a director serves, a former chief executive officer's Board membership and directors who change their present job responsibilities); size of the Board; director terms; retirement Policy; and selection of the Chairman of the Board.
More information regarding the Company's director qualification standards may be found by going to the Company's website at www.torchmarkcorp.com and clicking on the Investors page.

Director Identification and Evaluation Procedures

The Governance and Nominating Committee and the Board utilize the following procedures for identifying and evaluating director candidates (based on their evaluations of the Director Skills Matrix and an assessment of those skills and attributes considered most beneficial to furthering the Company's governance and strategy):

- The Board identifies the need (a) to add a new Board member meeting certain criteria or (b) to fill a vacancy on the Board;
- The Governance and Nominating Committee initiates a search, working with Company staff support and seeking input from other Board members and senior Company management. The Governance and Nominating Committee may also engage a professional search firm or other consultants to assist in identifying director candidates if necessary;
- In making its selection, the Governance and Nominating Committee will evaluate candidates proposed by shareholders under criteria similar to those used for the evaluation of other candidates;
- Candidates that will satisfy any specified criteria and otherwise qualify for membership on the Board are identified and presented to the Governance and Nominating Committee for consideration;
- The Lead Director, the Co-CEOs and at least one member of the Governance and Nominating Committee, along with other directors, will interview prospective candidate(s);
- The Governance and Nominating Committee meets to consider and approve final candidate(s); and
- The Governance and Nominating Committee seeks full Board endorsement of selected candidate(s).

Procedures for Director Nominations by Shareholders

Article III, Section 2 of the Company's By-Laws provides for procedures pursuant to which Company shareholders may nominate candidates for election as a director of the Company. To provide timely notice of a director nomination for an annual meeting of shareholders, the shareholder's notice must be received at the principal offices of the Company (3700 South Stonebridge Drive, McKinney, Texas 75070) not later than the close of business on the 75th day or earlier than the 120th day prior to the first anniversary of the preceding year's annual meeting and must contain the information specified in the Company's By-Laws.
You may find the Company's By-Laws by going to the Company's website at www.torchmarkcorp.com and clicking on the Investors page. The Company By-Laws are located under the Corporate Governance heading. Printed copies of the By-Laws may also be obtained at no charge by writing to the Corporate Secretary at 3700 South Stonebridge Drive, McKinney, Texas 75070.

Board and Annual Shareholder Meeting Attendance

During 2018, the Board held four physical meetings and one teleconference meeting and also acted two times by unanimous written consent. In 2018, all of the directors attended at least 75% of the meetings of the Board and the committees on which they served.

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The Company has a long-standing policy that the members of its Board be present at the Annual Meeting of Shareholders, unless they have an emergency, illness or an unavoidable conflict. At the April 26, 2018 Annual Meeting of Shareholders, all directors were present.

Sustainable Business Practices

The Company's Board and its management recognize the importance of sustainability and believe that sound sustainability practices are an important component of both good corporate citizenship and sound fiscal management. A variety of environmental, social, and governance (ESG) initiatives have been implemented at the Company through upgrades to home office facilities, information technology systems and a general focus on increasing employee awareness.

The Company has issued an Environmental, Social, and Governance Report, which is posted on the Company's website and can be viewed by going to www.torchmarkcorp.com and clicking on the Investors page.

The Company has also formed a Sustainability Committee comprised of various members of management, including but not limited to the Company’s Chief Investment Officer, Chief Risk Officer, Executive Vice President - Administration and Investor Relations, Chief Talent Officer and Director of Facilities. This Committee, a sub-committee of the Enterprise Risk Management Committee, is responsible for setting the Company’s corporate sustainability agenda. The Committee meets no less than semi-annually and reports regularly to the Enterprise Risk Management Committee regarding topics discussed and issues considered at Committee meetings, as well as other Committee activities.

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EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

Executive Summary

As shown by the table below, the Company’s financial performance during 2018 improved over 2017 on each of the individual metrics used in the annual bonus plan. However, the Compensation Committee had decided to increase the individual performance targets for 2018. After factoring in the new target levels, performance over target in 2018 was less than in 2017, though absolute performance was greater than in the prior year. This resulted in overall relative performance versus target of 128% (on a scale of 0% to 150%, with target or expected performance at 100%).

	2017	2018
EPS Growth	7.3 %	8.5 %
Underwriting Income Growth	4.5 %	8.1 %
NOI ROE	14.4%	14.6%
Corporate Performance Percentage	145 %	128 %

Consistent with our pay for performance philosophy, annual bonus and long-term incentive (LTI) awards made by the Compensation Committee or recommended to the independent members of the Board (in the case of the Co-CEOs) in 2019 reflected Company performance during 2018. Annual bonuses and LTI awards granted in 2019, as compared to the prior year, for the Co-CEOs and other named executives listed in the compensation tables in this Proxy Statement are shown below.

Compensation Philosophy

The Company’s executive compensation philosophy is properly aligned with our business philosophy; emphasizing and rewarding consistent, steady growth in net operating income earnings per share, underwriting income and NOI ROE. This approach provides long-term value to our shareholders and aligns management’s interests with our shareholders’ interests. Our compensation philosophy is also structured to consider competitive remuneration practices in the insurance and financial services sector as we seek to attract, motivate, reward and retain key executives at both the holding company and subsidiary levels. This has historically resulted in executive compensation at the Company which generally emphasizes equity and equity-linked compensation while placing less emphasis on cash compensation.

We set executive compensation annually based on internal practices and processes that reflect the Company's business strategy, financial results and focus on building executives' ownership interests in the Company. While we reference market practices in setting guidelines, we do not attempt to match any specific level of competitive pay. We decide on compensation levels based on these processes and practices and then test the results relative to a number of market benchmarks to ensure that the decisions made provide reasonable cash compensation and long-term incentive opportunities consistent with performance.

[1] We define share equivalents as the number of shares counted under the Torchmark Corporation 2011 Incentive Plan, as amended. A share equivalent can be thought of as a "traditional" ten-year stock option.

Roles in Compensation Decisions

The Compensation Committee is responsible for determining the compensation of our senior executives at the Company and its subsidiaries in accordance with our stated compensation philosophy and strategy. With certain input from the Co-CEOs and other members of senior management and the assistance of the committee's independent compensation consultant, the Compensation Committee sets the total compensation in various forms for the executive management team[2] (including named executive officers—i.e., the Co-CEOs, Chief Financial Officer (CFO) and the other executives listed in the compensation tables in this Proxy Statement, collectively, the NEOs). The Compensation Committee ensures that the mix of compensation among various elements is appropriately balanced and also considers the retirement and other benefits available to our NEOs to ensure that their compensation is fair, reasonable and competitive. Our mix of pay elements is based on the principle that the Company's business is inherently long-term in nature and not generally subject to dramatic year-over-year variances in performance. Accordingly, our pay plans emphasize long-term equity accumulation (e.g., stock options), longevity (e.g., pension), consistent financial performance (e.g., performance shares[3]) and, on a very targeted basis, stability (e.g., restricted stock grants).
Company management, including our Co-CEOs, CFO, General Counsel and Chief Talent Officer, support the Compensation Committee, attend portions of its meetings at its request, make recommendations to the Compensation Committee and perform various day-to-day administrative functions on behalf of the Compensation Committee in connection with our cash and equity compensation programs and plans. Specifically, our Co-CEOs provide input to assess the effectiveness of the existing compensation philosophy and programs and assist in the design of new compensation programs and the modification of existing programs. They make specific recommendations regarding the potential bonus awards and the amount and mix of the cash and equity compensation to be paid to certain levels of officers, including all NEOs except themselves.
The Compensation Committee has the authority to retain outside advisors, experts and other professionals to assist it. Since 2010, the Compensation Committee has retained Board Advisory, Inc. (formerly Board Advisory, LLC), an independent compensation consulting firm. Neither Board Advisory nor any of its affiliates provides any consulting services to the Company. In 2018, at the request of the Compensation Committee, Board Advisory (i) conducted a review of the competitiveness of the total cash and equity-based compensation paid to the Co-CEOs and the other NEOs; (ii) made recommendations regarding compensation increases for the NEOs; and (iii) provided certain special reports and analyses requested by the Compensation Committee, including recommendations regarding the peer group, a discussion of various executive compensation issues and recommendations regarding LTI grant guidelines.

Setting Executive Compensation

To retain the insurance executives necessary to the successful operation of the Company, the Compensation Committee considers market compensation comparisons as it determines the elements, appropriate levels and mix of compensation to be paid to the executive officers. The Compensation Committee does not operate with rigid standards for the level and mix of the compensation elements it awards. Rather, it uses this market analysis and other inputs from Company management and its compensation consultant. As mentioned, the historic emphasis and conscious design of the Company's compensation philosophy has been to deliver a large portion of pay in a variable format as long-term incentive awards, typically in the form of stock options and performance share awards, rather than primarily through annual cash bonuses.
[2] In 2018, the executive management team consisted of the Co-CEOs plus 12 officers of the Company and its various subsidiaries.
[3] We define performance share unit awards as performance shares for purposes of this discussion.

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Our process for setting executive compensation follows a number of well-defined steps (described in detail below) that occur chronologically during a pay review cycle:

The Compensation Committee periodically conducts an extensive review of the composition of our peer group, considering such factors as labor market competitors, capital competitors (companies considered peers by stock analysts), market competitors, peers of existing peers, peers utilized for strategic planning and peers used by proxy advisory firms. The last extensive study was conducted during 2016 when the peer group was significantly expanded. The Compensation Committee reviewed the peer group in 2018 and concluded that no changes were warranted.

In considering a peer group, the Compensation Committee is mindful of the effect of company scope on executive pay. Because the Company’s business model does not place a great deal of emphasis on capital accumulation products (e.g., annuities) that produce significant investment income (as a percentage of revenue), the Compensation Committee has determined that the most relevant comparison of size is based on Total Policy Income, which largely reflects premiums and fees. Total Enterprise Value[4] is used as a secondary measure of size, reflecting the Company's capitalization - a very important metric for financial companies.

The Company's peer group is shown in the following table:

Company Name	Ticker	2017 Total Policy Income (dollar amounts in millions) ($)	Total Enterprise Value at 12-31-17 (dollar amounts in millions) ($)
AFLAC	AFL	18,531	36,072
American Financial Group	AFG	4,601	8,548
American National Insurance Company	ANAT	2,316	3,225
Assurant, Inc.	AIZ	4,404	5,368
Cincinnati Financial	CINF	4,954	12,482
CNO Financial Group Inc.	CNO	2,647	7,513
Erie Indemnity	ERIE	1,720	6,230
Fidelity National Financial	FNF	4,893	10,782
Hanover Insurance Group	THG	4,833	5,004
Kemper	KMPR	2,350	4,092
Lincoln National Corporation	LNC	8,875	20,757
Old Republic	ORI	5,540	7,079
Primerica	PRI	961	5,323
Principal Financial Group, Inc.	PFG	6,992	21,338
Unum Group	UNM	8,597	15,077

W. R. Berkley	WRB	6,311	10,293
75th Percentile		6,482	13,130
Median		4,863	8,031
25th Percentile		2,573	5,357
Torchmark Corporation	TMK	3,283	11,736

[4] Total Enterprise Value is market capitalization of common equity plus book value of debt minus cash.

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Part of the Compensation Committee’s process of structuring and setting executive compensation includes conducting annually, with the assistance of its consultant, a detailed pay and performance analysis of compensation for the Company’s executive officers relative to the pay and performance of executives occupying similar positions in its peer group. The results of these analyses, including the analyses done in 2018 for 2015 to 2017 performance, show that the Company’s financial performance during this three-year period (which includes various metrics), as measured for compensation purposes, was generally at or above the peer group's median. Total compensation levels as compared to the Company’s peer group are well-aligned with this performance and each officer’s tenure.

Because the Company has Co-CEOs, we benchmark their compensation against the average of the compensation provided to the peer CEO and that company's second-highest paid executive. Since the Co-CEOs share the responsibility of leading the Company, we believe this method provides a fairer benchmark of competitive pay than a comparison of their pay to peer CEOs.

For 2017, the cash compensation (salary plus annual bonus) paid to the Co-CEOs was at approximately the median of the peer group’s cash compensation. Long-term incentive awards were benchmarked on a grant basis, using expected values (i.e., similar to the values shown in a Summary Compensation Table). This analysis showed that long-term awards were also about equal to the median of the market, slightly below our benchmarking positioning. This approach produces a benchmark that is typically 20% to 30% below the peer CEOs, depending on the component of pay examined.

The pay for performance relationship was further examined by looking at realizable pay for the CEO versus total shareholder return for the period 2013 to 2017. This is shown in the graph below. In contrast to the information reported in the Summary Compensation Table, in which Stock Awards reflect the grant date fair value of the award, we believe that realizable pay provides a better picture of the amounts actually earned. The graph shows that realizable compensation of the Company's Co-CEOs was consistent with the total shareholder return (TSR) of the Company's peer group.

