

TORCHMARK CORP  
 Form 424B5  
 June 21, 2006  
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Filed Pursuant to Rule 424(b)(5)  
 Registration Statement No: 333-133646

A filing fee of \$26,750 has been calculated and paid in accordance with Rules 456(b) and 457(r) under the Securities Act of 1933, as amended, in connection with the offering of senior notes by means of this prospectus supplement and the accompanying prospectus under the Registration Statement (File No. 333-133646) filed on April 28, 2006. The proposed maximum offering price is based on the maximum aggregate principal amount of senior notes sold of \$250,000,000. This paragraph shall be deemed to update the "Calculation of Registration Fee" table in the registration statement referred to in the second sentence above.

**Prospectus Supplement**

**June 20, 2006**

(To Prospectus dated April 28, 2006)

**\$250,000,000**

**6.375% Senior Notes due 2016**

We will pay interest on the 6.375% Senior Notes due 2016 (the notes) on June 15 and December 15 of each year, beginning on December 15, 2006. The notes will mature on June 15, 2016.

We may redeem the notes at any time at the make-whole premium set forth under the heading Description of Notes Optional Redemption in this prospectus supplement.

The notes will be our senior unsecured obligations and will rank equally with our other senior unsecured indebtedness from time to time outstanding. The notes are not and will not be listed on any securities exchange.

**An investment in the notes involves risks. See Risk Factors beginning on page S-4 of this prospectus supplement and in our Annual Report on Form 10-K for the year ended December 31, 2005, which is incorporated herein by reference.**

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined that this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Note	Total
<b>Price to Public(1)</b>	99.247%	\$ 248,117,500
<b>Underwriting Discounts</b>	0.650%	\$ 1,625,000
<b>Proceeds (before expenses) to Torchmark Corporation</b>	98.597%	\$ 246,492,500

(1) Plus accrued interest, if any, from June 23, 2006 if settlement occurs after that date.

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The underwriters expect to deliver the notes in book-entry form only through the facilities of The Depository Trust Company for the accounts of its participants, including Clearstream, Luxembourg and the Euroclear System, on or about June 23, 2006.

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*Sole Book-Running Manager*

**Banc of America Securities LLC**

*Joint-Lead Managers*

**HSBC**

**JPMorgan**

*Co-Managers*

**Comerica Securities  
SunTrust Robinson Humphry**

**KeyBanc Capital Markets**

**Morgan Keegan & Company, Inc.  
Wells Fargo Securities**

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**PROSPECTUS SUPPLEMENT SUMMARY**

*This summary highlights important information about Torchmark Corporation and this offering. It does not contain all of the information that may be important to you in connection with your decision to invest in the notes. We encourage you to read this prospectus supplement and the accompanying prospectus in their entirety as well as the information we incorporate by reference before making an investment decision.*

**Torchmark Corporation**

We are an insurance holding company that provides protection life and supplemental health insurance and related products. We were incorporated in Delaware on November 29, 1979. We are the ultimate parent company of Liberty National Life Insurance Company, Globe Life And Accident Insurance Company, United American Insurance Company, United Investors Life Insurance Company and American Income Life Insurance Company. Globe Life And Accident is a direct-response provider of life insurance known for its administrative efficiencies. American Income provides supplemental life insurance to labor union members. Liberty National, one of the oldest traditional insurers in the Southeast, is the largest life insurer in its home state of Alabama. United American has been a provider of Medicare supplement health insurance since 1966.

Our principal executive offices are located at 3700 South Stonebridge Drive, McKinney, Texas 75070, and its telephone number is (972) 569-4000. Unless the context otherwise indicates, the terms Torchmark, we, us or our means Torchmark Corporation and its consolidated subsidiaries.

**Recent Developments**

*Offering of Trust Preferred Securities*

On June 8, 2006, we completed a public offering of \$120,000,000 in aggregate liquidation amount of 7.100% trust preferred securities. We intend to use the net proceeds of that offering for general working capital purposes and the possible redemption or repayment of callable and maturing securities.

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**The Offering**

*The following is a brief summary of certain terms of this offering. For a more complete description, see "Description of Notes" in this prospectus supplement and "Description of Debt Securities" in the accompanying prospectus.*

Issuer	Torchmark Corporation
Notes Offered	6.375% Senior Notes due 2016
Principal Amount	\$250,000,000
Maturity	The notes will mature on June 15, 2016.
Interest Rate	The notes will bear interest from June 23, 2006 at the rate of 6.375% per year, payable semi-annually in arrears.
Interest Payment Dates	June 15 and December 15 of each year, beginning December 15, 2006, to holders of record on the June 1 or December 1 preceding the relevant interest payment date.
Ranking	The notes will be our senior unsecured obligations and will rank equally with all of our other senior unsecured indebtedness from time to time outstanding. The notes will effectively rank junior to the current and future liabilities of our subsidiaries, and our ability to pay principal and interest on the notes will be affected by the ability of our subsidiaries, our principal source of cash flow, to declare and distribute dividends to us.  As of March 31, 2006, we had \$542,000,000 (par value) of senior indebtedness outstanding.
Optional Redemption	We may redeem the notes in whole or in part at any time at the make-whole premium described under the heading "Description of Notes - Optional Redemption."
Sinking Fund	None.
Ratings	Our senior indebtedness, including the notes, have been rated "A+" by Standard & Poor's Ratings Group ("Standard & Poor's") and "Baa1" by Moody's Investors Service, Inc. ("Moody's"). On February 17, 2006, Standard & Poor's placed our ratings on negative outlook. Additionally, on May 12, 2006, Moody's downgraded our corporate credit rating to Baa1 from A3. At the time, Moody's stated that its action reflected adjustments in its criteria for the business diversity of insurance companies rather than a change in our business outlook. Ratings reflect only the rating agencies' views and are not recommendations to buy, sell or hold the notes. There can be no assurance that such credit ratings will remain in effect for any given period of time or that such ratings will not be lowered, suspended or withdrawn entirely by the rating agencies, if in

each rating agency's judgment, circumstances so warrant. Actual or anticipated changes or

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downgrades in our credit ratings, including any announcement that our ratings are under further review for a downgrade, could affect the liquidity and market value of the notes.

Use of Proceeds

We intend to use the net proceeds from the sale of the notes for general working capital purposes, the repayment of \$180,000,000 in aggregate principal amount of our 6¼% Senior Notes that mature on December 15, 2006, plus accrued and unpaid interest, and the possible redemption of callable securities.

Certain Covenants

The indenture governing the notes contains certain restrictive covenants that, among other things, will limit our ability to:

incur or permit any of our subsidiaries to incur any indebtedness which is secured by an encumbrance on the common stock of certain designated subsidiaries; and

issue, sell, transfer or dispose of shares of our significant subsidiaries or to permit such subsidiaries to issue, sell, transfer or dispose of such shares.

These covenants are subject to important exceptions and qualifications, which are described under the heading *Description of Notes* in this prospectus supplement and under the heading *Description of Debt Securities* in the accompanying prospectus.

Risk Factors

Your investment in the notes will involve risks. You should carefully consider the discussion of risks under *Risk Factors* and in Part 1A of our Annual Report on Form 10-K for the year ended December 31, 2005, incorporated herein by reference, and the other information in this prospectus supplement, the accompanying prospectus and the other documents incorporated by reference herein and therein, before deciding to make an investment in the notes.

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**RISK FACTORS**

*An investment in the notes involves a number of risks. You should carefully consider the following information, together with the other information in this prospectus supplement, the accompanying prospectus and the documents that are incorporated by reference herein and therein before buying any notes.*

**Risks Related to the Offering**

*The notes are structurally subordinated to the indebtedness of our subsidiaries and our ability to pay principal and interest on the notes is limited by the amounts that our subsidiaries pay to us.*

The notes are our obligations exclusively and not of our subsidiaries. Our ability to pay principal and interest on the notes is affected by the ability of our insurance company subsidiaries, our principal sources of cash flow, to declare and distribute dividends on their common stock and preferred stock held by us. Our insurance company subsidiaries are subject to various state statutory and regulatory restrictions, applicable to insurance companies generally, that limit the amount of cash dividends, loans and advances that those subsidiaries may pay to us. For example, under certain state insurance laws, an insurance company generally may pay dividends only out of its unassigned surplus as reflected in its statutory financial statements filed in that state.

We can give no assurance that more stringent restrictions will not be adopted from time to time by states in which our insurance subsidiaries are domiciled, which could have the effect, under certain circumstances, of significantly reducing dividends or other amounts payable to us by our insurance company subsidiaries without affirmative prior approval by state insurance regulatory authorities. In addition, we rely on our ability to increase our premiums based upon a number of factors including loss experience. Our inability to obtain approval of rate increases in a timely manner from state insurance regulatory authorities could adversely impact our business and the ability of our insurance subsidiaries to declare and distribute dividends. In addition, our results may vary from year to year on account of fluctuations in policy claims received by us. A significant increase in policy claims could adversely impact our business and the ability of our insurance subsidiaries to declare and distribute dividends.

In the event of the insolvency, liquidation, reorganization, dissolution or other winding-up of one of our insurance subsidiaries, all creditors of that subsidiary, including holders of life and health insurance policies and trade creditors, would be entitled to payment in full out of the assets of that subsidiary before we, as a shareholder, would be entitled to any payments. In addition, creditors of subsidiaries would have to be paid in full before our creditors, including holders of the notes, would be entitled to receive any payment from the assets of a subsidiary.

*The notes are subject to prior claims of any secured creditors, and if a default occurs, we may not have sufficient funds to fulfill our obligations under the notes.*

The notes will be our senior unsecured obligations and will rank equally with our other senior unsecured indebtedness. The indenture governing the notes permits us and our subsidiaries to incur additional secured debt under specified circumstances. If we incur any secured debt, our assets and the assets of our subsidiaries will be subject to prior claims by our secured creditors. In the event of our bankruptcy, liquidation, reorganization or other winding up, assets that secure debt will be available to pay obligations on the notes only after all debt secured by those assets has been repaid in full. Holders of the notes will participate in our remaining assets ratably with all of our unsecured and unsubordinated creditors, including our trade creditors. If we incur any additional obligations that rank equally with the notes, including trade payables, the holders of those obligations will be entitled to share ratably with the holders of the notes in any proceeds distributed upon our insolvency, liquidation, reorganization, dissolution or other winding up. This may have the effect of reducing the amount of proceeds paid to you. If there are not sufficient assets remaining to pay all these creditors, all or a portion of the notes then outstanding would remain unpaid.



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*Any reduction in our credit ratings could materially and adversely affect our business, financial condition and results of operations as well as the liquidity and market value of the notes.*

The credit quality of our debt instruments and capital securities are rated by various rating agencies. These ratings indicate the rating agencies assessment of our ability to pay interest, distributions and principal on these securities when due. The lower the rating, the higher the interest cost of the securities when they are sold. If any of our ratings were to fall to a level that is below investment grade (Ba1 or lower for Moody's, BB+ or lower for Fitch, Inc., BB+ or lower for Standard & Poor's or bb+ or lower for A.M. Best Company), our ability to issue long-term debt, commercial paper, trust preferred securities or other securities, or to market those securities, would be impaired or made more difficult.

The chart below presents the credit ratings for our debt instruments and outstanding trust preferred securities as of June 15, 2006:

	Standard & Poor's	Fitch	Moody's	A.M. Best
Commercial Paper	A-1	F1	P-2	AMB-1
Funded Debt	A+	A	Baa1	a
Trust Preferred Securities	A-	A-	Baa2	a-

Our senior indebtedness, including the notes, have been rated A+ by Standard & Poor's and Baa1 by Moody's. On February 17, 2006, Standard & Poor's placed our ratings on negative outlook. Additionally, on May 12, 2006, Moody's downgraded our corporate credit rating to Baa1 from A3. At the time, Moody's stated that its action reflected adjustments in its criteria for the business diversity of insurance companies rather than a change in our business outlook. Moody's simultaneously downgraded the trust preferred securities ratings of Torchmark Capital Trust I and Torchmark Capital Trust II from Baa1 to Baa2. Ratings reflect only the rating agencies' views and are not recommendations to buy, sell or hold the notes. There can be no assurance that such credit ratings will remain in effect for any given period of time or that such ratings will not be lowered, suspended or withdrawn entirely by the rating agencies, if in each rating agency's judgment, circumstances so warrant. Actual or anticipated changes or downgrades in our credit ratings, including any announcement that our ratings are under further review for a downgrade, could affect the liquidity and market value of the notes.

Rating agencies also periodically review the financial performance and condition of insurers, including our insurance subsidiaries. A downgrade in the ratings of our insurance subsidiaries could adversely affect their ability to sell their products and their ability to compete for attractive acquisition opportunities. Accordingly, a downgrade in the ratings of our insurance subsidiaries could adversely affect our ability to compete.

Rating agencies assign ratings based upon several factors. While most of the considered factors relate to the rated company, some of the factors relate to general economic conditions and circumstances outside the rated company's control. We cannot assure you that any of our current ratings will remain in effect for any given period of time or that a rating will not be lowered or withdrawn entirely by a rating agency if, in its judgment, circumstances in the future so warrant.

Any downgrade by Moody's or Standard & Poor's in our non-credit-enhanced, senior unsecured long-term debt rating would, under the terms of our revolving credit facility, result in an increase in our borrowing costs under that credit facility. Any downgrade could have a material adverse effect on our business, financial condition and results of operations.

*There may not be an active trading market for the notes.*

There is no existing market for the notes and we do not intend to apply for listing of the notes on any securities exchange or any automated quotation system. Accordingly, there can be no assurance that a trading market for the notes will ever develop or will be maintained. Further, there can be no assurance as to the liquidity

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of any market that may develop for the notes, your ability to sell your notes or the price at which you will be able to sell your notes. Future trading prices of the notes will depend on many factors, including prevailing interest rates, our financial condition and results of operations, the then-current ratings assigned to the notes and the market for similar securities. Any trading market that develops would be affected by many factors independent of and in addition to the foregoing, including:

time remaining to the maturity of the notes;

terms related to the optional redemption of the notes;

outstanding amount of the notes; and

the level, direction and volatility of market interest rates generally.

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**SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This prospectus supplement and the accompanying prospectus and the information incorporated by reference include forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Some of the forward-looking statements can be identified by the use of forward-looking words such as believes, expects, may, will, should, seeks, approximately, intends, plans, estimates, or anticipates or the negative of those words or other comparable terminology. Forward-looking statements involve inherent risks and uncertainties. A number of important factors could cause actual results to differ materially from those in the forward-looking statements. For a discussion of factors that could cause actual results to differ, please see the discussion under Risk Factors contained in this prospectus supplement and in other information contained in our publicly available SEC filings, including our Annual Report on Form 10-K for the year ended December 31, 2005. You are cautioned not to place undue influence on these forward-looking statements, which speak only as of their dates. We undertake no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to projections over time.