Realizable Pay

Cash payments received

+

Pension value increases and “other” compensation

+

Realized value of options exercised or shares that vest

+

Change in unrealized value of outstanding equity awards

Horizontal Axis

The percentile ranking of total shareholder return for 2013 to 2017.

Vertical Axis

The percentile ranking of realizable pay earned for 2013 to 2017.

A company’s placement on the graph will vary with the incidence of TSR and realizable pay.

The Company’s position is within a “normal” range (+/- 25%) where pay is consistent with performance.

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Following the competitive pay review, we update executive salary ranges and target incentive opportunities. This is accomplished using the peer proxy data and trend surveys for the NEOs.

Because long-term incentives are such a significant component of executive compensation, we also conduct an extensive analysis of peer LTI grants. We look at this from two perspectives:

- Shareholder Value Transfer (SVT); and
- LTI grants in share equivalents as a percentage of the peer companies' diluted shares outstanding at the beginning of the year.

Using this data, we create a competitive range, consistent with our compensation strategy, from median to the 75th percentile expressed as a percentage of shares outstanding. We then average the two perspectives and employ smoothing techniques to ensure that the guidelines follow underlying trends, which in our view avoids reacting to short-term conditions. This approach ensures that our guidelines reflect competitive pay levels (the SVT perspective) as well as potential ownership. We use the same approach to compute guidelines for the total shares awarded to the top five NEOs, although we report six NEOs in the Summary Compensation Table because of our Co-CEOs. We then compute aggregate guidelines for the entire executive management group by extending the data with reference to published LTI surveys.

This in-person Committee meeting is held off cycle from a Board meeting to provide adequate time for discussion. At this meeting we make several decisions regarding compensation. The Co-CEOs present to the Compensation Committee their recommendations for 2019 salaries, 2018 bonuses and 2019 LTI awards for each member of the executive management team. The Co-CEOs also present preliminary recommendations for the total LTI awards to be presented to other employees. The Compensation Committee considers their recommendations and, where appropriate, makes determinations regarding such recommendations. Management also presents its initial recommendations regarding performance goals for the annual bonus plan and performance shares that will be earned based on 2019-2021 results.

The Compensation Committee then considers compensation for the Co-CEOs and makes four specific decisions regarding matters that are then referred to the independent members of the Board for approval:

- 2018 Annual Bonus - This is largely driven by the performance metrics described below. Although the annual bonus plan allows the Compensation Committee to make discretionary adjustments (up or down) if warranted by factors not captured by the bonus framework, it has been the practice not to adjust the Co-CEOs' awards as determined by the bonus framework.
- 2019 Base Salary - This amount is based on the salary ranges approved in November, peer salary trends and other broad market trends.
- 2019 Target Bonus Opportunity - This decision is based on the target bonus percentage previously adopted and the new base salary.
- 2019 Long-Term Incentive Plan Awards - LTI awards are based on peer Co-CEO run rates (defined as the average of their CEO and the second-highest paid officer), prior awards and broad market trends. The Committee considers different award sizes and the mix of awards among various types of awards.

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These decisions are then subjected to three reasonableness tests:

- Competitive Co-CEO Target Total Direct Compensation (TTDC)[5] - Based on trend factors and peer-reported pay practices (i.e., annual bonus and LTI targets as a percentage of Base Salary), we project the distribution of competitive pay in the following year's proxy statement. Our compensation strategy positions this measure of compensation at between the median and the 75th percentile.[6] We assess how the proposed package will measure relative to the projected distribution.
- Competitive NEO Target Total Direct Compensation - This is similar to the Co-CEO test, except we compare the average for the top five NEOs (the Company reports six NEOs). This test provides a market comparison that does not require the Company to have the same relative roles as its peers.
- Run Rate of Long-Term Incentive Awards - Approximately two-thirds of the Co-CEO compensation comes in the form of LTI grants, so using those shares is an important reasonableness check. Consistent with our focus on long-term incentives being a means to share ownership, we benchmark share equivalents (as earlier defined) as a percentage of common shares outstanding at the beginning of the year. The guidelines developed in November give us a competitive range for the Co-CEOs, the other NEOs, and executive management. Total awards to all employees generally track with 1.50% of shares outstanding.

This meeting is the final step of our annual process. After time for full review and consideration, the Committee finalizes a formal recommendation to the full Board regarding the four compensation decisions discussed at the January meeting. It also formally approves the granting of LTI awards to all employees other than the Co-CEOs. Lastly, it approves the performance goals for the annual and LTI plans.

Assessment of 2018 Advisory Vote on Executive Compensation

The Company conducted a non-binding, advisory shareholder vote on executive compensation (known as a "Say-on-Pay" vote), as disclosed in the 2018 Proxy Statement, at its Annual Meeting held on April 26, 2018. At that meeting the voting shareholders overwhelmingly approved, on an advisory basis, the executive compensation disclosed in the 2018 Proxy Statement (94.0%).

The Company has considered the results of the "Say-on-Pay" vote in determining its compensation policies and decisions. Company management evaluated the support levels in these advisory votes in making its recommendations to the Compensation Committee regarding 2019 salaries, 2018 bonus decisions and equity awards to the NEOs following a "pay for performance" model. The Compensation Committee also reviewed these 2018 voting results and considered them in establishing the compensation levels for the NEOs other than the Co-CEOs in 2019 and in making its recommendations to the full Board regarding Co-CEO compensation in 2019.

[5] The sum of annual Base Salary plus target annual bonus plus the grant date value of long-term incentive awards.
[6] Percentile distributions can change significantly year over year. We use various statistical and smoothing techniques to provide a more stable and accurate measure.

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Elements of Compensation

The total compensation package for all executives at the Company and its subsidiaries, including the NEOs, consists of multiple elements. Some of these elements focus on compensation paid during the executive's active working career while others focus on compensation and benefits paid on or related to retirement. Executives may also receive certain limited perquisites and personal benefits. The elements included in compensation awarded to executives for fiscal year 2018 included:

* Consistent with the information included in the Summary Compensation Table section of the Proxy, no compensation is reflected in the above chart for "Retirement and Other Benefits" since there was a decrease in the present value of the pension plan and the SERP with respect to the Co-CEOs for 2018. See also the Pension Benefits table, which reflects the present value of the Co-CEOs' "Retirement and Other Benefits" as of December 31, 2018.

Base Salaries

The Compensation Committee sets (or, in the case of a Co-CEO, recommends to the Board) base salaries for our NEOs. Factors considered included competitive pay ranges, the officer's experience in the position, pay relative to organizational peers and individual performance. The Co-CEOs are paid on a 12-month basis commencing March 1 and ending on last day of February of the following year, and the other NEOs are paid on a calendar-year basis. Effective January 18, 2019, the Compensation Committee set salaries for the NEOs, with the exclusion of Mr. Coleman and Mr. Hutchison (whose salaries were set by the Board on February 28, 2019), as shown in the table below:

Name	2018 Salary ($)	2019 Salary ($)
Gary L. Coleman	925,000	950,000
Larry M. Hutchison	925,000	950,000
Frank M. Svoboda	540,000	560,000
W. Michael Pressley	530,000	540,000
J. Matthew Darden	530,000	540,000
Steven K. Greer	460,000	475,000

Annual Cash Bonuses

Annual cash bonuses are a key component of our executive compensation program and are competitively positioned as a percentage of salary between the 25th percentile and median. Prior to the repeal of IRC §162(m), to ensure the tax deductibility of bonuses paid to executives, we operated using an annual Management Incentive Plan (MIP Plan), under which annual cash bonuses were paid to the Co-CEOs and the other NEOs. That plan utilized a "Plan within a Plan" approach where the criteria set by the Compensation Committee under the plan stipulated the maximum bonus

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that could be paid to each NEO[7]. The Compensation Committee was also authorized to pay discretionary bonuses to executives outside of the MIP Plan. In 2018, the Compensation Committee utilized a structure comparable to the MIP Plan to develop the framework, criteria and metrics under which 2018 annual cash bonuses could be paid to the Co-CEOs and other NEOs (the annual bonus plan).

As noted, the annual bonus plan establishes an upper limit for bonuses to covered employees. The actual bonuses paid are developed using an annual incentive plan framework that determines an initial award, subject to adjustment as the Compensation Committee deems appropriate. For 2018, the Compensation Committee tied the annual incentive plan framework to three metrics, assigning different weights to each: (i) net operating income earnings per share (EPS) growth, (ii) underwriting income growth, and (iii) net operating income as a return on equity, excluding net unrealized gains or losses on fixed maturities (NOI ROE), subject to the Committee's discretion to further adjust the bonuses based upon consideration of subjective factors.

		Earnings Per Share (40%)	Underwriting Income (30%)	NOI ROE (30%)
Threshold	50 %	2.0%	1.0%	13.7%
Target	100%	6.0%	4.0%	14.3%
Maximum	150%	10.0%	7.0%	14.9%

For 2018, net operating income EPS grew 8.5%, underwriting income grew 8.1% and NOI ROE from continuing operations was 14.6%, yielding a total framework bonus for the NEOs equal to 128% of their target bonus amount. This is shown in the following table. The bonuses for Messrs. Svoboda, Pressley and Darden were determined based on the recommendations of the Co-CEOs, in accordance with the annual bonus plan. The bonuses shown for Messrs. Coleman and Hutchison were recommended by the Compensation Committee and approved by the independent members of the Board. The Compensation Committee approved the other bonuses.

Name	Target Bonus as a % of Salary	Target Bonus Amount[1] ($)	Framework Bonus[2] ($)	Actual Bonus Paid ($)
Gary L. Coleman	140%	1,295,000	1,656,000	1,660,000
Larry M. Hutchison	140%	1,295,000	1,656,000	1,660,000
Frank M. Svoboda	65%	351,000	449,000	450,000
W. Michael Pressley	65%	345,000	441,000	390,000
J. Matthew Darden	55%	292,000	373,000	400,000
Total		3,578,000	4,575,000	4,560,000

[1] Reflects target bonus amount based on targeted EPS growth, underwriting income growth and NOI ROE in 2018. The degree to which these objective criteria were achieved, along with subjective criteria considered by the Compensation Committee, were used in determining (or, in the case of the Co-CEOs, recommending to the independent members of the Board) the amount by which the maximum bonus amount payable to each participating NEO would be reduced. The threshold bonus amount is equal to half the target. The maximum bonus is equal to the lesser of 150% of target or the amount allowed by the annual bonus plan.

[2] Bonus earned based on the 2018 performance framework, before Compensation Committee discretion. Equal to 128% of Target Bonus, rounded to the thousandth (000).

Mr. Greer’s 2018 bonus was not paid pursuant to the annual bonus plan. The Compensation Committee awarded him a bonus of $240,000 based upon the Co-CEOs’ assessment of his performance as Chief Executive Officer of the AIL Agency Division, which was based in part on growth in premium, growth in and production of the sales force and profitability of American Income, and in part on the Company’s 2018 results.

[7] The criteria established by the Compensation Committee specify that net operating income per share must increase by 2% from the prior year for any bonuses to be payable and that, in such case, a bonus pool equal to 3% of pre-tax operating income will be established. For 2018, this pool was $26,119,000. Per the terms of the annual bonus plan, the bonus payable to the each of the Co-CEOs cannot exceed 30% of the pool ($7.835 million for 2018) and the bonus paid to each of the other covered employees cannot exceed 10% of the pool ($2.612 million for 2018).

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Long-Term Equity Incentives

The principal vehicle we use to distribute long-term incentive compensation to our Company and subsidiary executives, officers and key employees is stock options, with members of the executive management team currently also receiving performance share awards. A brief history of our use of long-term incentives follows:
The performance shares awarded on February 26, 2018 will be earned and issued following the end of the three-year performance period from January 1, 2018 through December 31, 2020, based on the extent to which the Company achieves various performance goals established by the Compensation Committee, including: (i) growth in EPS over the performance period, (ii) growth in underwriting income over the performance period, and (iii) average NOI ROE over the period 2018 to 2020.