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**USE OF PROCEEDS**

We expect to receive net proceeds from this offering of approximately \$246 million, after deducting underwriting discounts and offering expenses. We intend to use the net proceeds from the sale of the notes for general working capital purposes, the repayment of \$180,000,000 in aggregate principal amount of our 6¼% Senior Notes that mature on December 15, 2006, plus accrued and unpaid interest, and the possible redemption of callable securities. Our offering expenses, not including underwriting discounts, are estimated to be \$531,000.

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**Table of Contents****CAPITALIZATION**

The following table presents our short-term debt and total capitalization on a consolidated basis at March 31, 2006, and as adjusted to give effect to (i) the consummation of the offering of the notes, (ii) the application of a portion of the net proceeds from the sale of the notes to repay \$180,000,000 in aggregate principal amount of our 6 1/4% Senior Notes that mature on December 15, 2006, plus accrued and unpaid interest, and (iii) the sale of \$120,000,000 in aggregate liquidation amount of 7.100% trust preferred securities of Torchmark Capital Trust III that was completed on June 8, 2006. See *Use of Proceeds* in this prospectus supplement. You should read the following table in conjunction with the detailed information and financial statements appearing in the documents incorporated by reference into this prospectus supplement and the accompanying prospectus.

	<b>March 31, 2006</b>	
	<b>Actual (unaudited)</b>	<b>As Adjusted (unaudited)</b>
	<b>(amounts in thousands)</b>	
Short-term debt	\$ 469,362	\$ 289,725
Long-term debt (1)	\$ 353,131	\$ 594,839
Junior Subordinated Debentures (2)	154,639	278,351
Shareholders' Equity	3,224,414	3,224,414
<b>Total capitalization</b>	<b>\$ 3,732,184</b>	<b>\$ 4,097,604</b>

- (1) The *As Adjusted* column reflects underwriting discounts and expenses of (i) the offering of the notes and (ii) the sale by Torchmark Capital Trust III of 7.100% trust preferred securities, which were paid by us.
- (2) Included in *Due to affiliates* on Torchmark's Consolidated Balance Sheets.

**RATIO OF EARNINGS TO FIXED CHARGES**

The following table presents our ratio of earnings from continuing operations to fixed charges for each of the five years ended December 31, 2005 and the three months ended March 31, 2006.

	<b>Year Ended December 31,</b>					<b>Three months ended</b>
	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>March 31, 2006</b>
Ratio of earnings to fixed charges: (unaudited)						
Excluding interest credited on deposit products	14.2x	10.8x	12.3x	13.4x	12.7x	12.2x
Including interest credited on deposit products	6.1x	6.1x	6.2x	6.9x	6.8x	6.8x

For purposes of computing these ratios, *earnings* represent consolidated income from continuing operations before income taxes and fixed charges. *Fixed charges* represent interest expense, including interest credited on deposit products where indicated, and that portion of rental expense deemed representative of the interest factor.

**Table of Contents****SELECTED CONSOLIDATED FINANCIAL INFORMATION**

The following selected consolidated financial data should be read together with our most recent Annual Report on Form 10-K for the year ended December 31, 2005 and Quarterly Report on Form 10-Q for the three months ended March 31, 2006, each of which is incorporated by reference in this prospectus supplement and the accompanying prospectus. The consolidated statement of operations data for the fiscal years ended December 31, 2005, 2004 and 2003 and the consolidated balance sheet data for the fiscal years ended December 31, 2005 and 2004 were derived from our audited consolidated financial statements incorporated by reference in this prospectus supplement and the accompanying prospectus. The consolidated statement of operations data for the fiscal years ended December 31, 2002 and 2001 and the consolidated balance sheet data for the fiscal years ended December 31, 2003, 2002 and 2001 were derived from our audited consolidated financial statements not incorporated by reference in this prospectus supplement or the accompanying prospectus. The statement of operations data and balance sheet data for the three months ended March 31, 2006 and 2005 were derived from our unaudited consolidated financial statements incorporated by reference in this prospectus. The results for the interim periods are not necessarily indicative of the results to be expected for an entire year.

	Three Months Ended March 31,		Year Ended December 31,				
	2006	2005	2005	2004	2003	2002	2001
<b>(Amounts in thousands except per share and percentage data)</b>							
<b>Consolidated Statement of Operations Data:</b>							
Premium revenue:							
Life	\$ 380,869	\$ 363,283	\$ 1,468,288	\$ 1,395,490	\$ 1,310,373	\$ 1,220,688	\$ 1,144,499
Health	316,080	267,310	1,014,857	1,048,666	1,034,031	1,019,120	1,010,753
Other	5,728	6,114	24,929	27,744	31,379	39,225	59,917
Total	702,677	636,707	2,508,074	2,471,900	2,375,783	2,279,033	2,215,169
Net investment income	153,389	149,176	603,068	577,035	557,670	518,978	491,880
Realized investment gains (losses)	(6,196)	(3,128)	280	22,216	(3,274)	(38,722)	(1,255)
Total revenue	857,008	782,994	3,125,910	3,071,542	2,930,998	2,761,409	2,708,269
Net income from continuing operations	120,274	117,843	495,390	475,718	430,141	383,433	386,377
Net income	120,274	117,843	495,390	468,555	430,141	383,433	356,513
Per common share:							
Basic earnings:							
Net income from continuing operations	1.17	1.11	4.73	4.32	3.75	3.19	3.09
Net income	1.17	1.11	4.73	4.26	3.75	3.19	2.85
Diluted earnings:							
Net income from continuing operations	1.16	1.09	4.68	4.25	3.73	3.18	3.07
Net income	1.16	1.09	4.68	4.19	3.73	3.18	2.83
Cash dividends paid	0.11	0.11	0.44	0.44	0.38	0.36	0.36
Basic average shares outstanding	102,643	106,421	104,735	110,106	114,837	120,259	125,135
Diluted average shares outstanding	103,521	108,278	105,751	111,908	115,377	120,669	125,861
<b>Consolidated Balance Sheet Data:</b>							
Cash and invested assets	\$ 9,232,818	\$ 9,191,275	\$ 9,410,695	\$ 9,243,090	\$ 8,702,398	\$ 7,790,930	\$ 7,108,086
Total assets	14,755,086	14,166,056	14,768,903	14,252,184	13,465,525	12,365,361	12,432,792
Short-term debt	469,362	220,821	381,505	170,354	182,448	201,479	204,037
Long-term debt(1)	507,770	690,044	507,902	694,685	698,042	700,630	685,348
Shareholders' equity	3,224,414	3,282,065	3,432,768	3,419,844	3,240,099	2,851,453	2,497,127
Per diluted share	31.72	30.82	32.91	31.07	28.45	24.04	20.24
Effect of SFAS 115 on diluted equity per share(2)	1.10	3.05	2.50	3.62	3.39	1.58	(0.01)
<b>Other Data:</b>							
Annualized premium in force:							
Life	1,596,105	1,539,479	1,577,635	1,523,335	1,449,290	1,343,156	1,257,413
Health	1,212,574	1,035,678	1,026,410	1,056,451	1,064,428	1,030,482	1,042,643
Total	2,808,679	2,575,157	2,604,045	2,579,786	2,513,718	2,373,638	2,300,056
Basic shares outstanding	100,594	104,766	103,569	107,944	112,715	118,267	122,888
Diluted shares outstanding	101,665	106,482	104,303	110,075	113,887	118,598	123,354

- (1) Includes 7<sup>3</sup>/<sub>4</sub>% Junior Subordinated Debentures reported as "Due to affiliates" on the *Consolidated Balance Sheets* at each year end in the amount of \$154.6 million.
- (2) Statement of Financial Accounting Standards No. 115 ( SFAS 115 ) is an accounting rule requiring fixed maturities to be revalued at fair value each period. The effect of SFAS 115 on diluted equity per share reflects the amount added (or deducted) under SFAS 115 to produce GAAP shareholders' equity per share. Please see the explanation and discussion under the caption *Capital Resources in Management's Discussion and Analysis of Financial Condition and Results of Operations* in our Annual Report on Form 10-K for the year ended December 31, 2005 concerning the effect this rule has on our equity.



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**DESCRIPTION OF NOTES**

*The following, together with the Description of Debt Securities in the accompanying prospectus, is a description of the material terms of the notes. You should also read the Indenture dated as of February 1, 1987 between us and Morgan Guaranty Trust Company of New York, as supplemented by a second supplemental indenture dated June 23, 2006 (as so supplemented, the indenture). The Bank of New York Trust Company, N.A. will serve as trustee with respect to the notes.*

**General**

The notes constitute a single series of senior debt securities for purposes of the indenture and are initially limited to an aggregate principal amount of \$250,000,000. We may reopen this series of notes and issue additional notes of this series without consent from the holders of the notes.

The notes will mature on June 15, 2016. Interest on the notes will accrue from the date of original issuance, or the most recent interest payment date to which interest has been paid or duly provided for, and will be payable semi-annually in arrears on June 15 and December 15 of each year, beginning December 15, 2006, to the persons in whose names the notes are registered at the close of business on the June 1 or December 1 prior to the applicable interest payment date, at the annual rate set forth on the cover of this prospectus supplement. Interest payable upon redemption will be paid to the person to whom principal is payable. The amount of interest payable will be computed on the basis of a 360-day year of twelve 30-day months.

The notes will be redeemable by us at any time prior to maturity as described below under Optional Redemption.

The notes will not be subject to a sinking fund.

If any interest payment date, redemption date or maturity falls on a day that is not a business day, then the payment will be made on the next business day without additional interest and with the same effect as if it were made on the originally scheduled date. Business day, with respect to any place of payment, means each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in New York City are authorized or obligated by law or executive order to close.

The notes will be issued only in book-entry form represented by one or more global securities and will be issued in denominations of \$2,000 and integral multiples of \$1,000.

The notes will not be listed on any securities exchange. The notes will be a new issue of securities with no established trading market and there can be no assurance as to whether any market will develop, the liquidity of any markets that may develop or the prices at which holders would be able to sell the notes.

The indenture does not limit the amount of debt securities that we may issue and, as supplemented, provides that we may appoint different trustees for different series of debt securities.

**Ranking**

The notes will be our senior unsecured obligations and will rank equally with all of our other senior unsecured indebtedness from time to time outstanding. The notes will effectively rank junior to the current and future liabilities of our subsidiaries, and our ability to pay principal and interest on the notes will be affected by the ability of our subsidiaries, our principal source of cash flow, to declare and distribute dividends to us. The indenture governing the notes does not limit the amount of debt we or our subsidiaries may issue. As of March 31, 2006, we had \$542,000,000 (par value) of senior indebtedness outstanding.

**Optional Redemption**

The notes are redeemable, as a whole or in part, at our option, at any time or from time to time, upon notice mailed to the registered address of each holder of notes at least 30 days but not more than 60 days prior to the



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redemption date. The make-whole premium redemption price will be equal to the greater of (1) 100% of the principal amount of the notes to be redeemed and (2) the sum of the present values of the Remaining Scheduled Payments (as defined below) on such notes discounted to the date of redemption, on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months), at a rate equal to the sum of the applicable Treasury Rate (as defined below) plus 25 basis points. Accrued interest will be paid to, but excluding, the redemption date.

Treasury Rate means, with respect to any redemption date, the rate per year equal to the semi-annual equivalent yield to maturity (computed as of the third business day immediately preceding that redemption date) of the Comparable Treasury Issue (as defined below), assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for that redemption date.

Comparable Treasury Issue means the United States Treasury security selected by a Reference Treasury Dealer (as defined below) as having an actual or interpolated maturity comparable to the remaining term of the notes called for redemption, that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of notes called for redemption.

Comparable Treasury Price means, with respect to any redemption date, the average, as determined by us, of the Reference Treasury Dealer Quotations (as defined below) for that redemption date.

Reference Treasury Dealer means Banc of America Securities LLC and one other primary U.S. Government securities dealer selected by us, and each of their respective successors. If it shall cease to be a primary U.S. Government securities dealer, we will substitute another nationally recognized investment banking firm that is a primary U.S. Government securities dealer.

Reference Treasury Dealer Quotations means, on any redemption date, the average, as determined by us, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to us by each Reference Treasury Dealer at 3:30 p.m., New York City time, on the third business day preceding that redemption date.

Remaining Scheduled Payments means the remaining scheduled payments of principal of and interest on the notes called for redemption that would be due after the related redemption date but for that redemption. If that redemption date is not an interest payment date with respect to the notes called for redemption, the amount of the next succeeding scheduled interest payment on such notes will be reduced by the amount of interest accrued to such redemption date.

We will prepare and mail a notice of redemption to each holder of notes to be redeemed by first-class mail at least 30 and not more than 60 days prior to the date fixed for redemption. On and after a redemption date, interest will cease to accrue on the notes called for redemption (unless we default in the payment of the redemption price and accrued interest). On or before a redemption date, we will deposit with a paying agent (or the Trustee) money sufficient to pay the redemption price of and accrued interest on the notes to be redeemed on that date. If less than all of the notes are to be redeemed, the notes to be redeemed shall be selected by the Trustee pro rata or by lot or by a method the Trustee deems to be fair and appropriate.

**Ratings**

Our senior indebtedness, including the notes, have been rated A+ by Standard & Poor's and Baa1 by Moody's. On February 17, 2006, Standard & Poor's placed our ratings on negative outlook. Additionally, on May 12, 2006, Moody's downgraded our corporate credit rating to Baa1 from A3. At the time, Moody's stated that its action reflected adjustments in its criteria for the business diversity of insurance companies rather than a change in our business outlook. Ratings reflect only the rating agencies' views and are not recommendations to

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buy, sell or hold the notes. There can be no assurance that such credit ratings will remain in effect for any given period of time or that such ratings will not be lowered, suspended or withdrawn entirely by the rating agencies, if in each rating agency's judgment, circumstances so warrant. Actual or anticipated changes or downgrades in our credit ratings, including any announcement that our ratings are under further review for a downgrade, could affect the liquidity and market value of the notes.