		Growth in Earnings Per Share (40%)	Growth in Underwriting Income (30%)	Average NOI ROE (30%)
Threshold	50 %	4.0%	1.0%	13.4%
Target	100%	7.0%	4.0%	14.0%
Maximum	200%	10.0%	7.0%	14.6%

Since 2013, it has been the Compensation Committee's intention to award only time-vested restricted stock among executive officers on a select basis where the Committee concludes there is a need for further retention. These awards, historically, have vested after five years, with no partial vesting or vesting for early retirement. No time-vested restricted stock awards were made to NEOs in 2018.
The incentive plan under which stock options and restricted stock were awarded in 2018 was the Torchmark Corporation 2011 Incentive Plan (the 2011 Plan). The purposes of the 2011 Plan were to promote the success and enhance the value of the Company by linking the personal interests of employees, officers and directors of the Company and its subsidiaries to our shareholders and to provide these persons with an incentive for outstanding individual performance.
In making individual long-term incentive awards, we do not follow the common industry practice of determining a competitive annual grant value and then calculating a number of shares to be awarded based on that value. That approach produces the counterintuitive result of larger share grants when stock prices decline and smaller grants when prices increase. It also distorts the relative value of options versus full-value share awards (e.g., restricted stock and performance shares) during times of increased market volatility. Instead, it has been our practice to set award guidelines by position and keep those share levels relatively constant over successive award cycles. Individual awards are then made relative to the guidelines, reflecting the individual's performance and retention needs. For the Co-CEOs and aggregate awards, the guidelines are expressed as a percentage of the shares outstanding at the beginning of the year. This approach ensures that ongoing buybacks of shares do not automatically produce larger relative awards. The awards made in 2018 were made using the grant guidelines that were developed in 2017, based on an analysis of peer grant practices, measured in terms of dollar value and peer dilution rather than just dollar value.
Based upon recommendations from the Co-CEOs, the Compensation Committee, as the administrator of the plan, determined the NEOs (other than the Co-CEOs), other officers and key employees (a total of 161 persons) who received non-qualified stock option grants and/or performance share awards on February 26, 2018. In a February 26, 2018 meeting, the independent members of the Board acted upon the recommendation from the Compensation Committee and awarded Co-CEOs Gary L. Coleman and Larry M. Hutchison each 35,000 performance shares (at target) and non-qualified options on 150,000 shares with an exercise price equal to the market closing price on that date and a term of seven years. In making the 2018 grants, the Compensation Committee considered the Co-CEOs' recommendations for all persons other than themselves, individual performance and the Company's succession planning and retention needs.

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The 2011 Plan authorized the Compensation Committee to set the performance metrics and goals for performance share awards as well as the restrictions on restricted shares and their vesting periods. The Compensation Committee is charged with determining the type of stock options it awards or recommends, the time and conditions of exercise of options and the methods of acceptable payment to exercise stock options. All stock options are granted with exercise prices equal to the fair market value of the Company's common stock, which is defined by the 2011 Plan as the NYSE market closing price on the grant date. The grant date for stock options, restricted stock awards and performance share awards is the date of the Compensation Committee or Board meeting at which the Compensation Committee or the independent members of the Board review and determine the persons to receive options, restricted stock and/or performance shares and the number of options, restricted stock and/or performance shares.

The Compensation Committee and the independent members of the Board do not time the grant of stock options, restricted stock or performance shares in consideration of the release of material non-public information, whether or not that information may favorably or unfavorably impact the price of Company common stock. The consideration and grant of equity incentive awards to participants in the incentive plan, whether in the form of options, restricted stock and/or performance shares, normally occurs during the window period that opens each year following the release of the prior year's reported earnings.

Stock Ownership/Retention Guidelines

We have formal guidelines that require the following minimum stock ownership levels:

Position	Stock Ownership Level	Attainment Period
Chief Executive Officer(s) of Company	6 x Annual Salary	7 Years
Executive Vice Presidents of Company	3 x Annual Salary	7 Years
Chief Executive Officers of Agency/Marketing Divisions of Principal Insurance Subsidiaries	2 x Annual Salary	7 Years
Executive Officers of Company and its Subsidiairies designated by Governance and Nominating Committee	1 x Annual Salary	7 Years
Non-Management Directors of Company	5 x Annual Cash Retainer	5 Years

Attainment periods for these minimum stock ownership levels run from the January 1, 2007 inception of these guidelines, initial election as a director (if first elected after January 1, 2007), or initial inclusion in the above-described categories of executive officers. For purposes of meeting these ownership guidelines, common shares deemed owned, either directly or indirectly, for reporting purposes pursuant to Section 16(a) of the Securities Exchange Act of 1934, junior subordinated debentures of the Company, shares held in unitized stock funds in the Company's thrift/401(k) plan, time-vested restricted stock and restricted stock units are counted. Stock options and performance share awards are not counted toward attainment or continued satisfaction of the ownership guidelines. Until the minimum ownership levels are attained within the requisite period, the director or executive officer cannot sell any shares owned outright, sell any restricted stock when vested or performance shares when issued other than those shares necessary to pay withholding taxes, or execute a "cashless" option exercise where more shares are sold than are necessary to pay the option exercise price and withholding taxes. The executive or director must retain all "profit shares" (the net shares remaining after payment of the option exercise price and taxes owed at the time of an option exercise, vesting of restricted stock or earnout of performance shares) until minimum ownership levels are met; provided, however, that in exceptional circumstances, upon obtaining an advance and specifically defined waiver of the guidelines from the Governance and Nominating Committee of the Board, profit shares may be sold.

We have no formal stock retention policy for shares derived from stock options or other equity grants after the stock ownership guidelines have been met. The Company believes the decisions regarding when to exercise options and whether to retain stock should be each individual award recipient's decision if that award recipient is in compliance with the stock ownership guidelines.

Our insider trading policy prohibits directors, officers and employees of the Company and its subsidiaries who are subject to Section 16 reporting requirements from purchasing financial instruments (such as prepaid variable contracts, equity swaps, collars, and exchange funds) or otherwise engaging in transactions that hedge or offset, or are designed to hedge or offset, any decrease in the market value of Company equity securities granted to any such director or officer by the Company or held, directly or indirectly, by the director or officer.

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Retirement and Other Benefits

The Company has chosen to provide certain retirement benefits, either broadly or to specific individuals, to attract and retain employees and executives by enabling retirement savings and planning, as shown in the table below:

All Employees	Designated Executives
•Defined Benefit Pension Plan	•Retirement Life Insurance Agreements
•Group Term Life Insurance	•Supplemental Executive Retirement Plan (SERP)
•Post-Employment Health Coverage	

The SERP was put in place to encourage executives at certain levels to continue to work past the Company's established early retirement age of 55. Messrs. Coleman, Hutchison, Svoboda, Pressley, Darden and Greer are among the 30 persons designated in 2018 by the Compensation Committee as participants in the SERP.

Savings Plans

Eligible executives and employees may choose to participate in the Torchmark Corporation Savings and Investment Plan (the Thrift Plan), a funded tax-qualified defined contribution plan. During 2006 and earlier years, they could elect to contribute a designated percentage up to 16% of their after-tax salary to the Thrift Plan and select an investment fund or funds from a menu offered by the plan. The Company would match on a 50% basis all employee contributions up to 6% of the employee's salary. Investment vehicles included a unitized Company common stock fund and a broad spectrum of unaffiliated mutual funds.

Based upon the recommendations of the Compensation Committee as well as Company management, the Board of Directors approved a series of amendments to the Thrift Plan, effective January 1, 2007, which inserted provisions under Section 401(k) of the Code for pre-tax contributions commencing on that date. No additional after-tax contributions to the Thrift Plan were permitted after December 31, 2006. The Company matches employee pre-tax contributions up to specified amounts, as shown in the table below. Each of the NEOs participates in this plan.

Company Match[1]	Pre-Tax Contributions
100%	First 1% of Salary
50%	Next 5% of Salary
0%	Additional Amounts up to maximum amount allowed by Internal Revenue Code annually (in 2018, $18,500)[2]

[1] Maximum annual company match is $9,625.

[2] Annual "catch-up" contribution" of up to an additional $6,000 permitted for employees age 50 or older

Deferred Compensation Plan

The Company has historically provided a traditional unfunded, deferred compensation plan to certain eligible executive officers and directors who may elect to defer all or any part of their compensation into an interest-bearing memorandum deferred compensation account until they terminate their elections. Elections must indicate the payment commencement date and the method of distribution, either in a lump sum or equal monthly installments (not to exceed 120). Interest on the account is paid at a rate equal to the average yield for Corporate Aa bonds per Moody's Bond Survey, less a 0.5% expense allowance. Officers eligible to participate in the SERP (which would include the Co-CEOs and the other NEOs) are also eligible to participate in the deferred compensation plan. None of the NEOs participates in this plan.

Retirement Life Insurance Agreements

The Company provides retirement life insurance benefit agreements to a closed group comprised of certain of its executives, including some of the NEOs, and certain executives of its subsidiary companies. These retirement life insurance benefit agreements replace an insurance payment program to that same group of executives which was terminated in 2001. The agreements provide a life insurance benefit to a participating executive effective upon the later of their 65th birthday or their retirement date with coverage equal to a designated percentage, which will vary, based upon the employee's age at the nearest birthday to their date of retirement, from 65% at age 55 to 100% at ages 62 or over, of an amount equal to two times the employee's salary and bonus in their final year of employment prior to retirement, less $5,000. Such insurance benefits, which are payable on the participating executive's death, for certain executives may not exceed $1,995,000 and for other executives may not exceed $495,000. Messrs. Coleman and Hutchison each have a Retirement Life Insurance Agreement with a $1,995,000 maximum benefit and Messrs. Svoboda, Pressley, Darden and Greer do not have Retirement Life Insurance Agreements.

Perquisites and Personal Benefits

We have chosen to offer only a very limited number of perquisites and personal benefits to our NEOs, including the personal use of Company aircraft, Company-paid country club and other club dues, personal use of Company-paid tickets to events where the most expensive tickets utilized in 2018 had a face price of $150 per ticket, and costs associated with family members' travel to Company meetings. We have not incurred significant expense as a result of the usage of perquisites and personal benefits. The aggregate incremental cost of perquisites for 2018 exceeded $10,000 for four of the NEOs reflected in the Summary Compensation Table. Perquisite and other personal benefit disclosures are reviewed annually and approved by the Audit and/or the Compensation Committees.

Termination of Employment and Change in Control

All employees, including the NEOs, holding Company stock options have option grant agreements that provide for varying exercise periods after termination of employment depending on the circumstances of the termination (voluntary termination, involuntary termination without cause, early retirement, retirement at or after age 60, normal retirement, disability and death). Generally, currently outstanding stock options provide for post-termination exercise periods ranging from one month for voluntary terminations to the longer of the remaining option term or one year from the date of death in the case of the optionee's death. Any unvested options immediately vest in full upon retirement at or after age 65, on disability or on death. Termination of employment for cause results in expiration of all options on the date of the termination notice.

Change in control provisions are contained in various Company plans applicable to executives as well as to all Company employees. Options granted under the Company's 2011 Plan provide that such options become fully exercisable if the executive's employment is terminated without cause or the executive resigns for good reason within two years after the effective date of a change in control. The annual bonus plan requires that the plan must be assumed by a successor to the Company and that bonus payouts accelerate if an executive is terminated without cause or the executive resigns for good reason following a change in control of the Company.

Our executives are subject to post-termination obligations of confidentiality pursuant to confidentiality agreements that they sign while employed. These post-termination confidentiality obligations do not relate to any compensation or benefits payable or to be payable upon certain triggering events. Beginning in 2015, all executives receiving performance share awards and certain executives receiving stock options have been subject to non-solicitation, non-competition and confidentiality provisions contained in the respective grant agreements.

The Company and its subsidiaries do not enter into employment contracts, severance agreements, salary continuation agreements or severance plans with executives or directors at the time of their employment or election, respectively. To the extent that executives negotiate oral or written severance arrangements or other post-termination payments for current cash compensation, benefits and perquisites and outstanding equity compensation (outside of the provisions of the applicable stock incentive plan), this is done on an individual basis at the time of their contemplated departure. Perquisites and other personal benefits are not extended on a post-termination basis.

Clawback Provisions

Bonuses paid to executives pursuant to the annual bonus plan are subject to recapture or "clawback" provisions. If the Company's financial results are materially restated, the Compensation Committee has the authority to determine whether and which executives will be required to forfeit the right to receive any future payments under the plan and/or to recapture prior payments they determine to have been inappropriately received by an executive. Additionally, if the Company's financial results are restated due to fraud or material noncompliance by the Company, as a result of misconduct, with any financial reporting requirements of the federal securities laws, the Co-CEOs, the Chief Financial

Officer and any other executive participating in the plan who the Compensation Committee determines participated in or was responsible for the fraud or material noncompliance causing the restatement must repay any amounts paid to him or her in excess of those that would have been paid under the restated results and forfeits the right to receive any future payments under the plan.

Awards made pursuant to the annual bonus plan may be recaptured by the Company on the occurrence of certain specified events if the Compensation Committee so specifies in the award certificate or grant agreement. Such specified events may include, but are not limited to, termination of employment for cause; violation of material Company policies; breach of non-competition, confidentiality or other restrictive covenants that may apply to the award recipient; other conduct by the award recipient detrimental to the business or reputation of the Company or its subsidiaries; or a later

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determination that the vesting of, or amount realized from, a performance award was based on materially inaccurate financial statements or any other materially inaccurate performance metric criteria, whether or not the award recipient caused or contributed to the material inaccuracy.

Tax and Accounting Implications of Compensation

As one of the factors considered in performing its duties, the Compensation Committee evaluates the anticipated tax treatment to the Company and its subsidiaries, as well as to the executives, of various structures, payments, and benefits. The deductibility of some types of compensation depends upon the timing of an executive's vesting or exercise of previously-granted rights. Deductibility may also be affected by interpretations of and changes in tax laws such as Section 162(m) of the Code, which generally provides that the Company may not deduct compensation of more than $1,000,000 paid to certain executives. Compensation paid pursuant to the MIP Plan of the Company, as well as certain awards under the 2011 Plan, were intended to qualify as "performance-based compensation" which was exempt from the limits of Section 162(m). However, on December 22, 2017 the Tax Cuts and Jobs Act (tax legislation) was signed into law, generally eliminating the performance-based compensation exception under Section 162(m) with respect to compensation paid after December 31, 2017. The tax legislation provides that compensation paid after 2017 is grandfathered if the compensation is paid pursuant to a binding written agreement that was in effect on November 2, 2017. As a result, performance-based compensation arrangements entered into prior to November 2, 2017 may continue to be considered performance-based compensation not subject to the limits of Section 162(m). However, because of uncertainties regarding the interpretation of the transition rule, no assurances can be given at this time that existing contracts and awards will meet the requirements of the transition rule. Beginning in 2018, new awards of performance-based bonuses and equity compensation are not eligible for the performance-based exemption from Section 162(m). The Compensation Committee will not limit its decisions with respect to executive compensation to that which is deductible under Section 162(m) if the Compensation Committee determines that doing so is in the best interests of the Company. Because of the importance of linking pay and performance, we expect that annual bonus opportunities and certain equity awards will continue to impose performance conditions. Therefore, we do not anticipate that the changes to Section 162(m) will materially impact the design of our compensation program. The tax legislation also may have an impact on the attainment of certain performance goals for performance share awards granted in 2017. Although the Compensation Committee may adjust performance goals for future awards under Company incentive plans as warranted by certain external factors such as the tax legislation, it has been its practice to avoid making such adjustments to previously granted awards, regardless of whether advantageous or disadvantageous to executives. In accordance with this historic practice, the Compensation Committee does not intend to adjust the performance goals for the 2017 awards in response to the tax legislation, as our analysis indicates that making such adjustments would reduce shareholder value.

The Company designs, awards and implements its non-qualified deferred compensation arrangements to comply fully with Code Section 409A and accompanying regulations. We amended our non-qualified deferred compensation plans to comply with Section 409A, effective January 1, 2009.

On January 1, 2006, the Company began accounting for stock-based payments, including stock option grants and restricted stock awards in accordance with the requirements of ASC 718, Compensation — Stock Compensation in the consolidated GAAP financial statements.

COMPENSATION COMMITTEE REPORT

The Compensation Committee of the Board of Directors of Torchmark has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of SEC Regulation S-K with Company management. Based on these reviews and discussions, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement.

Darren M. Rebelez, Chairman

Linda L. Addison
Jane M. Buchan
Lamar C. Smith

February 28, 2019

The foregoing Compensation Committee Report shall not be deemed to be "soliciting material" or to be "filed" with the Securities and Exchange Commission, or subject to Regulation 14A or the liabilities of Section 18 of the Securities Exchange Act of 1934.

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SUMMARY COMPENSATION TABLE

The table below summarizes various categories of compensation earned in 2018 by the persons who served as the Company's Co-Chief Executive Officers, its Chief Financial Officer and the three next most highly compensated executive officers of the Company. The six named executive officers had 2018 salaries and bonuses (as reflected in the Non-Equity Incentive Plan Compensation column or the Bonus column below) in the aggregate which represented 33.43% of their total compensation in 2018. None of the executive officers listed in the table has a written or unwritten employment agreement or arrangement with the Company or any of its subsidiaries.

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards[1,2,3] ($)	Option Awards[4] ($)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings[5] ($)	All Other Compensation[6] ($)	Total ($)
Gary L. Coleman	2018	920,386	0	3,066,000	2,112,000	1,660,000	0	73,230	7,831,616
Co-Chairman and Chief	2017	896,154	0	2,704,100	1,708,500	1,830,000	1,178,214	49,888	8,366,856
Executive Officer	2016	870,865	0	1,519,200	1,497,500	1,320,000	981,809	18,619	6,207,993
Larry M. Hutchison	2018	920,386	0	3,066,000	2,112,000	1,660,000	0	39,022	7,797,408
Co-Chairman and Chief	2017	896,154	0	2,704,100	1,708,500	1,830,000	1,133,382	39,810	8,311,946
Executive Officer	2016	870,865	0	1,519,200	1,497,500	1,320,000	931,569	18,619	6,157,753
Frank M. Svoboda	2018	539,615	0	1,051,200	915,200	450,000	215,710	36,546	3,208,271
Executive Vice President	2017	519,615	0	849,860	706,180	445,000	808,533	21,962	3,351,150
& Chief Financial Officer	2016	499,692	0	607,680	407,400	330,000	552,832	22,706	2,420,310
W. Michael Pressley	2018	529,808	0	876,000	844,800	390,000	157,224	23,687	2,821,519
Executive Vice President	2017	519,615	0	772,600	740,350	400,000	661,825	22,945	3,117,335
& Chief Investment Officer	2016	499,692	0	607,680	407,400	330,000	581,532	21,910	2,448,214
J. Matthew Darden	2018	529,615	0	657,000	563,200	400,000	73,284	9,625	2,232,724
Executive Vice President	2017	509,615	270,000	540,820	432,820	0	213,888	9,450	1,976,593
& Chief Strategy Officer	2016	489,538	250,000	253,200	258,020	0	145,207	9,275	1,405,240
Steven K. Greer	2018	459,039	240,000	700,800	563,200	0	78,831	86,699	2,128,569
President and Chief	2017	408,365	190,000	386,300	432,820	0	132,913	39,352	1,589,750
Executive Officer, American Income	2016	318,750	200,000	227,880	237,650	0	—	38,016	1,022,296

[1] Amounts shown in this column for Coleman, Hutchison, Svoboda, Pressley, Darden and Greer for 2018 are performance share awards valued based upon the probable outcome of the performance conditions as of the February 26, 2018 grant date, which were target levels on that date. The fair values of performance shares are calculated in accordance with ASC 718, Compensation – Stock Compensation (ASC 718), using NYSE market closing price on the grant date of the performance share awards. The fair values of such performance shares at maximum levels of the grant date were for Coleman ($6,132,000), Hutchison ($6,132,000), Svoboda ($2,102,400), Pressley ($1,752,000), Darden ($1,314,000) and Greer ($1,401,600).

[2] Amounts shown in this column for Coleman, Hutchison, Svoboda, Pressley, Darden and Greer for 2017 are performance share awards valued based upon the probable outcome of the performance conditions as of the February 21, 2017 grant date, which were target levels on that date. The fair values of performance shares are calculated in accordance with ASC 718, using NYSE market closing price on the grant date of the performance share awards. The fair values of such performance shares at maximum levels of the grant date were for Coleman

($5,408,200), Hutchison ($5,408,200), Svoboda ($1,699,720), Pressley ($1,545,200), Darden ($1,081,640) and Greer ($772,600).

[3] Amounts shown in this column for Coleman, Hutchison, Svoboda, Pressley, Darden and Greer for 2016 are performance share awards valued based upon the probable outcome of the performance conditions as of the February 24, 2016 grant date, which were target levels on that date. The fair values of performance shares are calculated in accordance with ASC 718, using NYSE market closing price on the grant date of the performance share awards. The fair values of such performance shares at maximum levels of the grant date were for Coleman ($3,038,400), Hutchison ($3,038,400), Svoboda ($1,215,360), Pressley ($1,215,360), Darden ($506,400) and Greer ($455,760).

[4] Assumptions used in calculating the aggregate grant date fair value in accordance with ASC 718 are set out in Note 1 to the Company's audited financial statements contained in the Form 10-K for the fiscal year ended December 31, 2018.

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[5] Change in Pension Value and Non-Qualified Deferred Compensation Earnings:

Name	Year	Increase in Present Value Pension Plan ($)	Decrease in Present Plan ($)	Value Pension	Increase in Present Value SERP ($)	Decrease in Present Value SERP ($)
Gary L. Coleman	2018		183,244			772,531
	2017	323,420			854,794	
	2016	267,849			713,960	
Larry M. Hutchison	2018		969			188,657
	2017	307,790			825,592	
	2016	251,752			679,817	
Frank M. Svoboda	2018		16,549		232,259	
	2017	204,301			604,232	
	2016	154,370			398,462	
W. Michael Pressley	2018		40,560		197,784	
	2017	153,771			508,054	
	2016	162,083			419,449	
J. Matthew Darden	2018	22,574			50,710	
	2017	71,734			142,154	
	2016	50,191			95,016	
Steven K. Greer	2018	27,328			51,503	
	2017	59,431			73,482	

In 2016, Mr. Greer was ineligible to participate in the Company's Pension Plan and was not a participant in the SERP.

[6] Includes Company matching contribution to each executive's 401(k) Plan account; excess premiums for additional life insurance for Coleman, Hutchison, Svoboda and Pressley; and the categories and quantified amounts (if required) of perquisites and personal benefits required to be reported by SEC Regulation S-K, Item 402 (c)(2)(ix) for executives.

Name	Perquisites[a] ($)	401(k) Match ($)	Excess Premiums for Additional Life Insurance ($)	Total ($)
Gary L. Coleman	33,880	9,625	29,725	73,230
Larry M. Hutchison	19,180	9,625	10,217	39,022
Frank M. Svoboda	25,031	9,625	1,890	36,546
W. Michael Pressley		9,625	14,062	23,687
J. Matthew Darden		9,625		9,625
Steven K. Greer	77,074	9,625		86,699

[a] For each of Messrs. Coleman and Hutchison, the amount listed reflects the aggregate incremental cost of personal use of corporate aircraft (for Mr. Coleman, $33,380) and a holiday charitable contribution. For Mr. Svoboda, the amount reflects the aggregate incremental cost of personal use of corporate aircraft, fitness center dues, country club dues and personal use of certain Company-purchased tickets. For Mr. Greer, the amount reflects the aggregate incremental cost of personal use of corporate aircraft ($39,775), housing allowance ($32,900), subsidiary sales convention expenses and fitness center dues.

The Company occasionally allows executives the personal use of tickets for sporting and special events previously acquired by the Company for business entertainment purposes. For certain tickets acquired by the Company, there is no incremental cost to the Company for such use.

For purposes of compensation disclosure, the value of personal use of Company aircraft is calculated using the actual variable costs incurred by the Company associated with such flights, including fuel, maintenance of the planes, "dead head" flights, pilot travel expenses, on-board catering, landing and parking fees, and other variable costs. Fixed costs, such as pilots' salaries, are not included since they do not change with usage.

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CEO PAY RATIO

The Pay Ratio Disclosure Rule, codified in Item 402(u) of Regulation S-K and adopted pursuant to Section 953(b) of the Dodd-Frank Act, requires the Company to calculate and disclose the ratio of the annual total compensation of its CEO to the median of the annual total compensation of its employees. For 2018, our last completed fiscal year:

- The annual total compensation of the Company's Co-CEO[1] was $7,837,660, consisting of the total compensation reported for him in the Summary Compensation Table included in this Proxy Statement plus non-cash compensation in the form of Company-paid healthcare benefits; and
- The median of the annual total compensation of all employees of the Company (other than the Co-CEOs) was $76,409.

Based on this information, for 2018, the ratio of the annual total compensation of the Company's Co-CEO to the median of the annual total compensation of all employees was 103 to 1.[2] The Company believes however that, since companies may employ different methodologies and assumptions to determine such a ratio, this pay ratio should not be relied upon for comparison purposes with the Company's peers.

In 2018, for purposes of our pay ratio calculation, we used the same median employee (a full-time employee) as identified for 2017. This approach was deemed appropriate because there were no changes in our employee population or employee compensation arrangements that we believed would significantly impact our pay ratio disclosure.

Additional information regarding the methodology used by the Company to identify its employee population and the “median employee” for 2017 (which is the same methodology relied upon for 2018 given that the median employee did not change) may be found in the "CEO PAY RATIO" section of the Company's Proxy Statement filed on March 19, 2018, available on the Company’s website at www.torchmarkcorp.com/investors.

Calculation of Annual Total Compensation and CEO Pay Ratio

- To determine the annual total compensation of the Company's Co-CEO, we used the total compensation amount ($7,831,616) reflected in the 2018 Summary Compensation Table included in this Proxy Statement, then added non-cash compensation consisting of Company-paid healthcare benefits.[3]
- We then combined all of the elements of the “median employee’s” compensation for 2018, in accordance with requirements of Item 402(c)(2)(x) of Regulation S-K, and added non-cash compensation consisting of Company-paid healthcare benefits[4], in order to arrive at the “median employee’s” annual total compensation amount ($76,409).
- Finally, we calculated the ratio of the annual total compensation paid to the Company's Co-CEO to that of the median employee (CEO pay ratio) based upon these results. The resulting ratio is a reasonable estimate calculated in a manner consistent with 402(u) of Regulation S-K.