## **Restrictive Covenants**

### *Limitations on Liens*

We will not, and will not permit any of our subsidiaries to incur any indebtedness which is secured by an encumbrance of any nature (a Mortgage ) on the common stock of Liberty National Life Insurance Company, United American Insurance Company, Globe Life And Accident Insurance Company, United Investors Life Insurance Company and American Income Life Insurance Company, or any of our other significant subsidiaries (the Designated Subsidiaries ), unless the notes and, if we so elect, any other indebtedness of ours ranking at least on an equal basis with the notes, will be secured equally and ratably with, or prior to, such other secured indebtedness. We are not restricted, however, from incurring indebtedness for money borrowed that is secured with:

- (1) Mortgages securing indebtedness owed by a Designated Subsidiary to another Designated Subsidiary or to us;
- (2) pledges or deposits under workers' compensation or other similar laws and liens of judgments thereunder that are not currently dischargeable;
- (3) good faith deposits in connection with leases to which we or any Designated Subsidiary is a party;
- (4) deposits to secure our public or statutory obligations;
- (5) deposits in connection with obtaining or maintaining self-insurance or obtaining the benefits of any law, regulation or arrangement pertaining to unemployment insurance, old age pensions, social security or similar matters;
- (6) deposits in litigation or other proceedings;
- (7) Mortgages created by or resulting from any judgments or awards against us or the Designated Subsidiaries with respect to which we are in good faith prosecuting an appeal or other review proceedings, or Mortgages incurred by us or any Designated Subsidiary for the purpose of obtaining a stay or discharge in the course of any litigation to which we are a party; or
- (8) Mortgages for taxes or assessments, governmental charges or levies not yet due or delinquent, or which can be paid thereafter without penalty, or which are being contested in good faith by appropriate proceedings.

### *Limitations on Sales of Capital Stock of Certain Subsidiaries*

Under the indenture, we are not permitted to issue, sell, transfer or dispose of (except to a Designated Subsidiary), nor may we permit any Designated Subsidiary to issue, sell, transfer or dispose of (except to us or another Designated Subsidiary), any shares of capital stock of a Designated Subsidiary, unless the entire capital stock of such subsidiary is disposed of for consideration of cash or property, which, in the opinion of our Board of Directors, is at least equal to the fair value of such capital stock.

### *Other Covenants*

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See also Description of Debt Securities Consolidation, Merger or Sale, and the defeasance provisions described under the Description of Debt Securities Discharge, Defeasance and Covenant Defeasance in the accompanying prospectus.

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### **Events of Default**

An Event of Default with respect to the notes is defined in the indenture as being:

- (1) our failure to pay any installment of interest on the notes for 30 days after the date payment is due;
- (2) default in the payment of any principal on the notes when due at maturity, by declaration of acceleration or otherwise;
- (3) our failure to perform any of the covenants or the breach of a warranty in the indenture applicable to the notes which shall not have been remedied within a period of 60 days after receipt of written notice that performance or cure of breach was required;
- (4) certain events involving our bankruptcy, insolvency or reorganization; and
- (5) a default under any other indebtedness of ours if we fail to pay a principal amount due in excess of \$10,000,000 or if a principal amount in excess of \$10,000,000 is declared due prior to the date it would have otherwise been due.

The indenture provides that if an Event of Default shall have occurred and be continuing, either the trustee or the holders of at least 25% in aggregate principal amount of debt securities of the affected series issued under the indenture then outstanding may declare the principal amount of all the debt securities and interest, if any, accrued thereon to be due and payable immediately.

The indenture contains a provision entitling the trustee, subject to the duty of the trustee during default to act with the required standard of care, to be indemnified by the holders of the notes before proceeding to exercise any right or power under the indenture at the request of the holders of the notes. The indenture also provides that the holders of a majority in principal amount of the notes may direct the time, method and place of conducting any proceeding for any remedy available to the trustee, or exercising any trust or power conferred on such trustee.

No holder of notes will have any right to institute any proceeding with respect to the indenture or for any remedy thereunder, unless: (1) the holder shall have previously given the trustee written notice of an Event of Default with respect to the notes, (2) the holders of at least 25% in aggregate principal amount of the notes shall have made written request to the trustee to institute such proceeding as trustee, (3) the holders shall have offered the trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request, (4) the trustee shall have failed to institute any such proceeding for 60 days after its receipt of such notice and (5) no direction inconsistent with such written request has been given to the trustee during the 60-day period by the holders of a majority in principal amount of the outstanding debt securities under the indenture. However, any right of a holder of notes to receive payment of the principal of and any interest on the notes and to institute suit for the enforcement of any such payment shall not be impaired without the consent of such holder.

The indenture contains a covenant that we will file annually with the trustee a certificate, signed by one of our officers, stating whether or not the officer knows of any default by us in the performance, observance or fulfillment of any condition or covenant of the indenture.

### **Trustee**

The trustee for the issuance of the notes under the indenture is The Bank of New York Trust Company, N.A. The Bank of New York Trust Company, N.A. also serves as our transfer agent and as the trustee, registrar and paying agent for our trust preferred securities and certain of our outstanding debt. Additionally, one of its affiliates, The Bank of New York, is a lender in our credit facility.

### **Book-Entry Procedures and Settlement**

We have obtained the information in this section concerning The Depository Trust Company ( DTC ), Clearstream Banking, société anonyme, Luxembourg ( Clearstream, Luxembourg ) and Euroclear Bank S.A./



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N.V., as operator of the Euroclear System ( Euroclear ) and their book-entry systems and procedures from sources that we believe to be reliable. We take no responsibility for an accurate portrayal of this information. In addition, the description of the clearing systems in this section reflects our understanding of the rules and procedures of DTC, Clearstream, Luxembourg and Euroclear as they are currently in effect. Those systems could change their rules and procedures at any time.

Unless otherwise specified in a prospectus supplement, the notes will initially be represented by one or more fully registered global notes. Each such global note will be deposited with, or on behalf of, DTC or any successor thereto and registered in the name of Cede & Co. (DTC's nominee). You may hold your interests in the global notes in the United States through DTC, or in Europe through Clearstream, Luxembourg or Euroclear, either as a participant in such systems or indirectly through organizations which are participants in such systems. Clearstream, Luxembourg and Euroclear will hold interests in the global notes on behalf of their respective participating organizations or customers through customers' securities accounts in Clearstream, Luxembourg's or Euroclear's names on the books of their respective depositories, which in turn will hold those positions in customers' securities accounts in the depositories' names on the books of DTC. Citibank, N.A. will act as depository for Clearstream, Luxembourg and JPMorgan Chase Bank will act as depository for Euroclear.

So long as DTC or its nominee is the registered owner of the global securities representing the notes, DTC or such nominee will be considered the sole owner and holder of the notes for all purposes of the notes and the indenture governing the notes. Except as provided below, owners of beneficial interests in the notes will not be entitled to have the notes registered in their names, will not receive or be entitled to receive physical delivery of the notes in definitive form and will not be considered the owners or holders of the notes under the indenture, including for purposes of receiving any reports delivered by us or the trustee pursuant to the indenture. Accordingly, each person owning a beneficial interest in a note must rely on the procedures of DTC or its nominee and, if such person is not a participant, on the procedures of the participant through which such person owns its interest, in order to exercise any rights of a holder of notes.

Unless and until we issue the notes in fully certificated, registered form under the limited circumstances described below under the heading **Certificated Notes** :

you will not be entitled to receive a certificate representing your interest in the notes;

all references in this prospectus supplement or the accompanying prospectus to actions by holders will refer to actions taken by DTC upon instructions from its direct participants; and

all references in this prospectus supplement or the accompanying prospectus to payments and notices to holders will refer to payments and notices to DTC or Cede & Co., as the registered holder of the notes, for distribution to you in accordance with DTC procedures.

*The Depository Trust Company*

DTC will act as securities depository for the notes. The notes will be issued as fully registered notes registered in the name of Cede & Co. DTC is:

a limited-purpose trust company organized under the New York Banking Law;

a banking organization under the New York Banking Law;

a member of the Federal Reserve System;

a clearing corporation under the New York Uniform Commercial Code; and

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a clearing agency registered under the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its direct participants deposit with DTC. DTC facilitates the settlement among direct participants of securities transactions, such as transfers and pledges, in deposited securities through

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electronic computerized book-entry changes in direct participants' accounts, thereby eliminating the need for physical movement of securities certificates.

Direct participants of DTC include securities brokers and dealers (including the underwriters), banks, trust companies, clearing corporations and certain other organizations. DTC is owned by a number of its direct participants. Indirect participants of DTC, such as securities brokers and dealers, banks and trust companies, can also access the DTC system if they maintain a custodial relationship with a direct participant.

Purchases of notes under DTC's system must be made by or through direct participants, which will receive a credit for the notes on DTC's records. The ownership interest of each beneficial owner is in turn to be recorded on the records of direct participants and indirect participants. Beneficial owners will not receive written confirmation from DTC of their purchase, but beneficial owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the direct participants or indirect participants through which such beneficial owners entered into the transaction. Transfers of ownership interests in the notes are to be accomplished by entries made on the books of participants acting on behalf of beneficial owners. Beneficial owners will not receive certificates representing their ownership interests in notes, except as provided below in *Certificated Notes*.

To facilitate subsequent transfers, all notes deposited with DTC are registered in the name of DTC's nominee, Cede & Co. The deposit of notes with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the notes. DTC's records reflect only the identity of the direct participants to whose accounts such notes are credited, which may or may not be the beneficial owners. The participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to direct participants, by direct participants to indirect participants and by direct participants and indirect participants to beneficial owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

### *Book-Entry Format*

Under the book-entry format, the trustee will pay interest or principal payments to Cede & Co., as nominee of DTC. DTC will forward the payment to the direct participants, who will then forward the payment to the indirect participants (including Clearstream, Luxembourg or Euroclear) or to you as the beneficial owner. You may experience some delay in receiving your payments under this system. Neither we, the trustee under the indenture nor any paying agent has any direct responsibility or liability for the payment of principal or interest on the notes to owners of beneficial interests in the notes.

DTC is required to make book-entry transfers on behalf of its direct participants and is required to receive and transmit payments of principal, premium, if any, and interest on the notes. Any direct participant or indirect participant with which you have an account is similarly required to make book-entry transfers and to receive and transmit payments with respect to the notes on your behalf. We and the trustee under the indenture have no responsibility for any aspect of the actions of DTC, Clearstream, Luxembourg or Euroclear or any of their direct or indirect participants. In addition, we and the trustee under the indenture have no responsibility or liability for any aspect of the records kept by DTC, Clearstream, Luxembourg, Euroclear or any of their direct or indirect participants relating to or payments made on account of beneficial ownership interests in the notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests. We also do not supervise these systems in any way.

The trustee will not recognize you as a holder under the indenture, and you can only exercise the rights of a holder indirectly through DTC and its direct participants. DTC has advised us that it will only take action



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regarding a note if one or more of the direct participants to whom the note is credited directs DTC to take such action and only in respect of the portion of the aggregate principal amount of the notes as to which that participant or participants has or have given that direction. DTC can only act on behalf of its direct participants. Your ability to pledge notes to non-direct participants, and to take other actions, may be limited because you will not possess a physical certificate that represents your notes.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the notes unless authorized by a direct participant in accordance with DTC's procedures. Under its usual procedures, DTC will mail an omnibus proxy to us as soon as possible after the record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those direct participants to whose accounts the notes are credited on the record date (identified in a listing attached to the omnibus proxy).

Clearstream, Luxembourg or Euroclear will credit payments to the cash accounts of Clearstream, Luxembourg customers or Euroclear participants in accordance with the relevant system's rules and procedures, to the extent received by its depository. These payments will be subject to tax reporting in accordance with relevant United States tax laws and regulations. Clearstream, Luxembourg or the Euroclear Operator, as the case may be, will take any other action permitted to be taken by a holder under the indenture on behalf of a Clearstream, Luxembourg customer or Euroclear participant only in accordance with its relevant rules and procedures and subject to its depository's ability to effect those actions on its behalf through DTC.

DTC, Clearstream, Luxembourg and Euroclear have agreed to the foregoing procedures in order to facilitate transfers of the notes among participants of DTC, Clearstream, Luxembourg and Euroclear. However, they are under no obligation to perform or continue to perform those procedures, and they may discontinue those procedures at any time.

### *Transfers Within and Among Book-Entry Systems*

Transfers between DTC's direct participants will occur in accordance with DTC rules. Transfers between Clearstream, Luxembourg customers and Euroclear participants will occur in accordance with its applicable rules and operating procedures.

DTC will effect cross-market transfers between persons holding directly or indirectly through DTC, on the one hand, and directly or indirectly through Clearstream, Luxembourg customers or Euroclear participants, on the other hand, in accordance with DTC rules on behalf of the relevant European international clearing system by its depository. However, cross-market transactions will require delivery of instructions to the relevant European international clearing system by the counterparty in that system in accordance with its rules and procedures and within its established deadlines (European time). The relevant European international clearing system will, if the transaction meets its settlement requirements, instruct its depository to effect final settlement on its behalf by delivering or receiving securities in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Clearstream, Luxembourg customers and Euroclear participants may not deliver instructions directly to the depositories.

Because of time-zone differences, credits of securities received in Clearstream, Luxembourg or Euroclear resulting from a transaction with a DTC direct participant will be made during the subsequent securities settlement processing, dated the business day following the DTC settlement date. Those credits or any transactions in those securities settled during that processing will be reported to the relevant Clearstream, Luxembourg customer or Euroclear participant on that business day. Cash received in Clearstream, Luxembourg or Euroclear as a result of sales of securities by or through a Clearstream, Luxembourg customer or a Euroclear participant to a DTC direct participant will be received with value on the DTC settlement date but will be available in the relevant Clearstream, Luxembourg or Euroclear cash amount only as of the business day following settlement in DTC.

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Although DTC, Clearstream, Luxembourg and Euroclear has agreed to the foregoing procedures in order to facilitate transfers of notes among their respective participants, they are under no obligation to perform or continue to perform such procedures and such procedures may be discontinued at any time.

*Certificated Notes*

Unless and until they are exchanged, in whole or in part, for notes in definitive form in accordance with the terms of the notes, the notes may not be transferred except (1) as a whole by DTC to a nominee of DTC or (2) by a nominee of DTC to DTC or another nominee of DTC or (3) by DTC or any such nominee to a successor of DTC or a nominee of such successor.

We will issue notes to you or your nominees, in fully certificated registered form, rather than to DTC or its nominees, only if:

we advise the trustee in writing that DTC is no longer willing or able to discharge its responsibilities properly or that DTC is no longer a registered clearing agency under the Securities Exchange Act of 1934, and the trustee or we are unable to locate a qualified successor within 90 days;

an event of default has occurred and is continuing under the indenture; or

we, at our option, elect to terminate the book-entry system through DTC.

If any of the three above events occurs, DTC is required to notify all direct participants that notes in fully certificated registered form are available through DTC. DTC will then surrender the global note representing the notes along with instructions for re-registration. The trustee will re-issue the notes in fully certificated registered form and will recognize the registered holders of the certificated notes as holders under the indenture.

Unless and until we issue the notes in fully certificated, registered form, (1) you will not be entitled to receive a certificate representing your interest in the notes; (2) all references in this prospectus supplement or the accompanying prospectus to actions by holders will refer to actions taken by the depositary upon instructions from their direct participants; and (3) all references in this prospectus supplement or the accompanying prospectus to payments and notices to holders will refer to payments and notices to the depositary, as the registered holder of the notes, for distribution to you in accordance with its policies and procedures.

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**UNITED STATES FEDERAL INCOME TAX CONSEQUENCES**

The following discussion summarizes certain U.S. federal income tax considerations that may be relevant to you if you invest in the notes. Except as discussed below under Non-U.S. holders and Information reporting and backup withholding, the discussion generally applies only to holders of notes that are U.S. holders. You will be a U.S. holder if you are:

- (i) an individual who is a citizen or resident of the United States for U.S. federal income tax purposes;
- (ii) a corporation (or other entity taxable as a corporation) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- (iii) an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- (iv) a trust if (A) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons has the authority to control all substantial decisions of the trust or (B) the trust has in effect a valid election in effect under applicable Treasury Regulations to be treated as a United States person for U.S. federal income tax purposes.

This summary applies only to those persons holding notes which: (i) are held as capital assets and (ii) are purchased by those initial holders who purchase notes at the issue price, which will generally equal the first price at which a substantial amount of the notes is sold for money to the public. It does not address considerations that may be relevant to you if you are an investor that is subject to special tax rules, such as a bank, thrift, real estate investment trust, regulated investment company, insurance company, dealer in securities or currencies, partnership or other entity classified as a partnership for U.S. federal income tax purposes, certain former citizens and residents, a person who holds the notes as part of a hedge or integrated transaction, a person who is liable for the alternative minimum tax, or a U.S. holder whose functional currency is not the U.S. dollar. If an entity that is treated as a partnership for U.S. federal income tax purposes holds the notes, that tax treatment of a partner generally will depend on the status of the partner and the activities of the partnership. If you are a partner in such an entity, you should consult your tax advisor. In addition, this discussion does not describe any tax consequences arising out of the tax laws of any state, local or foreign jurisdiction, or any possible applicability of U.S. federal gift or estate tax.

This summary is based on laws, regulations, rulings and decisions now in effect, all of which may change. Any change could apply retroactively and could affect the continued validity of this summary.

You should consult your tax advisor about the tax consequences of purchasing or holding notes, including the relevance to your particular situation of the considerations discussed below, as well as the relevance to your particular situation of state, local, foreign or other tax laws.

**Payments or accruals of interest**

Payments or accruals of interest on a note will be taxable to you as ordinary income at the time that you receive or accrue such amounts (in accordance with your regular method of tax accounting).

**Repurchase options**

We may redeem the notes, in whole or in part, at our option (see Description of Notes Optional Redemption ). The Treasury Regulations issued under the provisions of the Internal Revenue Code of 1986 (the Code ) relating to original issue discount contain rules for determining the yield and maturity of debt instruments that are subject to certain options or other contingent payments. Pursuant to those regulations, we believe that we should not be deemed to exercise any option to redeem the notes, and thus, the existence of this option to redeem should not affect the calculation of the yield and maturity of the notes.

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### **Purchase, sale redemption and retirement of notes**

Initially, your tax basis in a note generally will equal the cost of the note to you. When you sell or exchange a note, or if a note that you hold is retired or redeemed, you generally will recognize gain or loss equal to the difference between the amount you realize on the transaction (less any accrued interest, which will be subject to tax in the manner described above under Payments or accruals of interest ) and your tax basis in the note. Special rules may apply to notes redeemed in part.

The gain or loss that you recognize on the sale, exchange, redemption or retirement of a note generally will be capital gain or loss. The capital gain or loss on the sale, exchange, redemption or retirement of a note will be long-term capital gain or loss if you have held the note for more than one year on the date of disposition. Net long-term capital gain recognized by an individual U.S. holder generally is subject to tax at a lower rate than net short-term capital gain or ordinary income. The ability of U.S. holders to offset capital losses against ordinary income is limited.

### **Non-U.S. holders**

For purposes of this summary, a non-U.S. holder is:

- (i) an individual who is classified as a nonresident alien for U.S. federal income tax purposes;
- (ii) a foreign corporation; or
- (iii) a foreign estate or trust.

This summary assumes that the non-U.S. holder (i) is not and will not become engaged in a United States trade or business and (ii) will not be present in the United States for 183 days or more during any particular taxable year. Generally, interest on the notes will not be subject to withholding of U.S. federal income tax if the non-U.S. holder (i) does not actually or constructively own 10% or more of the total combined voting power of all classes of our stock entitled to vote and is not a controlled foreign corporation related, directly or indirectly, to us through stock ownership and (ii) certifies, under penalties of perjury on a Form W-8BEN (or such successor form as the Internal Revenue Service designates), prior to the payment of such interest, that such holder is not a U.S. person and provides such holder's name and address. If these requirements are not met, payments of interest on the notes to a non-U.S. holder will be subject to U.S. withholding tax at a rate of 30% unless a treaty applies to reduce or eliminate withholding. To claim the benefits of a treaty exemption from or reduction in withholding, a non-U.S. holder must provide a properly executed Form W-8BEN (or such successor form as the Internal Revenue Service designates) prior to the payment of interest. These forms may need to be periodically updated.

If you are a non-U.S. holder, any gain you realize on a sale, exchange, redemption or other disposition of notes generally will be exempt from U.S. federal income tax, including withholding tax.

### **Information reporting and backup withholding**

If you are a U.S. holder, you will generally be subject to information reporting and may also be subject to backup withholding tax, currently at a rate of 28%, when you receive interest payments on the note or proceeds upon the sale or other disposition of a note. Certain U.S. holders, such as corporations, are generally not subject to information reporting or backup withholding. In addition, the backup withholding tax will not apply if you provide your taxpayer identification number ( TIN ) to the payor in the prescribed manner unless: (i) the Internal Revenue Service notifies us or our agent that the TIN you provide is incorrect; (ii) you fail to report interest and dividend payments that you receive on your tax return and the Internal Revenue Service notifies us or our agent that withholding is required; or (iii) you fail to certify under penalties of perjury that (A) you provided us with your correct TIN, (B) you are not subject to backup withholding, and (C) you are a U.S. person (including U.S. resident alien).

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Information returns will be filed with the Internal Revenue Service in connection with payments on the notes to non-U.S. holders. If you are a non-U.S. holder, you may have to comply with certification procedures to establish your non-U.S. status in order to avoid additional information reporting and backup withholding tax requirements. The certification procedures required to claim the exemption from withholding tax on interest income described above will satisfy these certification requirements.

The amount of any backup withholding from a payment to a holder may be allowed as a credit against the holder's U.S. federal income tax liability and may entitle the holder to a refund, provided that the required information is furnished to the Internal Revenue Service.

THE PRECEDING DISCUSSION OF FEDERAL INCOME TAX CONSEQUENCES IS FOR GENERAL INFORMATION ONLY AND IS NOT TAX ADVICE. ACCORDINGLY, EACH INVESTOR SHOULD CONSULT HIS, HER OR ITS OWN TAX ADVISOR AS TO PARTICULAR TAX CONSEQUENCES TO HIM, HER OR IT OF PURCHASING, HOLDING AND DISPOSING OF NOTES, INCLUDING THE APPLICABILITY AND EFFECT OF ANY STATE, LOCAL OR FOREIGN TAX LAWS, AND OF ANY PROPOSED CHANGES IN APPLICABLE LAW.

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We are offering the notes through the underwriters named below for whom Banc of America Securities LLC is acting as representative. Subject to the terms and conditions of the underwriting agreement, we have agreed to sell to the underwriters, and each underwriter has agreed to purchase, the principal amount of the notes listed opposite the underwriter's name below.

<b>Underwriters</b>	<b>Principal Amount of Notes</b>
Banc of America Securities LLC	\$ 150,000,000
HSBC Securities (USA) Inc.	25,000,000
J.P. Morgan Securities Inc.	25,000,000
Comerica Securities, Inc.	10,000,000
KeyBanc Capital Markets, a Division of McDonald Investments Inc.	10,000,000
Morgan Keegan & Company, Inc.	10,000,000
SunTrust Capital Markets, Inc.	10,000,000
Wells Fargo Securities, LLC	10,000,000
<b>Total</b>	<b>\$ 250,000,000</b>

The underwriters have agreed to purchase all of the notes sold pursuant to the underwriting agreement if any of these notes are purchased. If an underwriter defaults, the underwriting agreement provides that the underwriting commitments of the non-defaulting underwriters may be increased or the underwriting agreement may be terminated.

The underwriters are offering the notes, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the notes, and other conditions contained in the underwriting agreement, such as the receipt by the underwriters of officer's certificates and legal opinions. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended, or to contribute to payments the underwriters may be required to make in respect of those liabilities.

The underwriters have advised us that they propose initially to offer the notes to the public at the public offering price on the cover page of this prospectus supplement, and to dealers at that price less a concession not in excess of 0.40% of the principal amount of the notes. The underwriters may allow, and the dealers may reallow, a discount not in excess of 0.25% of the principal amount of the notes to other dealers. After the initial public offering, the public offering price, concession and discount may be changed.

The following table shows the underwriting discount that we will pay to the underwriters in connection with this offering.

	<b>Paid By Us</b>
Per note	0.650%
<b>Total</b>	<b>\$1,625,000</b>

We estimate that our expenses in connection with the offering of the notes, not including the underwriting discount, will be approximately \$531,000.

In connection with the offering, the underwriters are permitted to engage in transactions that stabilize the market price of the notes. Such transactions consist of bids or purchases to peg, fix or maintain the price of the notes. If the underwriters create a short position in the notes in connection with the offering, *i.e.*, if they sell more notes than are on the cover page of this prospectus supplement, the underwriters may reduce that short position by purchasing notes in the open market. Purchases of a security to stabilize the price or to reduce a short position could cause the price of the security to be higher than it might be in the absence of such purchases.



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Neither we nor any of the underwriters makes any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the notes. In addition, neither we nor any of the underwriters makes any representation that the underwriters will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

Some of the underwriters and their affiliates have engaged in, and may in the future engage in, investment banking, commercial banking and other commercial dealings in the ordinary course of business with us. For example, affiliates of the underwriters are participants in our credit facility. They have received, and may receive, customary fees, expenses and commissions for these transactions.

## **European Economic Area**

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive, each underwriter has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Member State it has not made and will not make an offer of notes to the public in that Member State, except that it may, with effect from and including such date, make an offer of notes to the public in that Member State:

at any time to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;

at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than 43,000,000; and (3) an annual net turnover of more than 50,000,000, as shown in its last annual or consolidated accounts; or

at any time in any other circumstances which do not require the publication by us of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of the above, the expression an offer of notes to the public in relation to any notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the notes to be offered so as to enable an investor to decide to purchase or subscribe the notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measure in that Member State.

## **United Kingdom**

Each underwriter has represented and agreed that it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of the notes in circumstances in which Section 21(1) of such Act does not apply to us and it has complied and will comply with all applicable provisions of such Act with respect to anything done by it in relation to any notes in, from or otherwise involving the United Kingdom.



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**LEGAL MATTERS**

The validity of the notes offered hereby and certain other legal matters will be passed upon for us by Maynard, Cooper & Gale, P.C., Birmingham, Alabama. Certain legal matters will be passed upon for the underwriters by Davis Polk & Wardwell, Menlo Park, California.

**EXPERTS**

The consolidated financial statements and the related financial statement schedules of Torchmark Corporation as of December 31, 2005 and 2004, and for each of the three years in the period ended December 31, 2005, and management's report on the effectiveness of internal control over financial reporting as of December 31, 2005, incorporated in this prospectus supplement and the accompanying prospectus by reference to the Annual Report on Form 10-K for the year ended December 31, 2005, have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports, which are incorporated by reference herein, and have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

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**Senior Debt Securities**

**Subordinated Debt Securities**

**Preferred Stock**

**Depository Shares**

**Warrants**

**Purchase Contracts**

**Units**

**TORCHMARK CAPITAL TRUST III**

**TORCHMARK CAPITAL TRUST IV**

**Preferred Securities**

**guaranteed by Torchmark Corporation**

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We may offer from time to time, in amounts, at prices and on other terms to be determined at the time of offering, senior or subordinated debt securities, preferred stock, either separately or represented by depository shares, warrants, purchase contracts, trust preferred securities, as well as units that include any of these securities or securities of other entities.

This prospectus describes some of the general terms that may apply to these securities. We will provide you with more specific terms of the securities we may offer in supplements to this prospectus. You should read this prospectus and the applicable prospectus supplement carefully before you invest in the securities described in the applicable prospectus supplement. This prospectus may not be used to consummate a sale of securities unless accompanied by a prospectus supplement and a pricing supplement, if any.

We may offer and sell these securities to or through one or more underwriters, dealers and agents, or directly to purchasers, on a continuous or delayed basis.

Torchmark Corporation's common stock is listed on the New York Stock Exchange under the symbol **TMK**.

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Neither the Securities and Exchange Commission nor any state securities commission or any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

**The date of this prospectus is April 28, 2006.**

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Unless the context otherwise indicates, the terms **Torchmark** , **we** , **us** or **our** means Torchmark Corporation and its consolidated subsidiaries, and the term **Trusts** means, collectively, Torchmark Capital Trust III and Torchmark Capital Trust IV .

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**ABOUT THIS PROSPECTUS**

This prospectus relates to a joint registration statement filed by Torchmark and the Trusts with the Securities and Exchange Commission (the SEC or the Commission ) using a shelf registration process (the registration statement ). Under this shelf process as described in the registration statement we, and in the case of an offering of trust preferred securities, the Trusts, may sell any combination of the securities described in this prospectus in one or more offerings.

This prospectus provides you with a general description of the securities we and the Trusts may offer. Each time we or the Trusts sell securities, we or the Trusts, as the case may be, will provide a prospectus supplement containing specific information about the terms of the securities being offered. A prospectus supplement may include a discussion of any risk factors or other special considerations applicable to those securities or to us. A prospectus supplement may also add, update or change information contained in this prospectus. If there is any inconsistency between the information in this prospectus and the applicable prospectus supplement, you should rely on the information in the prospectus supplement. You should read both this prospectus and any applicable prospectus supplement, together with additional information described under the heading **Where You Can Find More Information**.

The registration statement containing this prospectus, including the exhibits to the registration statement, provides additional information about us, the Trusts and the securities to be offered. The registration statement, including the exhibits, can be read at the SEC web site or at the SEC office mentioned under the heading **Where You Can Find More Information**. General information about us, including our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, as well as any amendments and exhibits to those reports, are available free of charge through our web site at [www.torchmarkcorp.com](http://www.torchmarkcorp.com) as soon as reasonably practicable after we file them with, or furnish them to, the SEC. Information on our web site is not incorporated into this prospectus or our other securities filings and is not a part of these filings.