[1] Since the Company operated with Co-CEOs during 2018, the annual total compensation of Co-CEO Gary L. Coleman (referred to herein as "the Company's Co-CEO"), which was moderately higher than that of Co-CEO Larry M. Hutchison, was utilized for the purpose of calculating the CEO pay ratio.

[2] The annual total compensation of Mr. Hutchison, the other Co-CEO, would have resulted in a ratio of 102 to 1.

[3] Company-paid healthcare benefits, totaling $6,044, were included in the calculation of the annual total compensation of the Company's Co-CEO for 2018.

[4] Company-paid healthcare benefits, totaling $5,244, were included in the calculation of the median employee’s annual total compensation for 2018.

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2018 GRANTS OF PLAN-BASED AWARDS

Name	Award Type	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards[1] Threshold ($)	Target ($)	Maximum ($)	Estimated Future Payouts Under Equity Incentive Plan Awards[2] Threshold (#)	Target (#)	Maximum (#)	All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Underlying Options[3] (#)	Exercise or Base Price of Option Awards ($/Sh)	Gr Da Va o an Op Av ($
Gary L. Coleman	Options	2/26/2018								150,000	87.60	2,
	Performance Shares	2/26/2018				17,500	35,000	70,000				3,
	Annual Cash		647,500	1,295,000	1,942,500							
Larry M. Hutchison	Options	2/26/2018								150,000	87.60	2,
	Performance Shares	2/26/2018				17,500	35,000	70,000				3,
	Annual Cash		647,500	1,295,000	1,942,500							
Frank M. Svoboda	Options	2/26/2018								65,000	87.60	91
	Performance Shares	2/26/2018				6,000	12,000	24,000				1,
	Annual Cash		175,500	351,000	526,500							
W. Michael Pressley	Options	2/26/2018								60,000	87.60	84
	Performance Shares	2/26/2018				5,000	10,000	20,000				87
	Annual Cash		172,500	345,000	517,500							
J. Matthew Darden	Options	2/26/2018								40,000	87.60	56
	Performance Shares	2/26/2018				3,750	7,500	15,000				65
	Annual Cash		146,000	292,000	438,000							
Steven K. Greer	Options	2/26/2018								40,000	87.60	56
	Performance Shares	2/26/2018				4,000	8,000	16,000				70

[1] Estimated future payouts under non-equity incentive plan awards are calculated pursuant to the Company’s annual bonus plan. This plan provides a single estimated bonus payout at the maximum level available to the participating executive if objectives are met, subject to the Compensation Committee’s discretion to reduce the amount pursuant to an incentive plan framework and subjective criteria as described in the Annual Cash Bonuses section of this Proxy Statement. On January 18, 2019, the Compensation Committee certified attainment of the bonus objectives for Messrs. Svoboda, Pressley and Darden who were paid the bonuses shown in the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table shortly thereafter. On February 28, 2019, the independent members of the Board approved the payment of the bonuses as shown in the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table to Messrs. Coleman and Hutchison based upon receipt of the Compensation Committee’s January 18, 2019 certification of attainment of their bonus objectives.
[2] Performance shares awarded February 26, 2018, pursuant to the Company’s 2011 Plan and to be issued upon vesting following completion of the three year performance period commencing January 1, 2018 and ending December 31, 2020 and certification of attainment of specified targets for cumulative net operating income earnings per share, underwriting income and average NOI ROE for the performance period.

[3] Non-qualified stock options granted February 26, 2018 to Messrs. Svoboda, Pressley, Darden and Greer have a seven-year term and a grant price equal to the NYSE market closing price of Company common stock on the date awarded by the Compensation Committee. Non-qualified stock options granted February 26, 2018 to Messrs. Coleman and Hutchison have a seven-year term and a grant price equal to the NYSE market closing price of Company common stock on the date awarded by the independent members of the Board. All of the options granted on the above date vest as to 50% of the shares on the second anniversary of the grant date and as to the remaining 50% of the shares on the third anniversary of the grant date.

[4] The values included in this column represent the grant date fair value of performance share awards, restricted stock and option awards computed in accordance with ASC 718. The assumptions utilized for options are set out in Note 1 to the Company's audited financial statements contained in the Form 10-K for the fiscal year ended December 31, 2018.

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OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END 2018

	Option Awards						Stock Awards				
Name	Grant Date	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date	Grant Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)
Gary L. Coleman	02/26/18		150,000[2]		87.6000	02/26/25					
	02/21/17		150,000[2]		77.2600	02/21/24					
	02/24/16	31,250	93,750 [1]		50.6400	02/24/26					
	02/25/15	150,000			53.6100	02/25/22					
	02/24/14	150,000			50.6934	02/24/21					
	02/27/13	150,000			37.4000	02/27/20					
							02/26/18			70,000[5]	5,217,100[4]
							02/21/17			70,000[6]	5,217,100[4]
							02/24/16	55,773[3]	4,156,762[4]		
Larry M. Hutchison	02/26/18		150,000[2]		87.6000	02/26/25					
	02/21/17		150,000[2]		77.2600	02/21/24					
	02/24/16	31,250	93,750 [1]		50.6400	02/24/26					
	02/25/15	150,000			53.6100	02/25/22					
	02/24/14	150,000			50.6934	02/24/21					
	02/27/13	150,000			37.4000	02/27/20					
							02/26/18			70,000[5]	5,217,100[4]
							02/21/17			70,000[6]	5,217,100[4]
							02/24/16	55,773[3]	4,156,762[4]		
Frank M. Svoboda	02/26/18		65,000 [2]		87.6000	02/26/25					
	02/21/17		62,000 [2]		77.2600	02/21/24					
	02/24/16	30,000	30,000 [2]		50.6400	02/24/23					
	02/25/15	60,000			53.6100	02/25/22					
	02/24/14	60,000			50.6934	02/24/21					
	02/27/13	60,000			37.4000	02/27/20					
							02/26/18			24,000[5]	1,788,720[4]
							02/21/17			22,000[6]	1,639,660[4]
							02/24/16	22,309[3]	1,662,690[4]		

W. Michael Pressley	02/26/18		60,000 [2]	87.6000	02/26/25					
	02/21/17		65,000 [2]	77.2600	02/21/24					
	02/24/16	30,000	30,000 [2]	50.6400	02/24/23					
	02/25/15	60,000		53.6100	02/25/22					
						02/26/18			20,000 [5]	1,490,600 [4]
						02/21/17			20,000 [6]	1,490,600 [4]
						02/24/16	22,309 [3]	1,662,690 [4]		

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OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END 2018 (continued)

	Option Awards						Stock Awards				
Name	Grant Date	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date	Grant Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)
J. Matthew Darden	02/26/18		40,000[2]		87.6000	02/26/25					
	02/21/17		38,000[2]		77.2600	02/21/24					
	02/24/16	19,000	19,000[2]		50.6400	02/24/23					
							02/26/18			15,000[5]	1,117,950[4]
							02/21/17			14,000[6]	1,043,420[4]
							02/24/16	9,295[3]	692,756[4]		
Steven K. Greer	02/26/18		40,000[2]		87.6000	02/26/25					
	02/21/17		38,000[2]		77.2600	02/21/24					
	02/24/16	17,500	17,500[2]		50.6400	02/24/23					
							02/26/18			16,000[5]	1,192,480[4]
							02/21/17			10,000[6]	745,300 [4]
							02/24/16	8,366[3]	623,518[4]		

[1] Stock options vest at the rate of 25% per year over a four-year period commencing on the second anniversary of the grant date, with a ten-year term.
[2] Stock options vest at the rate of 50% on second and third anniversaries of grant date, with a seven-year term.
[3] Performance shares to be issued with respect to a three year performance period commencing January 1, 2016 and ending December 31, 2018 based upon the degree of satisfaction of three performance criteria. Shares shown reflect actual performance attained during the period and will vest in 2019 upon certification of achievement of performance objectives by the Compensation Committee.
[4] Calculated using 2018 year-end closing market price of $74.53 per share.
[5] Performance shares to be issued when vested upon certification following the completion of a three-year performance period commencing January 1, 2018 and ending December 31, 2020, if at all, based upon the degree of satisfaction of three performance criteria.
[6] Performance shares to be issued when vested upon certification following the completion of a three-year performance period commencing January 1, 2017 and ending December 31, 2019, if at all, based upon the degree of satisfaction of three performance criteria.

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OPTION EXERCISES AND STOCK VESTED
DURING FISCAL YEAR ENDED DECEMBER 31, 2018

Executive	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise[1] ($)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting[2] ($)
Gary L. Coleman	97,500	5,493,537	33,261[4]	2,913,664[9]
Larry M. Hutchison	97,500	5,494,025	33,261[5]	2,913,664
Frank M. Svoboda	49,500	2,815,734	10,644[6]	932,414 [10]
W. Michael Pressley	0	0	10,644[7]	932,414 [11]
J. Matthew Darden	33,000[3]	1,196,592	4,435 [8]	388,506 [12]

Mr. Greer had no option exercises or stock vested during 2018.

[1] “Value Realized on Exercise” represents the difference between the fair value per share less brokerage commissions in broker-assisted “cashless” or “modified cashless” option exercises and the exercise price per share, multiplied by the number of shares underlying each option exercised.

[2] “Value Realized on Vesting” represents the value of restricted stock or performance shares calculated by multiplying the number of vested shares by the closing price of Company common stock on the NYSE on the vesting date or, if vesting occurred on a day upon which the NYSE was closed for trading, the preceding trading day.

[3] Executive retained 7,700 shares in "modified cashless" option exercises.

[4] Executive acquired shares on February 26, 2018 vesting and issuance of performance shares upon certification by the Compensation Committee of attainment of performance objectives at a payout level below target with respect to the 2015 - 2017 performance period. Executive surrendered to the Company 13,089 of such vested performance shares in payment of withholding taxes due.

[5] Executive acquired shares on February 26, 2018 vesting and issuance of performance shares upon certification by the Compensation Committee of attainment of performance objectives at a payout level below target with respect to the 2015 - 2017 performance period.

[6] Executive acquired shares on February 26, 2018 vesting and issuance of performance shares upon certification by the Compensation Committee of attainment of performance objectives at a payout level below target with respect to the 2015 - 2017 performance period. Executive surrendered to the Company 2,144 of such vested performance shares in partial payment of withholding taxes due.

[7] Executive acquired shares on February 26, 2018 vesting and issuance of performance shares upon certification by the Compensation Committee of attainment of performance objectives at a payout level below target with respect to the 2015 - 2017 performance period. Executive surrendered to the Company 4,144 of such vested performance shares in partial payment of withholding taxes due.

[8] Executive acquired shares on February 26, 2018 vesting and issuance of performance shares upon certification by the Compensation Committee of attainment of performance objectives at a payout level below target with respect to the 2015 - 2017 performance period. Executive surrendered to the Company 1,746 of such vested performance shares in payment of withholding taxes due.

[9] Shares surrendered to the Company in payment of withholding taxes due on vested performance shares were valued at $1,146,596.

[10] Shares surrendered to the Company in partial payment of withholding taxes due on vested performance shares were valued at $187,814.

[11] Shares surrendered to the Company in partial payment of withholding taxes due on vested performance shares were valued at $363,014.

[12] Shares surrendered to the Company in payment of withholding taxes due on vested performance shares were valued at $152,950.

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PENSION BENEFITS AT DECEMBER 31, 2018

The table below shows the present value of accumulated benefits payable to each of the NEOs, including the number of years of service credited to each such NEO under the Torchmark Corporation Pension Plan and the Torchmark Corporation Supplemental Executive Retirement Plan (effective January 1, 2007) (SERP) determined using interest rates and mortality rate assumptions consistent with those used in the Company's financial statements. No benefits are payable under the SERP to persons retiring prior to age 55.

Name	Plan Name	Number of Years Credited Service (#)	Present Value of Accumulated Benefit[1] ($)	Payments During Last Fiscal Year ($)
Gary L. Coleman	Torchmark Corporation Pension Plan	37	2,335,092	0
	Torchmark Corporation SERP	37	7,115,410	0
Larry M. Hutchison	Torchmark Corporation Pension Plan	33	2,264,945	0
	Torchmark Corporation SERP	33	6,920,543	0
Frank M. Svoboda	Torchmark Corporation Pension Plan	15	1,013,363	0
	Torchmark Corporation SERP	15	2,141,273	0
W. Michael Pressley	Torchmark Corporation Pension Plan	16	1,434,259	0
	Torchmark Corporation SERP	16	2,994,175	0
J. Matthew Darden	Torchmark Corporation Pension Plan	4	182,434	0
	Torchmark Corporation SERP	4	351,320	0
Steven K. Greer	Torchmark Corporation Pension Plan	3	127,785	0
	Torchmark Corporation SERP	3	134,336	0

[1] Present value of accumulated benefits is calculated using the December 31, 2018 FAS 87 disclosure assumptions as follows: (a) discount rate of 4.37% for the Torchmark Corporation Pension Plan benefits; (b) discount rate of 4.37% for Torchmark Corporation Supplemental Executive Retirement Plan benefits; (c) separate annuitant and non-annuitant tables for males and females based upon the RP-2014 Mortality Table projected generationally from 2006 with Scale MP-2018; (d) the calculated present value at age 65 is discounted with interest only to the current age; and (e) no pre-retirement mortality or termination assumed prior to age 65.