You should rely only on the information contained in this prospectus and the information to which we have referred you. We have not authorized any other person to provide you with information that is different. This prospectus may only be used where it is legal to sell these securities. The information in this prospectus may only be accurate on the date of this document.

When acquiring any securities discussed in this prospectus, you should rely only on the information provided in this prospectus and in the applicable prospectus supplement, including the information incorporated by reference. Neither we, the Trusts nor any underwriters or agents, have authorized anyone to provide you with different information. We are not offering the securities in any state where the offer is prohibited. You should not assume that the information in this prospectus, any prospectus supplement, or any document incorporated by reference, is truthful or complete at any date other than the date mentioned on the cover page of these documents.

We may sell securities to underwriters who will sell the securities to the public on terms fixed at the time of sale. In addition, the securities may be sold by us directly or through dealers or agents designated from time to time. If we, directly or through agents, solicit offers to purchase the securities, we reserve the sole right to accept and, together with any agents, to reject, in whole or in part, any of those offers.

Any prospectus supplement will contain the names of the underwriters, dealers or agents, if any, together with the terms of the offering, the compensation of those underwriters and the net proceeds to us. Any underwriters, dealers or agents participating in the offering may be deemed underwriters within the meaning of the Securities Act of 1933, as amended (the Securities Act ).

Unless otherwise stated, currency amounts in this prospectus and any prospectus supplement are stated in United States dollars ( \$ ).

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**TORCHMARK CORPORATION**

Torchmark is an insurance holding company that provides protection life and supplemental health insurance and related products. Torchmark was incorporated in Delaware on November 29, 1979. It is the ultimate parent company of Liberty National Life Insurance Company, Globe Life And Accident Insurance Company, United American Insurance Company, United Investors Life Insurance Company, and American Income Life Insurance Company. Globe Life And Accident is a direct-response provider of life insurance known for its administrative efficiencies. American Income provides supplemental life insurance to labor union members. Liberty National, one of the oldest traditional insurers in the Southeast, is the largest life insurer in its home state of Alabama. United American has been a provider of Medicare supplement health insurance since 1966.

Torchmark's principal executive offices are located at 3700 South Stonebridge Drive, McKinney, Texas 75070, and its telephone number is (972) 569-4000. Unless the context otherwise indicates, the terms Torchmark, we, us or our means Torchmark Corporation and its consolidated subsidiaries.

**THE TRUSTS**

We created two Delaware statutory trusts by executing, as sponsor, two Declarations of Trust with four appointed trustees for each trust. The trusts are named Torchmark Capital Trust III and Torchmark Capital Trust IV (each a Trust and collectively the Trusts). Prior to the issuance of trust preferred securities, we will file an Amended and Restated Declaration of Trust for the Trust that will issue the trust preferred securities. The trust declaration will state the terms and conditions for the Trust to issue and sell its preferred securities and its common securities. A form of trust declaration is filed as an exhibit to the registration statement of which this prospectus is a part.

Each of the Trusts exists for the exclusive purposes of:

issuing and selling its trust preferred securities, which represent preferred undivided beneficial ownership interests in such Trust's assets;

issuing its trust common securities, which represent common undivided beneficial ownership interests in such Trust's assets, to us in a total liquidation amount equal to at least 3% of the Trust's total capital;

using the proceeds from the sales of its trust preferred securities and trust common securities to purchase one or more series of our debt securities;

distributing the cash payments it receives from us on the debt securities to the holders of the trust preferred securities;

maintaining the trust's status as a grantor trust for federal income tax purposes; and

engaging in only those other activities that are necessary, advisable or incidental to these purposes, such as registering the transfer of preferred securities.

Any debt securities we sell to a Trust will be the sole assets of such Trust, and, accordingly, payments under the senior or subordinated debt securities will be the sole revenues of such Trust.

We will acquire and own all of the trust common securities of each Trust. Unless otherwise stated in the applicable prospectus supplement, the trust common securities will represent an aggregate liquidation amount equal to at least 3% of each Trust's total capitalization. The trust preferred securities will represent the remaining approximately 97% of such Trust's total capitalization. The trust common securities will have terms substantially identical to, and will rank equal in priority of payment with, the trust preferred securities. However, if an event of default under the related trust declaration or trust preferred securities guarantee has occurred, then cash distributions and liquidation, redemption and other

amounts payable on the trust common securities will rank lower in priority of payment than the trust preferred securities.

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We will guarantee the trust preferred securities as described later in this prospectus and the applicable prospectus supplement.

We have appointed the following trustees to conduct the Trusts' business and affairs:

The Bank of New York (Delaware), as the Delaware trustee; and

three officers of Torchmark as the regular trustees.

Prior to the issuance of any trust preferred securities, we will also appoint The Bank of New York Trust Company, N.A. as property trustee for each of the Trusts. Only Torchmark, as the only holder of the trust common securities of each Trust, can remove or replace the trustees. In addition, we can increase or decrease the number of trustees.

The property trustee under the declarations of trust will also act as guarantee trustee under the trust preferred securities guarantee and as indenture trustee under the subordinated debt indenture.

The duties and obligations of each trustee are governed by the declarations of trust. As issuer of the debt securities to be purchased by the Trusts and as borrower under the applicable indenture, we will pay all fees and expenses related to each Trust and to each offering of the related preferred securities (except each Trust will pay for its obligations under the related trust preferred and trust common securities) and we will pay, directly or indirectly, all ongoing costs, expenses and liabilities of the Trust. The principal executive office of the Trusts is c/o Torchmark Corporation, 3700 South Stonebridge Drive, McKinney, Texas 75070, and the telephone number is (972) 569-4000.

The Trusts will not have separate financial statements. The statements would not be material to holders of the preferred securities because the Trusts will not have any independent operations. The Trusts exist solely for the reasons stated above.

### **SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This prospectus, the accompanying prospectus supplement and the information incorporated by reference may include forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, that reflect Torchmark's current view with respect to future events and financial performance. Some of the forward-looking statements can be identified by the use of forward-looking words such as believes, expects, may, will, should, seeks, approximately, plans, estimates, or anticipates or the negative of those words or other comparable terminology. All statements, other than statements of historical facts, may be forward-looking statements. These forward-looking statements are subject to inherent risks and uncertainties. A number of important factors could cause actual results to differ materially from historical results or anticipated results. For a discussion of factors that could cause actual results to differ, please see the discussion contained in the applicable prospectus supplement and in other information contained in our publicly available SEC filings. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date that they are made, and neither Torchmark nor any of our agents or dealers can give assurance that such statements will prove to be correct. Torchmark undertakes no obligation to update, review or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to projections over time.

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**USE OF PROCEEDS**

We intend to use the net proceeds from the sales of the securities as set forth in the applicable prospectus supplement.

**RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS**

The following table presents the ratio of earnings to combined fixed charges and preferred stock dividends for Torchmark for each of the five fiscal years ended December 31, 2005.

	<b>Year Ended December 31,</b>				
	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
<b>Ratio of earnings to combined fixed charges and preferred stock dividends: (unaudited)</b>					
Excluding interest credited on deposit products	14.2x	10.8x	12.3x	13.4x	12.7x
Including interest credited on deposit products	6.1x	6.1x	6.2x	6.9x	6.8x

For purposes of computing these ratios, earnings represent consolidated income from continuing operations before income taxes and fixed charges. Combined fixed charges represent interest expense, including interest credited on deposit products where indicated, and that portion of rental expense deemed representative of the interest factor. The denominator is increased for preferred stock dividend requirements which represent the amount of pre-tax earnings required to cover such dividend requirements.



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### **DESCRIPTION OF SECURITIES WE MAY OFFER**

This prospectus contains a summary of our preferred stock, depositary shares, debt securities, warrants, units, preferred securities of the Trusts, and preferred securities guarantees of Torchmark relating to each Trust. The securities issued by each Trust will be identical, except as otherwise described in the prospectus supplement for such securities. These summaries are not meant to be a complete description of each security. However, this prospectus and the accompanying prospectus supplement contain the material terms and conditions for each security.

### **DESCRIPTION OF CAPITAL STOCK**

The following descriptions of our capital stock are not complete. You should also read our Restated Certificate of Incorporation, as amended, our Restated Bylaws and the Delaware General Corporation Law. We have filed copies of the Restated Certificate of Incorporation and the Restated Bylaws with the SEC. These documents are incorporated by reference into the registration statement of which this prospectus is a part.

We have 325,000,000 shares of capital stock authorized, of which 320,000,000 shares are common stock and 5,000,000 shares are preferred stock. As of April 21, 2006, we had 100,357,258 shares of common stock issued and outstanding (excluding treasury shares). As of the date of this prospectus, we have no preferred stock outstanding.

#### **Preferred Stock**

We are authorized to issue 5,000,000 shares of preferred stock, no shares of which currently are issued and outstanding. The following is a general description of the terms of our preferred stock. The particular terms of any series of preferred stock offered hereby will be set forth in a prospectus supplement relating to such securities. The rights, preferences, privileges and restrictions, including dividend rights, voting rights, terms of redemption and liquidation preferences, of the preferred stock of each series will be fixed or designated pursuant to a certificate of designations adopted by our Board of Directors or a duly authorized committee of our board. The description of preferred stock set forth below and the description of the terms of a particular series of preferred stock that will be set forth in a prospectus supplement do not purport to be complete and are qualified in their entirety by reference to the certificate of designations relating to such series. In all respects, regardless of series, the preferred stock will rank in preference to Torchmark's common stock as to payment of dividends and as to distribution of assets of Torchmark upon the liquidation, dissolution or winding up of Torchmark. Upon issuance against full payment of their purchase price, shares of preferred stock will be fully paid and nonassessable.

*Dividends.* Holders of a series of preferred stock will be entitled to receive, when, as and if declared by our Board of Directors out of any funds legally available for that purpose, dividends in cash at such rates, payable on such dates in each year and in respect of such dividend periods, as stated in Torchmark's Restated Certificate of Incorporation or the certificate of designations for that series of preferred stock, before any dividends may be declared, paid or set apart for payment upon the common stock or any other class of stock ranking junior to that series of preferred stock. No dividend may be declared or paid on any series of preferred stock unless at the same time a dividend in like proportion to the designated dividend amounts has been declared or paid on each other series of preferred stock then issued and outstanding ranking prior to or on a parity with that particular series with respect to the payment of dividends. Dividends on preferred stock may be either cumulative or noncumulative.

*Liquidation Preference.* In the event of our liquidation, dissolution or winding up, whether voluntary or involuntary, holders of preferred stock of each series (if any shares thereof are then issued and outstanding) will be entitled to payment of the applicable liquidation price or prices plus accrued dividends, out of our available assets, in preference to the holders of common stock or any other class of stock ranking junior to such series of preferred stock upon liquidation, dissolution or winding up.

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*Redemption and Conversion.* Each series of preferred stock will be subject to redemption, if applicable, on such terms, at such prices and on such dates as may be set forth in the applicable certificates of designations. The preferred stock will not be convertible.

*Voting Rights.* The holders of the preferred stock have no voting rights except as specifically required by statute and except for certain voting rights specifically provided in Torchmark's Restated Certificate of Incorporation, including the certificates of designations creating the various series of such stock. Voting rights of the preferred stock will be noncumulative.

### **Anti-Takeover Effects of Certain Provisions of Delaware Law and Our Restated Certificate of Incorporation and Restated Bylaws**

#### Delaware Law

As a corporation organized under the laws of the State of Delaware, we are subject to Section 203 of the Delaware General Corporation Law, which restricts specified business combinations between us and an interested stockholder or its affiliates or associates for a period of three years following the time that the stockholder becomes an interested stockholder. In general, an interested stockholder is defined for purposes of Delaware law as a stockholder owning 15% or more of our outstanding voting stock. The restrictions do not apply if:

prior to an interested stockholder becoming such, our board of directors approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder;

upon completion of the transaction which resulted in any person becoming an interested stockholder, such interested stockholder owns at least 85% of our voting stock outstanding at the time the transaction commenced, excluding shares owned by employee stock ownership plans and persons who are both directors and officers of Torchmark; or

at or subsequent to the time an interested stockholder becomes such, the business combination is both approved by our board of directors and authorized at an annual or special meeting of our stockholders, not by written consent, by the affirmative vote of at least 66 2/3% of the outstanding voting stock not owned by the interested stockholder.

Under some circumstances, Section 203 makes it more difficult for a person who would be an interested stockholder to effect various business combinations with a corporation for a three-year period, although the stockholders may elect to exclude a corporation from the restrictions imposed under Section 203. Our Restated Certificate of Incorporation does not exclude us from the restrictions imposed under Section 203. It is anticipated that the provisions of Section 203 may encourage companies interested in acquiring us to negotiate in advance with our board of directors since the stockholder approval requirement would be avoided if a majority of the directors then in office approves, prior to the date on which a stockholder becomes an interested stockholder, either the business combination or the transaction which results in the stockholder becoming an interested stockholder.

#### Restated Certificate of Incorporation and Restated Bylaw Provisions

The summary below describes certain provisions of our Restated Certificate of Incorporation and Restated Bylaws which may have the effect, either alone or in combination with the provisions of Section 203 discussed above, of making more difficult or discouraging a tender offer, proxy contest or other takeover attempt that is opposed by our board of directors but that a stockholder might consider to be in such stockholder's best interest. Those provisions include:

restrictions on the rights of stockholders to remove directors;

prohibitions against stockholders calling a special meeting of stockholders or acting by unanimous written consent in lieu of a meeting; and



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restrictions on business combination transactions with interested stockholders.

*Number of Directors; Classified Board of Directors; Removal; Filling Vacancies.* Our Restated Bylaws provide that the number of directors shall consist of not less than seven nor more than 15 persons which exact number shall be fixed by a majority vote of the board of directors. The board of directors are divided into three classes with the classes to be as nearly equal in number as possible. The directors serve three year terms.

Our Restated Bylaws provide that any vacancies will be filled by the affirmative vote of a majority of the remaining directors, or if all directors have been removed, by a majority vote of the stockholders. Accordingly, absent an amendment to the Restated Bylaws, our board of directors could prevent any stockholder from enlarging the board of directors and filling the new directorships with such stockholder's own nominees. Moreover, our Restated Bylaws provide that directors may be removed only for cause and only upon the affirmative vote of holders of at least 80% of our voting stock.

The classification of directors could have the effect of making it more difficult for stockholders to change the composition of the board of directors. At least two annual meetings of stockholders, instead of one, are generally required to effect a change in a majority of the board of directors. Such a delay may help ensure that our directors, if confronted by a holder attempting to force a proxy contest, a tender or exchange offer, or an extraordinary corporate transaction, would have sufficient time to review the proposal as well as any available alternatives to the proposal and to act in what they believe to be the best interest of the stockholders. The classification provisions will apply to every election of directors, however, regardless of whether a change in the composition of the board of directors would be beneficial to us and our stockholders and whether or not a majority of our stockholders believe that such a change would be desirable.

The classification provisions could also have the effect of discouraging a third party from initiating a proxy contest, making a tender offer or otherwise attempting to obtain control of Torchmark, even though such an attempt might be beneficial to us and our stockholders. The classifications of the board of directors could thus increase the likelihood that incumbent directors will retain their positions. In addition, because the classification provisions may discourage accumulations of large blocks of our stock by purchasers whose objective is to take control of Torchmark and remove a majority of the board of directors, the classification of the board of directors could tend to reduce the likelihood of fluctuations in the market price of the common stock that might result from accumulations of large blocks of our stock. Accordingly, stockholders could be deprived of opportunities to sell their shares of common stock at a higher market price than might otherwise be the case.

*No Stockholder Action by Written Consent; Special Meetings.* Our Restated Bylaws provide that stockholder action can be taken only at an annual or special meeting of stockholders, and stockholder action may not be taken by written consent in lieu of a meeting. Special meetings of stockholders can be called only by our board of directors by a resolution adopted by a majority of the board of directors, upon not less than ten nor more than 60 days' written or electronic notice. Moreover, the business permitted to be conducted at any special meeting of stockholders is limited to the business described in the notice of meeting given by the board of directors, unless the consideration of new business is approved by the unanimous consent of all the stockholders entitled to vote at the meeting.

The provisions of our Restated Certificate of Incorporation and Restated Bylaws prohibiting stockholder action by written consent and permitting special meetings to be called only at the request of a majority of the board of directors, may have the effect of delaying consideration of a stockholder proposal until the next annual meeting. The provisions would also prevent the holders of a majority of our voting stock from unilaterally using the written consent procedure to take stockholder action. Moreover, a stockholder could not force stockholder consideration of a proposal over the opposition of a majority of the board of directors, by calling a special meeting of stockholders prior to the time such parties believe such consideration to be appropriate.

*Fair Price Provisions Involving Business Combinations.* Our Restated Certificate of Incorporation contains a fair price provision that applies to certain business combination transactions involving any person, entity or

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group that beneficially owns at least 10% of our aggregate voting stock such person, entity or group is referred to in the Restated Certificate of Incorporation as an interested stockholder. This provision requires the affirmative vote of the holders of not less than 80% of our voting stock to approve specified transactions between an interested stockholder or its affiliate and us or our subsidiaries, including:

any merger or consolidation;

any sale, lease, exchange, mortgage, pledge, transfer or other disposition of assets (in one transaction or a series of transactions) having a fair market value of \$5,000,000 or more;

the issuance or transfer of any of our securities or any of our subsidiaries securities by us or any of our subsidiaries to an interested stockholder in exchange for cash, securities or other property having a fair market value of \$5,000,000 or more;

the adoption of a plan or proposal for our liquidation or dissolution proposed by or on behalf of an interested stockholder or its affiliate; and

any reclassification of securities, recapitalization, or any other transaction involving us or any of our subsidiaries that would have the effect of increasing the voting power of an interested stockholder or its affiliate.

This voting requirement will not apply to any transaction approved by a majority vote of the directors unaffiliated with the interested stockholder and existing before the interested stockholder became a stockholder. This voting requirement will also not apply to any transaction involving the payment of consideration to holders of Torchmark's outstanding capital stock in which certain minimum fair price and procedural requirements are met.

This fair price provision could have the effect of delaying or preventing a change in control of Torchmark in a transaction of series of transactions that does not satisfy the stated criteria.

*Amendments.* Ordinarily, the Restated Bylaws may be amended by a majority vote of the board of directors or by a majority vote of stockholders at a special or annual meeting. However, the affirmative vote of holders of not less than 80% of our voting stock, voting together as a single class, shall be required to alter, amend, adopt any provision inconsistent with or to repeal certain provisions of our Restated Bylaws and Restated Certificate of Incorporation, including those anti-takeover provisions discussed in this section.

*Issuance of Additional Preferred Stock.* Our Restated Certificate of Incorporation authorizes the board of directors to create and issue additional preferred stock for such consideration and on such terms as it may determine. The rights assigned to a series of preferred stock by the board including voting, dividend and conversion rights, may delay, discourage or prevent a change in control of Torchmark. For example, the board of directors has the power, to the extent consistent with its fiduciary duties, to issue a series of preferred stock with preferential voting rights to persons friendly to management to attempt to block a post-tender offer merger or other transaction by which a third party seeks control, and thereby assist management to retain its position.

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### **DESCRIPTION OF DEPOSITARY SHARES**

The following description of the depositary shares is not complete. You should also read the form of Deposit Agreement relating to the depositary shares and the depositary receipt relating to the preferred stock that is attached to the Deposit Agreement. We have filed those documents with the SEC as an exhibit to the registration statement of which this prospectus is a part.

#### **General**

If we elect to offer fractional interests in shares of preferred stock, we will provide for the issuance by a depositary to the public of receipts for depositary shares. Each depositary share will represent fractional interests of preferred stock. We will deposit the shares of preferred stock underlying the depositary shares under a Deposit Agreement between us and a bank or trust company selected by us which will sometimes be referred to herein as the depositary. The bank or trust company must have its principal office in the United States and a combined capital and surplus of at least \$50 million. The depositary receipts will evidence the depositary shares issued under the Deposit Agreement.

The Deposit Agreement will contain terms applicable to the holders of depositary shares in addition to the terms stated in the depositary receipts. Each owner of depositary shares will be entitled to all the rights and preferences of the preferred stock underlying the depositary shares in proportion to the applicable fractional interest in the underlying shares of preferred stock. The depositary will issue the depositary receipts to individuals purchasing the fractional interests in shares of the related preferred stock according to the terms of the offering described in a prospectus supplement.

#### **Dividends and Other Distributions**

The depositary will distribute all cash dividends or other cash distributions received for the preferred stock to the entitled record holders of depositary shares in proportion to the number of depositary shares that the holder owns on the relevant record date. The depositary will distribute only an amount that can be distributed without attributing to any holder of depositary shares a fraction of one cent. The depositary will add the undistributed balance to and treat it as part of the next sum received by the depositary for distribution to holders of depositary shares.

If there is a non-cash distribution, the depositary will distribute property received by it to the entitled record holders of depositary shares, in proportion, insofar as possible, to the number of depositary shares owned by the holders, unless the depositary determines, after consultation with us, that it is not feasible to make such distribution. If this occurs, the depositary may, with our approval, sell such property and distribute the net proceeds from the sale to the holders. The Deposit Agreement also will contain provisions relating to how any subscription or similar rights that we may offer to holders of the preferred stock will be available to the holders of the depositary shares.

#### **Conversion, Exchange and Redemption**

If any series of preferred stock underlying the depositary shares is converted or exchanged, each record holder of depositary receipts will have the right or obligation to convert or exchange the depositary shares represented by the depositary receipts.

Whenever we redeem shares of preferred stock held by the depositary, the depositary will redeem, at the same time, the number of depositary shares representing the preferred stock. The depositary will redeem the depositary shares from the proceeds it receives from the corresponding redemption, in whole or in part, of the applicable series of preferred stock.

The depositary will mail notice of redemption or conversion to the record holders of the depositary shares which are to be redeemed or converted between 30 and 60 days before the date fixed for redemption or

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conversion. The redemption price per depositary share will be equal to the applicable fraction of the redemption price per share on the applicable series of preferred stock. If less than all the depositary shares are to be redeemed, the depositary will select which shares are to be redeemed by lot or by proportionate allocation.

After the date fixed for redemption or conversion, the depositary shares called for redemption or conversion will no longer be outstanding. When the depositary shares are no longer outstanding, all rights of the holders will end, except the right to receive money, securities or other property payable upon redemption.

## **Voting**

When the depositary receives notice of a meeting at which the holders of the preferred stock are entitled to vote, the depositary will mail the particulars of the meeting to the record holders of the depositary shares. Each record holder of depositary shares on the record date may instruct the depositary on how to vote the shares of preferred stock underlying the holder's depositary shares. The depositary will try, if practical, to vote the number of shares of preferred stock underlying the depositary shares according to those instructions. We will agree to take all reasonable action requested by the depositary to enable it to vote as instructed.

## **Amendments**

We and the depositary may agree to amend the Deposit Agreement and the depositary receipt evidencing the depositary shares. Any amendment that (a) imposes or increases certain fees, taxes or other charges payable by the holders of the depositary shares as described in the Deposit Agreement or that (b) otherwise prejudices any substantial existing right of holders of depositary shares, will not take effect until 30 days after the depositary has mailed notice of the amendment to the record holders of depositary shares. Any holder of depositary shares that continues to hold its shares at the end of the 30-day period will be deemed to have agreed to the amendment.

## **Termination**

We may direct the depositary to terminate the Deposit Agreement by mailing a notice of termination to holders of depositary shares at least 30 days prior to termination. If 90 days after the depositary has provided notice to us of its election to resign a new depositary has not been appointed, then the depositary may terminate the Deposit Agreement. In addition, a Deposit Agreement will automatically terminate if:

the depositary has redeemed all related outstanding depositary shares; or

we have liquidated, terminated or wound up our business and the depositary has distributed the preferred stock of the relevant series to the holders of the related depositary shares.

## **Payment of Fees And Expenses**

We will pay all fees, charges and expenses of the depositary, including the initial deposit of the preferred stock and any redemption of the preferred stock. Holders of depositary shares will pay transfer and other taxes and governmental charges and any other charges as are stated in the Deposit Agreement for their accounts.

## **Resignation And Removal of Depositary**

At any time, the depositary may resign by delivering notice to us, and we may remove the depositary. Resignations or removals will take effect upon the appointment of a successor depositary and its acceptance of the appointment. The successor depositary must be appointed within 60 days after delivery of the notice of resignation or removal and must be a bank or trust company having its principal office in the United States and having a combined capital and surplus of at least \$50 million.

## **Miscellaneous**

The depositary will forward to the holders of depositary shares all reports and communications from us that are delivered to the depositary and that we are required by law, the rules of an applicable securities exchange, our





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Restated Certificate of Incorporation or the Certificate of Determination to furnish to the holders of the preferred stock. Neither we nor the depositary will be liable if the depositary is prevented or delayed by law or any circumstances beyond its control in performing its obligations under the Deposit Agreement. The Deposit Agreement limits our obligations and the depositary's obligations to performance in good faith of the duties stated in the Deposit Agreement. Neither we nor the depositary will be obligated to prosecute or defend any legal proceeding connected with any depositary shares or preferred stock unless the holders of depositary shares requesting us to do so furnish us with satisfactory indemnity. In performing our obligations, we and the depositary may rely upon the written advice of our counsel or accountants, on any information that competent people provide to us and on documents that we believe are genuine.

### **DESCRIPTION OF TRUST PREFERRED SECURITIES**

The following is a summary of the general terms of the trust preferred securities. We will file a prospectus supplement that may contain additional terms when a Trust issues preferred securities. The terms presented here, together with the terms in a related prospectus supplement, will be a description of the material terms of the trust preferred securities to be sold. You should also read the trust declaration for each Trust and the indentures between Torchmark and certain trustees relating to the issuance of the debt securities by Torchmark. We have filed these documents with the SEC as exhibits to the registration statement of which this prospectus is a part.

#### **General**

Each trust declaration will authorize the regular trustees to issue on behalf of a Trust one series of trust preferred securities that will have the terms described in a prospectus supplement. A Trust will use the proceeds from the sale of its preferred and common securities to purchase a series of our debt securities. The property trustee will hold the debt securities in trust for the benefit of the holders of the trust preferred and trust common securities.

Torchmark will guarantee the trust preferred securities under a Trust Preferred Securities Guarantee. We will agree to make payments of distributions and payments on redemption or liquidation concerning a Trust's trust preferred securities, but only if the Trust has funds available to make those payments and has not done so. See "Description of the Trust Preferred Securities Guarantees" on page 27.

The assets of a Trust available for distribution to the holders of its trust preferred securities will be limited to payments from us under the series of debt securities held by the Trust. If we fail to make a payment on the related debt securities, the Trust will not have enough funds to make related payments, including distributions on its preferred securities.

Each guarantee, when taken together with our obligations under the related series of debt securities and the indenture and the related trust declaration, will provide a full and unconditional guarantee of amounts due on the trust preferred securities issued by a Trust.

Each trust declaration will be qualified as an indenture under the Trust Indenture Act of 1939. Each property trustee will act as indenture trustee for the trust preferred securities to be issued by the applicable Trust, in order to comply with the provisions of the Trust Indenture Act.

Each series of trust preferred securities will have the terms, including distributions, redemption, voting, liquidation rights and such other preferred, deferred or other special rights or restrictions as are described in the relevant trust declaration or made part of the trust declaration by the Trust Indenture Act or by the Delaware Statutory Trust Act. The terms of the preferred securities will mirror the terms of the debt securities held by the applicable Trust.

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The prospectus supplement relating to the trust preferred securities of a Trust will describe the specific terms of the preferred securities, including:

the name of the trust preferred securities;

the dollar amount and number of trust preferred securities issued;

the annual distribution rate(s), or method of determining the rate(s), the payment date(s) and the record dates used to determine the holders who are to receive distributions and the place(s) where distributions and other amounts payable will be paid;

any provision relating to deferral of distribution payments;

the date from which distributions shall be cumulative;

the optional redemption provisions, if any, including the prices, time periods and other terms and conditions for which trust preferred securities will be purchased or redeemed, in whole or in part;

the terms and conditions, if any, upon which the applicable series of debt securities may be distributed to holders of such trust preferred securities;

the voting rights, if any, of holders of the trust preferred securities;

any securities exchange on which the trust preferred securities will be listed;

whether such trust preferred securities are to be issued in book-entry form and represented by one or more global certificates, and if so, the depositary for such global certificates and the specific terms of the depositary arrangements; and

any other relevant rights, preferences, privileges, limitations or restrictions of such trust preferred securities.

Each prospectus supplement will describe the United States federal income tax considerations applicable to the purchase, holding and disposition of the series of trust preferred securities covered by the prospectus supplement.