The Torchmark Corporation Pension Plan (the Pension Plan) is a non-contributory pension plan which covers all eligible employees at the Company and each of its subsidiaries except for American Income (which maintains a separate plan) and a limited number of Globe employees. Eligible employees must be 21 years of age or older and have one or more years of credited service. Benefits at age 65 under the Pension Plan will be determined based upon the calculation formulas applicable to employees of various participating employers prior to the January 1, 2004 merger of the pension plan of the Company and two pension plans of a subsidiary. The NEOs are subject to the Torchmark Pension Plan formula, which determines benefits by multiplying the average of the participant's earnings in the five consecutive years in which they were highest during the 10 years before the participant's retirement by a percentage equal to 1% for each of the participant's first 40 years of credited service plus 2% for each year of credited service after the participant's 45th birthday and then reducing that result by a Social Security offset and by other benefits from certain other plans of affiliates. Benefits under the Pension Plan vest 100% at five years of credited service. Upon the participant's retirement, Pension Plan benefits are payable as an annuity or certain portions thereof may be paid in a lump sum.

If the participant retires between the ages of 55 and 64, the amount of the Pension Plan benefits is reduced so that if he retires at age 55, the participant will be entitled to 50% of the accrued benefits. Each of the named executive officers is eligible for early retirement benefits under the Pension Plan. It is not possible for a participant's credited service under the Pension Plan to exceed his or her actual years of service with the Company and its subsidiaries.

Laws limit to a fixed amount per year the benefits that a qualified plan such as the Pension Plan can pay (in 2018, $220,000). Benefits that are actually paid under the Pension Plan are also based upon the covered compensation of the

participant as defined by the Code (in 2018, $275,000), not on actual final average earnings of the participant.
After evaluation of the retirement benefits potentially payable to its executives relative to its peer companies, the Board of Directors, based upon a recommendation from the Compensation Committee, implemented a supplemental executive retirement plan, effective January 1, 2007. This non-qualified SERP is funded by a Rabbi trust and will pay a supplemental benefit to a participating executive upon retirement in the amount of that portion of the executive's retirement benefit, calculated under the Pension Plan or a subsidiary's pension plan using the formulas from the Torchmark Pension Plan, which cannot be paid from the Pension Plan or a subsidiary's pension plan because of the IRS limits requiring the pension calculation to be based on a much lower covered compensation figure and the fixed

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amount annual limit on qualified pension plan benefits. No benefits will be paid out under the SERP unless the participant is 55 years old and has at least ten years of service with the Company and/or its subsidiaries. Participants meeting these requirements will receive benefits which range from 15% of the benefit that they would have ultimately received on retirement at age 65 if they choose to retire at age 55 to 98% of the benefit that they would have ultimately received on retirement at age 65 if they choose to retire at age 64. Benefits will be paid in the form of an annuity selected by the participant. The Compensation Committee designated 30 executives of the Company and its subsidiaries, including each of the NEOs, to participate in the SERP on February 26, 2018.

POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE-IN-CONTROL

The Company and its subsidiaries do not have employment contracts, severance agreements, salary continuation agreements or severance plans with the NEOs. Potential payments and benefits not generally available to all salaried employees may be made to the NEOs:

- upon termination of their employment in connection with stock options issued to them under the Company's various incentive plans;
- upon termination of employment in connection with performance shares awarded to them under the 2011 Plan;
- at age 65 in the form of an insurance policy under a Retirement Life Insurance Benefit Agreement; and
- upon termination of their employment in the executive's chosen form of annuitized payment under the SERP.

Additionally, in the case of a change in control of the Company, stock options and performance shares held by the NEOs would be subject to vesting and those executive officers would have potential payments as a result. For purposes of the following disclosures, the assumptions used in making the calculations are:

- the triggering event (termination of employment, retirement, or change-in-control) occurred on December 31, 2018;
- the per share price of Company stock is $74.53, which was the closing price of the stock on December 31, 2018;
- the ages of the NEOs as of December 31, 2018 were Gary L. Coleman (age 65), Larry M. Hutchison (age 64), Frank M. Svoboda (age 57), W. Michael Pressley (age 67), J. Matthew Darden (age 47); and Steven K. Greer (age 46); and
- the NEOs' salaries and non-equity incentive plan compensation are what is reflected for them in the Summary Compensation Table.

Stock Options and Termination of Employment

The Company's currently outstanding stock options provide that the options may be exercised for a period of time after termination of employment that varies with the circumstances of the termination:

- on a voluntary termination—one month after termination of employment or the expiration of the stated term of the option, whichever is shorter;
- on an involuntary termination without cause—three months after termination of employment or the expiration of the stated term of the option, whichever is shorter;
- on an early retirement (defined to be at or after age 55)—three years from the date of retirement or the expiration of the stated term of the option, whichever is shorter;
- on retirement at or after age 60 —five years from the date of retirement or the expiration of the stated term of the option, whichever is shorter;
- on a normal retirement (defined to be at or after age 65)—the remaining balance of the term of the option, and all options remaining unvested upon the exercise of the option vest in full on the retirement date;
- on disability—the remaining balance of the term of the option, and all options remaining unvested immediately vest in full; and
- on death—the remaining balance of the term of the option or one year from the date of death, whichever is longer, and all options remaining unvested at the date of death immediately vest in full.

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If employment is terminated for cause, there is no post-termination exercise, as all outstanding options are forfeited to the Company. "Cause" is defined by the 2011 Plan as a reason for a plan participant's termination of employment as that term may be defined in the employment, severance or similar agreement, if any, between the participant and the Company or a subsidiary. If there is no employment, severance or similar agreement and if the grant agreement does not define that term (which is the case for all awards currently outstanding under the 2011 Plan), "cause" is defined as any of the following acts by the plan participant, as determined by the Compensation Committee or the Board of Directors:

- gross neglect of duty,
- prolonged absence from duty without the consent of the Company,
- intentionally engaging in any activity in conflict with, or adverse to, the business or other interests of the Company, or
- willful misconduct, misfeasance or malfeasance of duty which is reasonably determined to be detrimental to the Company.

Additionally, stock options awarded beginning in 2015 to executives age 55 and above (54 and above beginning in 2018) on the grant date contain provisions requiring the executive to have held the option for one year following the grant date to be entitled to any ability to exercise after termination of employment, except in the case of disability or death.

Performance Shares and Termination of Employment

The Company's currently outstanding performance share awards provide that if the executive's employment terminates during the three year performance measurement period because of death or disability, the executive is deemed to have earned the target award without the application of any performance multiplier. Performance share awards provide for the payment of a prorated target level award upon confirmation of attainment of the performance objectives in the case of the executive's early retirement based upon age at early retirement (Age 60 10% of target award, Age 61 20% of target award, Age 62 40% of target award, Age 63 60% of target award and Age 64 80% of target award). Beginning with the 2015 awards, performance share awards contain non-competition, non-solicitation and confidentiality provisions applicable upon the award recipient's separation from employment for any reason for a two-year period from the date of separation or in the event of termination due to early retirement or normal retirement, during the remaining vesting period prior to the vesting date, whichever is longer.

Termination of Employment—Stock Options and Performance Share Awards

The following table sets out values for outstanding "in the money" stock options and performance share awards that would have been realized by the NEOs as of December 31, 2018 in the termination of employment situations discussed above. Only those termination of employment situations applicable to each individual NEO based upon the foregoing assumptions are shown.

Name	Award Type	Voluntary Termination ($)	Involuntary Termination Without Cause ($)	Early Retirement ($)	Retirement at or after Age 60 ($)	Normal Retirement ($)	Disability/Death ($)
Gary L. Coleman	Stock Options					15,269,240	15,269,240
	Performance Shares					7,453,000	7,453,000
Larry M. Hutchison	Stock Options				15,269,240		15,269,240
	Performance Shares				5,962,400		7,453,000
Frank M. Svoboda	Stock Options			6,346,596			6,346,596

	Performance Shares				2,608,550
W. Michael Pressley	Stock Options			2,688,600	2,688,600
	Performance Shares			2,384,960	2,384,960
J. Matthew Darden	Stock Options	453,910	907,820		907,820
	Performance Shares				1,453,335
Steven K. Greer	Stock Options	418,075	836,150		836,150
	Performance Shares				1,304,275

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Retirement Life Insurance Agreements

The Company will provide a life insurance benefit to each of the NEOs during their respective lifetimes, effective upon the later of his 65th birthday or his retirement date, with coverage equal to the designated percentage shown below of an amount equal to two times the executive's salary and bonus earned in his final year of employment prior to retirement, less $5,000; provided, however, that the insurance benefit will in no case exceed $1,995,000.

Employee's Age Nearest Birthday at Date of Retirement	Percentage of Benefit Amount
55	65%
56	70%
57	75%
58	80%
59	85%
60	90%
61	95%
62 or over	100%

Based upon an assumed retirement date of December 31, 2018, Messrs. Coleman and Hutchison would each have $1,995,000 in life insurance coverage under his Retirement Life Insurance Agreement. Each would be issued an insurance policy by a Company subsidiary with a face amount equal to his insurance coverage. Messrs. Svoboda, Pressley, Darden and Greer are not covered by a Retirement Life Insurance Agreement.

Supplemental Executive Retirement Plan

The Torchmark Corporation Supplemental Executive Retirement Plan became effective January 1, 2007. No benefits will be paid under this plan upon retirement unless the participant is 55 years old and has at least ten years of service with the Company or its subsidiaries. Assuming the NEOs retired on December 31, 2018, since Messrs. Coleman, Hutchison, Svoboda and Pressley were at least age 55 on that date, they would be entitled to receive benefits under the SERP. Messrs. Darden and Greer are not eligible to retire under the terms of the SERP. The annual benefits payable as of December 31, 2018 for the NEOs listed below are as follows:

Name	SERP Benefits as of December 31, 2018 ($)
Gary L. Coleman	564,410
Larry M. Hutchison	521,857
Frank M. Svoboda	85,371
W. Michael Pressley	248,038

Change-in-Control—Stock Options and Performance Share Awards

The 2011 Plan provides that: (1) in case of a change in control where the new controlling person does not assume or equitably substitute stock options or performance shares, all outstanding options become fully exercisable and 100% of the target awards of performance shares are deemed earned and are paid out on a pro-rata basis based upon the length of time within the performance period prior to the change in control, and (2) in the case of a change in control where the new controlling person assumes or equitably substitutes stock options or performance shares, if a participant's employment is terminated without cause or the participant terminates for good reason within two years after the effective date of the change in control, all outstanding options are fully exercisable and 100% of the target awards of performance shares are deemed earned and are paid out on a pro-rata basis based upon the length of time within the performance period prior to the date of termination.

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For purposes of the 2011 Plan, a “change in control” generally consists of any one of the following events:

(i) An acquisition of 25% or more of the Company’s voting securities, but not including:

- an acquisition by a person who on the plan’s effective date (April 28, 2011 for the 2011 Plan) was the beneficial owner of 25% or more the Company’s voting securities;
- an acquisition of securities by or from the Company;
- an acquisition of securities by a Company employee benefit plan; or
- an acquisition of securities by a successor corporation pursuant to a transaction which complies with the exception to clause (iii) below.

(ii) Individuals serving on the Company’s Board on the effective dates of the 2011 Plan cease to constitute a majority of the Board (with an exception for individuals whose election or nomination was approved by a majority of the then incumbent board, outside the context of an election contest).

(iii) A reorganization, merger or consolidation of the Company, or a sale of all or substantially all of the Company’s assets, unless, following any such transaction:

- all or substantially all of the Company’s shareholders prior to the transaction own more than 50% of the voting stock of the Company or its successor in substantially the same proportions as their ownership of the Company’s voting stock prior to the transaction;
- no person (excluding any successor corporation or any employee benefit plan of the Company or a successor corporation) acquires 25% or more of the voting securities of the Company or its successor as a result of the transaction, except to the extent that such ownership existed prior to the transaction; and
- a majority of the members of the Board of the Company or its successor following the transaction were members of the Company’s Board prior to the transaction.

(iv) The Company’s stockholders approve a complete liquidation or dissolution of the Company.

Assuming that the change in control occurred on December 31, 2018, the NEOs would have the following intrinsic option values and values for their unvested performance shares awarded under the 2011 Plan:

Name	Stock Options ($)	Unvested Performance Shares ($)
Gary L. Coleman	15,269,240	7,453,000
Larry M. Hutchison	15,269,240	7,453,000
Frank M. Svoboda	6,346,596	2,608,550
W. Michael Pressley	2,688,600	2,384,960
J. Matthew Darden	907,820	1,453,335
Steven K. Greer	836,150	1,304,275

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2018 DIRECTOR COMPENSATION

The table below summarizes the compensation paid by the Company to non-employee directors during the fiscal year ended December 31, 2018.

Name	Fees Earned or Paid in Cash ($)	Stock Awards[1] ($)	Option Awards[2,3] ($)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Non-qualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
Charles E. Adair	103,958	0	135,001	0	0	0	238,959
Linda L. Addison	83,333	212,590	0	0	0	0	295,923
Marilyn A. Alexander	108,542	135,044	0	0	0	0	243,586
Cheryl D. Alston	100,208	100,039	112,513	0	0	0	312,760
David L. Boren	100,000	135,044	0	0	0	0	235,044
Jane M. Buchan	0	235,087	0	0	0	0	235,087
Lloyd W. Newton[4]	12,778	0	78,344	0	0	0	91,122
Robert W. Ingram	131,182	135,044	0	0	0	0	266,226
Steven P. Johnson	127,875	135,044	0	0	0	0	262,919
Darren M. Rebelez	112,500	135,044	0	0	0	0	247,544
Lamar C. Smith	103,958	135,044	0	0	0	0	239,002
Mary E. Thigpen	83,542	212,585	0	0	0	0	296,127
Paul J. Zucconi	119,625	0	135,001	0	0	0	254,626

[1] The amounts presented in this column are computed in accordance with ASC 718 and represent the grant date fair values for 1,497 shares of restricted stock awarded to each of Messrs. Ingram, Johnson, Rebelez and Smith; 1,497 restricted stock units (RSUs) awarded to Ms. Alexander and Mr. Boren and 2,606 RSUs awarded to Ms. Buchan, all awarded on January 2, 2018; 1,142 shares of restricted stock awarded to Mses. Addison, Alston and Thigpen on February 26, 2018; 1,391 shares of restricted stock awarded to Ms. Thigpen on March 23, 2018; and 1,315 shares of RSUs awarded to Ms. Addison on March 16, 2018.

[2] Aggregate outstanding option awards at fiscal year end 2018 are as follows: for Mr. Adair, 33,895 shares; for Ms. Alston, 7,217 shares; for Ms. Buchan, 11,667 shares; for Mr. Newton, 14,079 shares; for Mr. Rebelez, 5,269 shares; and for Mr. Zucconi, 8,354 shares. For Mses. Addison and Alexander, Messrs. Boren, Ingram, Johnson and Smith, and Ms. Thigpen, 0 shares.

[3] The amount presented in this column is computed in accordance with ASC 718 and represents the grant date fair value of the 8,354 stock options with an exercise price of $90.21 per share awarded on January 2, 2018 to each of Messrs. Adair and Zucconi, the 4,848 stock options with an exercise price of $90.21 per share awarded on January 2, 2018 to Mr. Newton, and the 7,217 stock options with an exercise price of $83.17 per share awarded on March 27, 2018 to Ms. Alston.

[4] Mr. Newton retired from the Board on April 26, 2018.

DIRECTOR COMPENSATION PHILOSOPHY

The Company seeks to compensate its non-management directors by paying market-based compensation designed to attract the desired caliber of directors to the Board and to align those directors' interests with shareholders' interests, focusing on results and the long-term by emphasizing equity compensation in the form of restricted stock, restricted stock units and stock options.

PAYMENTS TO DIRECTORS

In 2018, non-management directors of the Company were compensated on the basis of cash compensation and equity compensation:

Cash Compensation

- Directors are paid $100,000 of their annual retainer in cash in quarterly installments unless a timely election is made under the non-management director sub-plan of the 2011 Plan to receive an equivalent amount of market value stock options, restricted stock or RSUs or to defer the cash to an interest-bearing account under the terms of that sub-plan of the 2011 Plan;
- The Lead Director receives an additional $40,000 annual retainer in cash, payable in quarterly installments;

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- Annual Board committee chair retainers, payable in quarterly installments in cash, are $35,000 for the Audit Committee Chair and $12,500 for each of the Chairs of the Compensation Committee and the Governance and Nominating Committee; and
- All members of the Audit Committee (excluding the Audit Committee Chair) receive an additional annual Audit Committee member retainer of $12,500, payable in quarterly installments.

Equity Compensation

- Directors are paid $135,000 of their annual retainer in equity, either in the form of market value stock options, restricted stock or RSUs, based on the director’s timely election, with the equity issued on the first NYSE trading day of January of each calendar year valued at the NYSE market closing price of Company common stock on that date; and
- If no timely election is made, the non-management director receives his or her annual equity compensation in the form of $135,000 of market value stock options awarded on the first NYSE trading day of each year.

Newly elected non-management directors receive cash compensation and equity compensation which has been prorated for the period of their service during the year. Pursuant to the non-management director sub-plan of the 2011 Plan, upon the date of their initial election to the Board, newly elected non-management directors receive $100,000 of restricted stock valued at the market closing price of Company common stock on that date.

Directors do not receive meeting fees or fees for the execution of written consents in lieu of Board meetings or in lieu of Board committee meetings. They receive reimbursement for their travel and lodging expenses. Directors who are employees of the Company or its subsidiaries receive no compensation for Board service.

Non-management directors receive very limited perquisites and other personal benefits, which may include holiday gifts and costs associated with spouses’ travel to Board meetings. In 2018, no non-management director received perquisites with an aggregate incremental cost to the Company in excess of $10,000 or any other personal benefits.

Non-management directors may elect to defer all or a designated portion of their cash-based annual director compensation into an interest-bearing account pursuant to a timely election made under the non-management director sub-plan of the 2011 Plan. These accounts bear interest at non-preferential rates set from time to time by the Compensation Committee. The amounts in such accounts are paid to the director in a lump sum or equal monthly installments for up to 120 months as elected by the director with payments commencing on the earliest of: (i) December 31 of the fifth year after the year for which the deferral was made; (ii) the first business day of the fourth month after the director’s death; or (iii) the director’s termination as a non-management director of the Company or any of its subsidiaries for a reason other than death. No non-management director chose to defer any compensation pursuant to these provisions in 2018.

RELATED PARTY TRANSACTION POLICY AND TRANSACTIONS

On October 25, 2006, the Board adopted a written policy statement with respect to related party transactions. This policy provides that a related party transaction may be consummated or may continue only if: (i) the disinterested members of the Board have approved or ratified the transaction in accordance with the guidelines in the policy and the transaction is on terms comparable to those that could be obtained in arm’s length dealings with an unrelated third party; or (ii) the transaction involves compensation approved by the Compensation Committee of the Board. In situations where a significant opportunity is presented to management or a member of the Board which might result in the diversion of a corporate opportunity for their personal gain, that Related Party (other than an otherwise unaffiliated five percent shareholder) must obtain the consent of the Board.

At their February 26, 2018 meeting, the disinterested members of the Board determined that there were no related party transactions to be reviewed under the Related Party Transaction Policy for 2018.

You may find the Related Party Transaction Policy by going to the Company’s website at www.torchmarkcorp.com/investors. The Policy is located under the Corporate Governance heading. Printed copies of the Related Party Transaction Policy may be obtained at no charge by writing to the Corporate Secretary at 3700 South Stonebridge Drive, McKinney, Texas 75070.

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SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Under the securities laws of the United States, the Company's directors, its executive officers, and any persons holding more than 10% of the Company's common stock are required to report their initial ownership of the Company's common stock and other equity securities and any subsequent changes in that ownership to the Securities and Exchange Commission and the NYSE and to submit copies of these reports to the Company. To the Company's knowledge, based solely on review of the copies of such reports furnished to the Company and written representations that no other reports were required, during the fiscal year ended December 31, 2018, all required Section 16(a) filings applicable to its executive officers, directors, and greater than 10% beneficial owners were timely and correctly made except:

(i) A Late Form 4 filing was made to reflect surrender of shares to Company to pay taxes on equity award by Lloyd W. Newton (one form).

(ii) Amended Form 4 filings were made to correctly reflect number of shares in option grant by Cheryl D. Alston; to include previously-omitted shares acquired through dividend reinvestment by J. Matthew Darden; to correctly reflect direct beneficial ownership by Larry M. Hutchison; to correct number of shares sold in option exercise by Bill E. Leavell; and to correctly reflect indirect beneficial ownership through a family trust by Ben W. Lutek (one form each).

(iii) An amended Form 5 filing for the fiscal year ended December 31, 2017 was made to correctly reflect indirect beneficial ownership by Bill E. Leavell (one form).

(iv) A Form 5 filing was made to late report acquisition of restricted stock by Mary E. Thigpen (one form).

PRINCIPAL SHAREHOLDERS

The following table lists all persons known to be beneficial owners of more than five percent of the Company's outstanding common stock as of December 31, 2018, as indicated from the most recent Schedule 13G filings with the Securities and Exchange Commission.

Name and Address	Number of Shares	Percent of Class
The Vanguard Group, Inc. 100 Vanguard Blvd. Malvern, Pennsylvania 19355	12,932,842 [1]	11.59%
BlackRock, Inc. 55 East 52nd Street New York, New York 10055	7,401,754 [2]	6.6%

[1] The Vanguard Group reports the sole power to vote or direct the vote of 121,313 shares, shared power to vote or direct the vote of 24,463 shares, the sole power to dispose of or direct the disposition of 12,789,143 shares and shared power to dispose or to direct the disposition of 143,699 shares. Vanguard Fiduciary Trust Company (VFTC), a wholly-owned subsidiary of The Vanguard Group, Inc., is the beneficial owner of 88,271 shares, or .07%, of the common stock outstanding of the Company as a result of its serving as investment manager of collective trust accounts. Vanguard Investments Australia, Ltd. ("VIA"), a wholly-owned subsidiary of The Vanguard Group, Inc., is the beneficial owner of 87,030 shares, or .07%, of the common stock outstanding of the Company as a result of its serving as investment manager of Australian investment offerings.

[2] BlackRock, Inc. reports the sole power to vote or direct the vote of 6,525,217 and the sole power to dispose or to direct the disposition of 7401,754 shares. Various persons have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of the Company's common stock. No one person's interest in the common stock of the Company is more than 5% of the total outstanding common shares.

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AUDIT COMMITTEE REPORT

The Audit Committee of the Board is currently comprised of four directors, all of whom are presently independent as that term is defined in the rules of the New York Stock Exchange: Steven P. Johnson, who currently serves as Committee Chairman; Cheryl D. Alston, Mary E. Thigpen and Paul J. Zucconi. All members of the Audit Committee, who served during 2018, are financially literate as that qualification has been interpreted by the Company's Board in its business judgment, and at least one member of the Audit Committee has accounting or related financial management expertise. On February 28, 2019, after review and deliberation, the Board formally reaffirmed the status, as the designated audit committee financial expert serving on the Audit Committee, of Mr. Johnson (since February 2017), in accordance with the definition and qualifications for an audit committee financial expert set out in SEC Regulation S-K, Item 407(d)(5).

The Audit Committee assists the Board in fulfilling its oversight responsibilities by reviewing the Company's consolidated financial reports, its internal financial and accounting controls, and its auditing, accounting and financial reporting processes generally. The Audit Committee evaluates the Company's independent auditor prior to determining the firm which it will appoint, subject to stockholder ratification, to perform the audit of the Company and its subsidiaries each year. Additionally, the Audit Committee and the Company's senior accounting and financial reporting personnel perform further annual evaluation of Deloitte & Touche LLP (Deloitte), utilizing the external auditor evaluation tool developed by the Center for Audit Quality and several other governance organizations. On a 10-year cycle, the Audit Committee also engages in a comprehensive process in which it solicits information from multiple independent accounting firms, enabling the Audit Committee to evaluate whether a change in the Company's independent registered public accounting firm may be appropriate.

In discharging its oversight responsibilities regarding the audit process, the Audit Committee reviewed and discussed the audited consolidated financial statements of the Company as of and for the year ended December 31, 2018 with Company management and Deloitte, the independent registered public accounting firm of the Company. The Audit Committee received the written disclosures and the letter from Deloitte required by PCAOB Ethics and Independence Rule 3526, Communication with Audit Committees Concerning Independence, discussed with Deloitte any relationships which might impair that firm's independence from management and the Company and satisfied itself as to the auditors' independence. The Audit Committee discussed with Deloitte all matters required to be discussed by auditing standards generally accepted in the United States of America, including PCAOB Auditing Standard No.16, Communications with Audit Committees (as may be modified or amended).

Based upon these reviews and discussions, the Audit Committee recommended to the Board that the Company's audited consolidated financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2018 for filing with the Securities and Exchange Commission.