**Liquidation Distribution Upon Dissolution**

Unless otherwise specified in the applicable prospectus supplement, each trust declaration will state that the related Trust shall be dissolved:

upon the expiration of the term of such Trust;

upon the bankruptcy of Torchmark;

upon the filing of a certificate of dissolution or its equivalent by Torchmark;

upon the consent of at least a majority in liquidation amount of the trust preferred securities of the related Trust to dissolve the Trust;

90 days after the revocation of our charter and the charter is not reinstated during that 90-day period;

upon the written direction from us to dissolve the Trust and, after the Trust pays all amounts owed to creditors of the Trust, to distribute the related debt securities directly to the holders of the trust preferred and trust common securities of the applicable Trust in exchange for those securities within 90 days after notice, as long as the property trustee and the regular trustees receive an opinion of counsel experienced in such matters to the effect that the holders of the trust preferred and the trust common securities will not recognize income, gain or loss for United States federal income tax purposes as a result of the dissolution of the Trust and the distribution of the debt securities;

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upon the occurrence of adverse tax or other specified events that cause the Trust to be dissolved, following which, after the Trust pays all amounts owed to creditors of the Trust, the related debt securities will be distributed directly to the holders of the trust preferred and trust common securities of the Trust;

before the issuance of any securities with the consent of all regular trustees and Torchmark;

upon the redemption of all of the trust common and trust preferred securities of such Trust; or

upon entry of a court order for the dissolution of Torchmark or such Trust.

Unless otherwise specified in the applicable prospectus supplement, in the event of a dissolution, after the Trust pays all amounts owed to creditors of the Trust, the holders of the trust preferred and trust common securities issued by the Trust will be entitled to receive:

cash equal to the aggregate liquidation amount of each trust preferred and trust common security specified in an accompanying prospectus supplement, plus accumulated and unpaid distributions to the date of payment; unless

debt securities in an aggregate principal amount equal to the aggregate liquidation amount of the trust preferred and trust common securities are distributed to the holders of the trust preferred and trust common securities, in each case with accumulated but unpaid dividends.

After the liquidation date is fixed for any distribution of debt securities:

the trust preferred securities will no longer be deemed to be outstanding;

DTC or its nominee, as the registered holder of the trust preferred securities, will receive a registered global certificate or certificates representing debt securities to be delivered upon distribution with respect to the trust preferred securities held by DTC or its nominee; and

any certificates representing trust preferred securities not held by DTC or its nominee will be deemed to represent debt securities having a principal amount equal to the \$25 stated liquidation amount of the trust preferred securities and bearing accrued and unpaid interest in an amount equal to the accumulated and unpaid distributions on the trust preferred securities until the holder of those certificates presents them to the registrar for the trust preferred securities for transfer or reissuance.

If the Trust cannot pay the full amount due on its trust preferred and trust common securities because it does not have enough assets for payment, then the amounts the Trust owes on its trust preferred and trust common securities will be proportionately allocated. However, if an event of default under the related trust declaration or trust preferred securities guarantee has occurred, the total amounts due on the trust preferred securities will be paid before any distribution on the trust common securities.

## **Events of Default**

An event of default under the indenture relating to a series of debt securities is an event of default under the trust declaration of the Trust that owns those debt securities. See [Description of Debt Securities](#) [Events of Default](#).

Under the trust declaration, we, as the holder of the trust common securities, will be treated as if we have waived an event of default under the trust declaration that affects us until all events of default under the trust declaration affecting the trust preferred securities have been cured, waived or eliminated.

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Torchmark and the regular trustees of a Trust must file annually with the applicable property trustee a certificate stating whether or not Torchmark is in compliance with all the applicable conditions and covenants under the related trust declaration.

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Upon the happening of an event of default under the trust declaration, the property trustee of the applicable Trust, as the sole holder of the debt securities held by that Trust, will have the right under any indenture to declare the principal of, premium, if any, and interest on such debt securities to be immediately due and payable.

If a property trustee fails to enforce its rights under the related trust declaration or any indenture to the fullest extent permitted by law and by the terms of the trust declaration and any indenture, any holder of the trust preferred securities issued by the Trust may sue us, or seek other remedies, to enforce the property trustee's rights under the trust declaration or any indenture without first instituting a legal proceeding against the property trustee or any other person.

If we fail to pay principal, premium, if any, or interest on a series of debt securities when payable, then a holder of the related trust preferred securities may directly sue us, or seek other remedies, to collect its proportional allocation of payments owned.

## **Removal and Replacement of Trustees**

Only we, as the only holder of a Trust's trust common securities, have the right to remove or replace the trustees of such Trust. If an event of default under the indenture has occurred and is continuing, only the holders of a majority in liquidation amount of the outstanding trust preferred securities may remove and replace the property trustee and the Delaware trustee. The resignation or removal of any trustee and the appointment of a successor trustee shall be effective only on the acceptance of appointment by the successor trustee in accordance with the provisions of the trust declaration for that Trust.

## **Conversion or Exchange Rights**

The terms that govern whether trust preferred securities of any series are convertible into or exchangeable for securities of ours will be set forth in the prospectus supplement relating to the trust preferred securities. The terms will include provisions regarding whether conversion or exchange is mandatory, at the option of the holder or at our option and may include provisions that adjust the number of securities of ours that the holders of trust preferred securities may receive.

## **Mergers, Consolidations or Amalgamations of the Trusts**

A Trust may not consolidate, amalgamate, merge with or into, be replaced by, or convey, transfer or lease its properties and assets substantially as an entirety to, any other corporation or other body ( Merger Event ), except as described below. A Trust may, with the consent of a majority of its regular trustees and without the consent of the holders of its trust preferred and trust common securities or the other trustees, consolidate, amalgamate, merge with or into, or be replaced by another trust, provided that:

the successor entity either:

- (1) assumes all of the obligations of the Trust relating to its trust preferred and trust common securities; or
- (2) substitutes for the Trust's trust preferred and trust common securities other securities substantially similar to the Trust's trust preferred and trust common securities, so long as the successor securities rank the same as the trust preferred and trust common securities for distributions and payments upon liquidation, redemption and otherwise;

we acknowledge a trustee of the successor entity who has the same powers and duties as the property trustee of the Trust as the holder of the particular series of debt securities;

the Merger Event does not adversely affect the rights, preferences and privileges of the holders of its trust preferred and trust common securities or successor securities in any material way, except concerning any dilution of the holders' interest in the successor entity;

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the Merger Event does not cause the trust preferred securities or successor securities to be downgraded by any nationally recognized statistical rating organization;

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the successor entity has a purpose substantially identical to that of the Trust;

the trust preferred securities or any successor securities are listed, or any successor securities will be listed upon notification of issuance, on any national securities exchange or with another organization on which the preferred securities are then listed;

prior to the Merger Event, we have received an opinion of counsel from a firm qualified to give such opinion stating that (a) the Merger Event does not adversely affect the rights, preferences and privileges of the holders of the trust preferred securities or common securities, including any successor securities, in any material respect, (b) following the Merger Event, neither the Trust nor the successor entity will be required to register as an investment company under the Investment Company Act of 1940 and (c) following the Merger Event, the Trust or the successor entity will be classified as a grantor trust for United States federal income tax purposes; and

we guarantee the obligations of the successor entity under the successor securities at least to the extent provided by the applicable guarantee of the trust preferred securities of the Trust.

In addition, unless all of the holders of the trust preferred and trust common securities approve otherwise, a Trust shall not consolidate, amalgamate, merge with or into, or be replaced by any other entity or permit any other entity to consolidate, amalgamate, merge with or into, or replace it, if such transaction would cause the Trust or the successor entity to be classified as other than a grantor trust for United States federal income tax purposes.

### **Voting Rights; Amendment of Trust Declarations**

The holders of trust preferred securities have no voting rights except as discussed below and under Mergers, Consolidations or Amalgamations of the Trusts and Description of the Trust Preferred Securities Guarantees Amendments and Assignment, and as otherwise required by law and the trust declaration for the applicable Trust.

A trust declaration may be amended if approved by a majority of the regular trustees, and in limited circumstances, the property trustee, of the applicable Trust. However, if any proposed amendment provides for, or the regular trustees otherwise propose to effect,

any action that would adversely affect the powers, preferences or special rights of the Trust's trust preferred and trust common securities, whether by way of amendment to such trust declaration or otherwise, or

the dissolution, winding-up or termination of the Trust other than under the terms of its trust declaration, then the holders of the Trust's trust preferred and trust common securities voting together as a single class will be entitled to vote on the amendment or proposal. In that case, the amendment or proposal will only be effective if approved by at least a majority in liquidation amount of the trust preferred and trust common securities affected by the amendment or proposal.

If any amendment or proposal referred to above would adversely affect only the trust preferred securities or only the trust common securities of a Trust, then only the affected class will be entitled to vote on the amendment or proposal and the amendment or proposal will only be effective with the approval of at least a majority in liquidation amount of the affected class. Notwithstanding the foregoing, the amount or timing of any distribution on the trust preferred securities or trust common securities or the right of the holders of the trust preferred securities or trust common securities to institute suit for enforcement after a payment date may not be amended without the consent of all holders of the trust's preferred and common securities.

No amendment may be made to a trust declaration, if the amendment would:

cause the related Trust to be characterized as other than a grantor trust for United States federal income tax purposes;





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reduce or otherwise adversely affect the powers of the related property trustee, unless approved by that property trustee; or

cause the related Trust to be deemed to be an investment company which is required to be registered under the Investment Company Act.

The holders of a majority in aggregate liquidation amount of the trust preferred securities of each Trust have the right to:

direct the time, method and place of conducting any proceeding for any remedy available to the property trustee of the Trust; or

direct the exercise of any trust or power conferred upon such property trustee under that Trust's trust declaration, including the right to direct the property trustee, as the holder of a series of debt securities, to

- (1) exercise the remedies available under any indenture involving the debt securities,
- (2) waive any event of default under any indenture that is waivable,
- (3) cancel an acceleration of the principal of the debt securities, or

(4) consent to any amendment, modification or termination of the indenture where consent is required, but if an event of default under any indenture has occurred and is continuing, then the holders of 25% of the aggregate liquidation amount of the trust preferred securities may direct the property trustee to declare the principal of and interest on the debt securities immediately due and payable. If, however, any indenture requires the consent of the holders of more than a majority in aggregate principal amount of a series of debt securities (a super-majority), then the property trustee for the trust preferred securities related to that series of debt securities must get approval of the holders of the same super-majority in liquidation amount of the trust preferred securities. In addition, before taking any of the foregoing actions, except for directing the time, method and place of conducting any proceeding for any remedy available to the property trustee, the property trustee must obtain an opinion of counsel from a firm qualified to give such opinion stating that the action would not cause the Trust to be classified as other than a grantor trust for United States federal income tax purposes.

The property trustee of a Trust will notify all trust preferred securities holders of the Trust of any notice of default received from the Trustee concerning the debt securities held by the Trust.

As described in each trust declaration, the regular trustee may hold a meeting to have trust preferred securities holders vote on a change or have them approve the change by written consent.

If a vote of trust preferred securities holders is taken or a consent is obtained, any trust preferred securities that are owned by us or any of our affiliates will, for purposes of the vote or consent, be treated as if they were not outstanding. This means that:

we and any of our affiliates will not be able to vote on or consent to matters requiring the vote or consent of holders of trust preferred securities; and

any trust preferred securities owned by us, the regular trustees or any of our respective affiliates will not be counted in determining whether the required percentage of votes or consents has been obtained.

**Information Concerning the Property Trustees**

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The property trustees will be unaffiliated with us. For matters relating to compliance with the Trust Indenture Act, the property trustee of each Trust will have all of the duties and responsibilities of an indenture trustee under the Trust Indenture Act. Each property trustee, other than during the occurrence and continuance of

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an event of default under the trust declaration of the applicable Trust, undertakes to perform only those duties that are specifically stated in the applicable trust declaration and, upon an event of default under the trust declaration, must use the same degree of care and skill as a prudent person would exercise or use in the conduct of his or her own affairs. In addition, a property trustee is under no obligation to exercise any of the powers given it by the applicable trust declaration at the request of any holder of trust preferred securities unless it is offered reasonable security or indemnity against the costs, expenses and liabilities that it might incur.

### **Miscellaneous**

The trustees of each Trust are authorized and directed to conduct the affairs of and to operate the Trust in such a way that:

the Trust will not be deemed to be an investment company required to be registered under the Investment Company Act;

the Trust will be classified as a grantor trust for United States federal income tax purposes; and

the debt securities held by the Trust will be treated as indebtedness of Torchmark for United States federal income tax purposes. The regular trustees of a Trust are authorized to take any legal action not inconsistent with the trust declaration that the regular trustees determine to be necessary or desirable in carrying out the activities of the Trust so long as the action does not adversely affect the interests of the holders of the trust preferred or trust common securities or vary the terms of the trust preferred securities.

Holders of trust preferred securities have no preemptive or similar rights.

A Trust may not borrow money, issue debt or pledge any of its assets.

The property trustee will promptly make distributions to the holders of the Trust's preferred securities and common securities out of funds received by such Trust from holding our debt securities.

### **Governing Law**

Each trust declaration and the related trust preferred securities will be governed by and construed in accordance with the laws of the State of Delaware.

### **DESCRIPTION OF DEBT SECURITIES**

The following is a summary of the general terms of the debt securities. We will file a prospectus supplement that may contain additional terms when we issue debt securities. The terms presented here, together with the terms in a related prospectus supplement, will be a description of the material terms of the debt securities. You should also read the Indentures described below.

We may issue, from time to time, debt securities, in one or more series, that will consist of either our senior debt ( Senior Debt Securities ), our senior subordinated debt ( Senior Subordinated Debt Securities ), our subordinated debt ( Subordinated Debt Securities ) or our junior subordinated debt ( Junior Subordinated Debt Securities ) and, together with the Senior Subordinated Debt Securities and the Subordinated Debt Securities, the Subordinated Securities ). Any Senior Debt Securities we offer will be issued under an Indenture dated February 1, 1987, between Torchmark, J.P. Morgan Trust Company, National Association (ultimate successor trustee to Morgan Guaranty Trust Company of New York) and The Bank of New York Trust Company, N.A. (successor trustee to The Bank of New York) (as amended by the Supplemental Indenture dated December 14, 2001, the Senior Indenture ). The Senior Indenture is incorporated by reference as an exhibit to the registration statement of which this prospectus is a part. We have the authority to appoint separate trustees with respect to each series of Senior Debt Securities issued under the Senior Indenture.

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The Senior Debt Securities will rank on an equal basis with all other unsecured debt of Torchmark except any subordinated indebtedness of Torchmark. In particular, the Senior Debt Securities will rank on an equal basis with our 6 <sup>1</sup>/<sub>4</sub>% Senior Notes Due 2006, our 8 <sup>1</sup>/<sub>4</sub>% Senior Debentures Due 2009, our 7 <sup>7</sup>/<sub>8</sub>% Notes Due 2023 and our 7 <sup>3</sup>/<sub>8</sub>% Notes due 2013.

Any Subordinated Securities we offer will be issued under a separate Junior Subordinated Indenture dated November 2, 2001, between Torchmark and The Bank of New York Trust Company, N.A. (as successor trustee to The Bank of New York) (the Junior Indenture, and together with the Senior Indenture, the Indentures ). The Junior Indenture is incorporated by reference as an exhibit to the registration statement of which this prospectus is a part. Debt securities, whether senior, senior subordinated, subordinated or junior subordinated, may be issued as convertible debt securities or exchangeable debt securities. All capitalized terms not defined herein have the meanings specified in the Indentures.