Steven P. Johnson, Chairman
Cheryl D. Alston
Mary E. Thigpen
Paul J. Zucconi

February 28, 2019

The foregoing Audit Committee Report shall not be deemed to be "soliciting material" or to be "filed" with the Securities and Exchange Commission or subject to the liabilities of Section 18 of the Securities Exchange Act of 1934.

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PRINCIPAL ACCOUNTING FIRM FEES

The following table sets forth the aggregate fees, including out-of-pocket expenses, billed to the Company for the fiscal years ended December 31, 2018 and 2017 by the Company's independent registered public accounting firm, Deloitte & Touche LLP.

	2018 ($)	2017 ($)
Audit Fees[1]	4,012,824	3,881,256
Audit Related Fees[2]	181,000	240,325
Tax Fees	120,000	0
All Other Fees[3]	17,000	9,095
Total Fees	4,330,824	4,130,676

[1] Fees for audit services billed in 2018 and 2017 consisted of:
(i) Audit of Company's annual financial statements and insurance subsidiaries' statutory financial statements;
(ii) Review of the Company's quarterly financial statements; and
(iii) Services related to Securities and Exchange Commission filings and regulatory matters.
[2] Fees for audit related fees consisted of:
(i) Comfort letters for debt transactions in 2018 and 2017; and
(ii) Services related to statutory matters in 2017.
[3] Fees for assistance with subsidiary fund review in 2018 and 2017.

PRE-APPROVAL POLICY FOR ACCOUNTING FEES

All audit and non-audit services performed by Deloitte in 2018 were pre-approved in accordance with the Policy Regarding the Approval of Audit and Non-Audit Services Provided by the Independent Auditor adopted by the Audit Committee at its April 23, 2003 meeting, as amended at its October 13-14, 2003 and April 27, 2011 meetings. The Policy requires that all services provided by Deloitte, both audit and non-audit, must be pre-approved by the Audit Committee or a Designated Member thereof except for certain de minimus exceptions. After discussions with Deloitte and Company management, the Audit Committee has determined that the provision of certain designated audit-related, tax and all other services do not impair the independence of Deloitte. The Policy describes the permitted audit, audit-related, tax and all other services (collectively, the Disclosure Categories) that Deloitte may perform. Pre-approvals of audit and non-audit services may be given at any time up to a year before commencement of a specific service.

A description of the services expected to be provided by Deloitte in each of the Disclosure Categories (a Service List) is presented to the Audit Committee annually for approval. Upon receipt of approval of these services by the Audit Committee or a Designated Member, the services are provided by Deloitte for the duration of the pre-approved period. Any requests for audit, audit-related, tax and other services not on the pre-approved Service List must be separately pre-approved by the Audit Committee or the Designated Member and cannot be commenced until such pre-approval is obtained. If the Designated Member pre-approves permitted services, a report of this specific pre-approval must be made to the Audit Committee at its next regularly-scheduled meeting. The Chief Financial Officer (CFO) or his designee may engage Deloitte to provide any permitted service if the expected fee does not exceed $50,000, after obtaining approval of the Chair of the Audit Committee as the Designated Member. In order to engage Deloitte to provide any permitted services where the expected fee exceeds $50,000, a written proposal must be submitted to the Audit Committee or its Designated Member for approval. The Audit Committee may also periodically establish fee thresholds for pre-approved services.

At each regularly-scheduled Audit Committee meeting, the Audit Committee reviews a summary of the services provided, including fees, a listing of new pre-approved services since the Audit Committee's last meeting, a list of any de minimus services approved by the CFO and the Audit Committee Chair and an updated projection for the current fiscal year of estimated annual fees to be paid to Deloitte.

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PROCEDURAL MATTERS

Solicitation of Proxies

The Board of Torchmark Corporation solicits your proxy for use at the 2019 Annual Meeting of Shareholders and at any adjournment of the meeting. The Annual Meeting will be held at the Company Headquarters, 3700 South Stonebridge Drive, McKinney, Texas 75070 at 10:00 a.m., Central Daylight Time on Thursday, April 25, 2019. Gary L. Coleman and Larry M. Hutchison are named as proxies on the proxy/direction card. They have been designated as directors' proxies by the Board.

If the enclosed proxy/direction card is returned, properly executed, in time for the meeting, your shares will be voted at the meeting. All proxies will be voted in accordance with the instructions set forth on the proxy/direction card. If proxies are executed and returned which do not specify a vote on the proposals considered, those proxies will be voted FOR Proposals 1, 2 and 3. You have the right to revoke your proxy by giving written notice of revocation addressed to the Corporate Secretary of the Company at 3700 South Stonebridge Drive, McKinney, Texas 75070 at any time before the proxy is voted at the meeting.

The proxy/direction card shall constitute voting instructions furnished to the trustees of the Torchmark Corporation Savings and Investment Plan, the American Income Life Insurance Company Agent Stock Purchase Plan and the Family Heritage Life Agent Incentive Plan with respect to shares allocated to individuals' accounts under this plan. If the account information is the same, participants who are also stockholders of record will receive a single card representing all their shares. If a plan participant does not return a proxy/direction card to the Company, the trustee of the plan in which shares are allocated to the participant's individual account will vote those shares in the same proportion as the total number of shares in the plan for which directions have been received.

Record Date, Voting Stock and Quorum

The record date fixed by the Board of Directors for the determination of stockholders entitled to notice of and to vote at the 2019 Annual Meeting is March 1, 2019 (the Record Date). At the close of business on the Record Date, there were 110,313,328 shares of the Company's common stock outstanding and eligible to vote at the Annual Meeting. At the Annual Meeting, shareholders will be entitled to one vote for each share of common stock owned at the close of business on the Record Date. There is no cumulative voting of the common stock. Pursuant to a policy adopted by the Board, voting is confidential, with exceptions made to allow the Company to contact shareholders so as to reach quorum for meetings, in the event of a contested election and in the event comments are included on a proxy/direction card.

The presence at the 2019 Annual Meeting, in person or by proxy, of the holders of a majority of the outstanding shares of common stock entitled to vote at the meeting will constitute a quorum for consideration of the matters expected to be voted on at the meeting. Abstentions and broker non-votes will be included in the calculation of the number of the shares present at the meeting for the purposes of determining a quorum. "Broker non-votes" means shares held of record by a broker that are not voted on a matter because the broker has not received voting instructions from the beneficial owner of the shares and lacks the authority to vote the shares in its discretion. In tabulating the voting results for any particular proposal, shares that constitute broker non-votes are not considered entitled to vote on that proposal and will not affect the outcome of any matter being voted on at the meeting.

Required Vote on Proposals

Proposal 1 – Election of Directors: Under the Company's By-Laws, a nominee will be elected to the Board of the Company at the 2019 Annual Meeting if the votes cast "for" the nominee's election exceed the votes cast "against" the nominee's election, with abstentions not counting as votes "for" or "against." If you do not instruct your broker how to vote with respect to this item, your broker is not permitted to vote your shares with respect to the election of directors. Abstentions and broker non-votes will not be taken into account in determining the outcome of the election of directors.

An uncontested incumbent director is required to submit a contingent letter of resignation to the Board at the time of his/her nomination for consideration by the Governance and Nominating Committee of the Board. If such a director does not receive a majority of votes cast “for” his or her election, the Governance and Nominating Committee is required to consider on an expedited basis such director’s tendered resignation and make a recommendation to the Board concerning the acceptance or rejection of the tendered resignation. The Board is required to take formal action on the Governance and Nominating Committee’s recommendation expeditiously following the date of certification of the election results. The Company will publicly disclose the Board’s decision and its reasoning with regard to the tendered resignation.

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Proposal 2 – Ratification of Appointment of Independent Registered Public Accounting Firm: Under the Company's By-Laws, in order to be approved, this proposal requires an affirmative vote of a majority of the votes cast affirmatively or negatively. This means that the votes that shareholders cast "for" this proposal must exceed the votes that shareholders cast "against" this proposal at the meeting. Abstentions and broker non-votes are not counted as votes cast "for" or "against" and will not be taken into account in determining the outcome of this proposal.

Proposal 3 – Advisory Vote to Approve Executive Compensation: Our Board is seeking a non-binding advisory vote regarding the compensation of our named executive officers, as described in the Compensation Discussion and Analysis section, executive compensation tables and accompanying narrative disclosures contained in this Proxy Statement. Under the Company's By-Laws, in order to be approved, this proposal requires an affirmative vote of a majority of the votes cast affirmatively or negatively at the meeting. This means that the votes that shareholders cast "for" this proposal must exceed the votes that shareholders cast "against" this proposal at the meeting. The vote is advisory and non-binding in nature but our Compensation Committee will take into account the outcome of the vote when considering future executive compensation arrangements. If you do not instruct your broker how to vote with respect to this item, your broker may not vote with respect to this proposal. Abstentions and broker non-votes will not be taken into account in determining the outcome of this proposal.
Following the Annual Meeting, we will file a Form 8-K with the Securities and Exchange Commission disclosing the results of voting on each proposal as required by applicable rules.

MISCELLANEOUS INFORMATION

Proposals of Shareholders

In order for a proposal (including nominations of candidates for the Board of Directors) by a shareholder of the Company to be eligible to be included in the Proxy Statement and proxy form for the Annual Meeting of Shareholders in 2020 pursuant to the proposal process mandated by Securities and Exchange Commission Rule 14a-8, the proposal must be received by the Corporate Secretary of the Company at 3700 South Stonebridge Drive, McKinney, Texas 75070, on or before November 19, 2019. If a shareholder proposal is submitted outside the proposal process mandated by this Securities and Exchange Commission rule, and is submitted instead under the Company's advance notice By-Law provision (Article II, Section 10 of the By-Laws), the proposal must be received by the Corporate Secretary of the Company at 3700 South Stonebridge Drive, McKinney, Texas 75070 not earlier than December 27, 2019 nor later than February 10, 2020, together with the necessary supporting documentation required under that By-Law provision.

General

The cost of this solicitation of proxies will be paid by the Company. The Company is requesting that certain banking institutions, brokerage firms, custodians, trustees, nominees, and fiduciaries forward solicitation material to the underlying beneficial owners of the shares of the Company they hold of record. The Company will reimburse all reasonable forwarding expenses. The Company has retained Okapi Partners LLC to assist with the solicitation of proxies for a fee not to exceed $8,500 plus reimbursement for out-of-pocket expenses.
The Annual Report of the Company for 2018, which accompanies this Proxy Statement, includes a copy of the Company's Annual Report to the Securities and Exchange Commission on Form 10-K for the fiscal year ended December 31, 2018 and the financial statements and schedules thereto. Upon written request and payment of copying costs, the exhibits to the Form 10-K will be furnished. These requests should be directed to Investor Relations Department of Torchmark Corporation at 3700 South Stonebridge Drive, McKinney, Texas 75070.

By Order of the Board of Directors

Carol A. McCoy
Vice President, Associate Counsel & Corporate Secretary

March 18, 2019

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APPENDIX A
Non-GAAP Reconciliation

The chart below reflects non-GAAP financial measures utilized by Management which are included in the Proxy Statement. Torchmark includes non-GAAP measures to enhance investors' understanding of management's view of the business. The non-GAAP measures are not a substitute for GAAP, but rather a supplement to increase transparency by providing broader perspective. Torchmark's definitions of non-GAAP measures may differ from other companies' definitions.

Non-GAAP financial measure as referenced within Proxy Statement	Full Non-GAAP reference	Comparable GAAP financial measure
Net operating income earnings per diluted common share (EPS)	Net operating income from continuing operations per diluted common share	Net income earnings per diluted common share (EPS)
Operating income[1]	Net operating income from continuing operations	Net income
Underwriting income or margin[1]	Insurance underwriting income or margin	Net income
NOI ROE[2]	Net operating income as a return on equity, excluding net unrealized gains or losses on fixed maturities	Net income as a return on equity (ROE)
Book value per share[2]	Book value per share, excluding net unrealized gains on fixed maturities	Book value per share

[1] Net operating income from continuing operations is the consolidated total of segment profits after tax and as such is considered a Non-GAAP measure. Underwriting income is a component of net operating income. See 10-K Results of Operations for reconciliation to the most directly comparable GAAP measure and for discussion of the usefulness and purpose of this measure.
[2] Shareholders' equity, excluding net unrealized gains or losses on fixed maturities, and book value per share, excluding net unrealized gains on fixed maturities, are non-GAAP measures that are utilized by management to view the business without the effect of unrealized gains or losses which are primarily attributable to fluctuation in interest rates on the fixed maturity available for sale portfolio. Net unrealized gains on fixed maturities referred to above are net of tax. Management views the business in this manner because the Company has the ability and generally, the intent, to hold investments to maturity and meaningful trends can more easily be identified without the fluctuations. Shareholders' equity and book value per share are the most directly comparable GAAP measures.