## **General Terms of The Indentures**

The debt securities will be unsecured general obligations of the Company. The Indentures do not limit the amount of debt securities that we may issue. The Indentures provide that we may issue debt securities up to the principal amount that we may authorize and may be in any currency or currency unit that we may designate.

We may issue the debt securities issued under the Indentures as discount securities, which means they may be sold at a discount below their stated principal amount. These debt securities, as well as other debt securities that are not issued at a discount, may, for United States federal income tax purposes, be treated as if they were issued with original issue discount (OID) because of interest payment and other characteristics. Special United States federal income tax considerations applicable to debt securities issued with original issue discount will be described in more detail in any applicable prospectus supplement.

The applicable prospectus supplement for a series of debt securities that we issue will describe, among other things, the following terms of the offered debt securities:

the title;

the designation, the aggregate principal amount and the authorized denominations;

whether issued in fully registered form without coupons or in a form registered as to principal only with coupons or in bearer form with coupons;

whether issued in the form of one or more global securities and whether all or a portion of the principal amount of the debt securities is represented thereby;

the price or prices at which the debt securities will be issued;

the date or dates on which principal is payable;

the place or places where and the manner in which principal, premium or interest will be payable and the place or places where the debt securities may be presented for transfer and, if applicable, conversion or exchange;

interest rates, and the dates from which interest, if any, will accrue, and the dates when interest is payable and the maturity;

the right, if any, to extend the interest payment periods and the duration of the extensions;

our rights or obligations to redeem or purchase the debt securities;

conversion or exchange provisions, if any, including conversion or exchange prices or rates and adjustments thereto;

the currency or currencies of payment of principal or interest;

the terms applicable to any debt securities issued at a discount from their stated principal amount;

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the terms, if any, under which any debt securities will rank junior to any of our other debt;

if the amounts of payments of principal or interest are to be determined by reference to an index or formula, or based on a coin or currency other than that in which the debt securities are stated to be payable, the manner in which these amounts are determined and the calculation agent, if any, with respect to them;

if other than the entire principal amount of the debt securities when issued, the portion of the principal amount payable upon acceleration of maturity as a result of a default on our obligations;

if applicable, covenants affording holders of debt protection against changes in our operations, financial condition or transactions involving us;

the trustee with respect to the securities of the series;

if issued in the form of one or more global securities, the depositary with respect to such global security or securities and the circumstances under which any such global security may be exchanged for securities registered in the name of a person other than the depositary; and

any other specific terms of any debt securities.

The applicable prospectus supplement will present United States federal income tax considerations for holders of any debt securities and the securities exchange or quotation system on which any debt securities are listed or quoted.

### **Senior Debt Securities**

Payment of the principal of, premium, if any, and interest on Senior Debt Securities will rank on a parity with all of our other unsecured and unsubordinated debt.

### **Senior Subordinated Debt Securities**

Payment of the principal of, premium, if any, and interest on Senior Subordinated Debt Securities will be junior in right of payment to the prior payment in full of all of our unsubordinated debt, including Senior Debt Securities. We will state in the applicable prospectus supplement relating to any Senior Subordinated Debt Securities the subordination terms of the securities as well as the aggregate amount of outstanding debt, as of the most recent practicable date, that by its terms would be senior to the Senior Subordinated Debt Securities. We will also state in such prospectus supplement limitations, if any, on issuance of additional senior indebtedness.

### **Subordinated Debt Securities**

Payment of the principal of, premium, if any, and interest on Subordinated Debt Securities will be subordinated and junior in right of payment to the prior payment in full of all of our senior debt, including our senior subordinated debt. We will state in the applicable prospectus supplement relating to any Subordinated Debt Securities the subordination terms of the securities as well as the aggregate amount of outstanding indebtedness, as of the most recent practicable date, that by its terms would be senior to the Subordinated Debt Securities. We will also state in such prospectus supplement limitations, if any, on issuance of additional senior indebtedness.

### **Junior Subordinated Debt Securities**

Payment of the principal of, premium, if any, and interest on Junior Subordinated Debt Securities will be subordinated and junior in right of payment to the prior payment in full of all of our senior, senior subordinated and subordinated debt. We will state in the applicable prospectus supplement relating to any Junior Subordinated Debt Securities the subordination terms of the securities as well as the aggregate amount of

outstanding debt, as



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of the most recent practicable date, that by its terms would be senior to the Junior Subordinated Debt Securities. We will also state in such prospectus supplement limitations, if any, on issuance of additional senior indebtedness.

### **Conversion or Exchange Rights**

Debt securities may be convertible into or exchangeable for shares of our equity securities. The terms and conditions of conversion or exchange will be stated in the applicable prospectus supplement. The terms will include, among others, the following:

the conversion or exchange price;

the conversion or exchange period;

provisions regarding the ability of us or the holder to convert or exchange the debt securities;

events requiring adjustment to the conversion or exchange price; and

provisions affecting conversion or exchange in the event of our redemption of the debt securities.

### **Limitations on Liens**

Under the Senior Indenture, we will not, and will not permit any of our subsidiaries to incur any indebtedness which is secured by an encumbrance of any nature (a Mortgage ) on the common stock of Liberty National, United American, Globe Life, United Investors, American Income or any other Significant Subsidiary (as such term is defined in Regulation S-X promulgated by the SEC) of ours (the Designated Subsidiaries ), unless the Senior Debt Securities and, if we so elect, any other indebtedness of ours ranking at least on an equal basis with the Senior Debt Securities, shall be secured equally and ratably with, or prior to, such other secured indebtedness. We are not restricted, however, from incurring indebtedness for money borrowed secured as follows:

- (1) Mortgages securing indebtedness owed by a Designated Subsidiary to another Designated Subsidiary or to Torchmark;
- (2) pledges or deposits under workers compensation or other similar laws and liens of judgments thereunder that are not currently dischargeable;
- (3) good faith deposits in connection with leases to which we or any Designated Subsidiary is a party;
- (4) deposits to secure our public or statutory obligations;
- (5) deposits in connection with obtaining or maintaining self-insurance or to obtain the benefits of any law, regulation or arrangement pertaining to unemployment insurance, old age pensions, social security or similar matters;
- (6) deposits in litigation or other proceedings;

- (7) Mortgages created by or resulting from any judgments or awards against us or the Designated Subsidiaries with respect to which we are in good faith prosecuting an appeal or other review proceedings, or Mortgages incurred by us or any Designated Subsidiary for the purpose of obtaining a stay or discharge in the course of any litigation to which we are a party; or
  
- (8) Mortgages for taxes or assessments, governmental charges or levies not yet due or delinquent, or which can be paid thereafter without penalty, or which are being contested in good faith by appropriate proceedings.

**Limitations on Sales of Capital Stock of Certain Subsidiaries**

Under the Senior Indenture, we are not permitted to issue, sell, transfer or dispose of (except to certain of our affiliates) any shares of capital stock of any Designated Subsidiary of ours unless the entire capital stock of

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such subsidiary is disposed of for consideration of cash or property, which, in the opinion of our Board of Directors, is at least equal to the fair value of such capital stock.

### **Consolidation, Merger or Sale**

We cannot consolidate or merge with or into, or transfer or lease all or substantially all of our assets to, any person unless (a) we will be the continuing corporation or (b) the successor corporation or person to which our assets are transferred or leased is a corporation organized under the laws of the United States, any state of the United States or the District of Columbia and it expressly assumes our obligations under the debt securities and the Indentures. In addition, we cannot complete such a transaction unless immediately after completing the transaction, no event of default under either of the Indentures, and no event which, after notice or lapse of time or both, would become an event of default under either of the Indentures, has happened and is continuing. When the person to whom our assets are transferred or leased has assumed our obligations under the debt securities and the Indentures, we will be discharged from all our obligations under the debt securities and the Indentures except in limited circumstances.

### **Events of Default**

The term Event of Default, when used in the Indentures, unless otherwise indicated, means any of the following:

failure to pay interest for 30 days after the date payment is due and payable;

failure to pay principal or premium, if any, on any debt security when due, either at maturity, upon any redemption, by declaration or otherwise;

failure to make sinking fund payments after the date payment is due and payable (and in the case of the Senior Indenture, 10 days after the date payment is due);

failure to perform other covenants or agreements for 60 days after notice is given that performance was required;

events in bankruptcy, insolvency or reorganization of Torchmark; or

a default under any other indebtedness of Torchmark if Torchmark fails to pay a principal amount due in excess of \$10,000,000 or if a principal amount in excess of \$10,000,000 is declared due prior to the date it would have otherwise been due (which, in the case of the Junior Indenture, continues for 30 days after notice thereof).

If an Event of Default involving any series of debt securities has occurred and is continuing, the trustee or the holders of not less than 25% in aggregate principal amount of the debt securities of each affected series may declare the entire principal of all the debt securities of that series to be due and payable immediately. If an Event of Default involving bankruptcy, insolvency or reorganization of Torchmark occurs under the Junior Indenture, then the principal of all prior subordinated debt securities will be immediately due and payable.

We will be required to file annually with the trustee a certificate, signed by an officer of Torchmark, stating whether or not the officer knows of any default by us in the performance, observance or fulfillment of any condition or covenant of the Indentures.

### **Registered Global Securities**

We may issue the debt securities of a series in whole or in part in the form of one or more fully registered global securities. We will deposit any registered global securities with a depository or with a nominee for a depository identified in the applicable prospectus supplement and registered in the name of such depository or



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nominee. In such case, we will issue one or more registered global securities denominated in an amount equal to the aggregate principal amount of all of the debt securities of the series to be issued and represented by such registered global security or securities.

Unless and until it is exchanged in whole or in part for debt securities in definitive registered form, a registered global security may not be transferred except as a whole:

by the depositary for such registered global security to its nominee;

by a nominee of the depositary to the depositary or another nominee of the depositary; or

by the depositary or its nominee to a successor of the depositary or a nominee of the successor.

The prospectus supplement relating to a series of debt securities will describe the specific terms of the depositary arrangement involving any portion of the series represented by a registered global security. We anticipate that the following provisions will apply to all depositary arrangements for debt securities:

ownership of beneficial interests in a registered global security will be limited to persons that have accounts with the depositary for such registered global security, these persons being referred to as participants, or persons that may hold interests through participants;

upon the issuance of a registered global security, the depositary for the registered global security will credit, on its book-entry registration and transfer system, the participants' accounts with the respective principal amounts of the debt securities represented by the registered global security beneficially owned by the participants;

any dealers, underwriters, or agents participating in the distribution of the debt securities will designate the accounts to be credited; and

ownership of beneficial interest in such registered global security will be shown on, and the transfer of such ownership interest will be effected only through, records maintained by the depositary for such registered global security for interests of participants, and on the records of participants for interests of persons holding through participants.

The laws of some states may require that specified purchasers of securities take physical delivery of the securities in definitive form. These laws may limit the ability of those persons to transfer beneficial interests in registered global securities.

So long as the depositary for a registered global security, or its nominee, is the registered owner of such registered global security, the depositary or such nominee, as the case may be, will be considered the sole owner or holder of the debt securities represented by the registered global security for all purposes under the indenture. Except as stated below, owners of beneficial interests in a registered global security:

will not be entitled to have the debt securities represented by a registered global security registered in their names;

will not receive or be entitled to receive physical delivery of the debt securities in the definitive form; and

will not be considered the owners or holders of the debt securities under the Indentures.

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Accordingly, each person owning a beneficial interest in a registered global security must rely on the procedures of the depositary for the registered global security and, if the person is not a participant, on the procedures of a participant through which the person owns its interest, to exercise any rights of a holder under the Indentures.

We understand that under existing industry practices, if we request any action of holders or if an owner of a beneficial interest in a registered global security desires to give or take any action that a holder is entitled to give

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or take under the indenture, the depository for the registered global security would authorize the participants holding the relevant beneficial interests to give or take the action, and the participants would authorize beneficial owners owning through the participants to give or take the action or would otherwise act upon the instructions of beneficial owners holding through them.

We will make payments of principal and premium, if any, and interest, if any, on debt securities represented by a registered global security registered in the name of a depository or its nominee to the depository or its nominee, as the case may be, as the registered owners of the registered global security. Neither Torchmark, the trustee nor any other agent of Torchmark or the trustee will be responsible or liable for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the registered global security or for maintaining, supervising or reviewing any records relating to the beneficial ownership interests.

We expect that the depository for any debt securities represented by a registered global security, upon receipt of any payments of principal and premium, if any, and interest, if any, in respect of the registered global security, will immediately credit participants' accounts with payments in amounts proportionate to their respective beneficial interests in the registered global security as shown on the records of the depository. We also expect that standing customer instructions and customary practices will govern payments by participants to owners of beneficial interests in the registered global security held through the participants, as is now the case with the securities held for the accounts of customers in bearer form or registered in street name. We also expect that any of these payments will be the responsibility of the participants.

If the depository for any debt securities represented by a registered global security is at any time unwilling or unable to continue as depository or stops being a clearing agency registered under the Exchange Act, we will appoint an eligible successor depository. If we fail to appoint an eligible successor depository within 90 days, or if an Event of Default involving any series of debt securities has occurred and is occurring, we will issue the debt securities in definitive form in exchange for the registered global security. In addition, we may at any time and in our sole discretion decide not to have any of the debt securities of a series represented by one or more registered global securities. In that event, we will issue debt securities of the series in a definitive form in exchange for all of the registered global securities representing the debt securities. The trustee will register any debt securities issued in definitive form in exchange for a registered global security in the name or names as the depository, based upon instructions from its participants, shall instruct the trustee.

We may also issue bearer debt securities of a series in the form of one or more global securities, referred to as bearer global securities. We will deposit these securities with a common depository for Euroclear System and Clearstream Banking, société anonyme, or with a nominee for the depository identified in the prospectus supplement relating to the series. The prospectus supplement relating to a series of debt securities represented by a bearer global security will describe the applicable terms and procedures. These will include the specific terms of the depository arrangement and any specific procedures for the issuance of debt securities in definitive form in exchange for a bearer global security, in proportion to the series represented by a bearer global security.

## **Discharge, Defeasance and Covenant Defeasance**

We can discharge or decrease our obligations under each of the Indentures as stated below.

We may discharge obligations to holders of any series of debt securities that have not already been delivered to the trustee for cancellation and that have either become due and payable or are by their terms to become due and payable, or are scheduled for redemption, within one year. We may effect a discharge by irrevocably depositing with the trustee cash or U.S. government obligations, as trust funds, in an amount certified to be enough to pay when due, whether at maturity, upon redemption or otherwise, the principal of, premium, if any, and interest on the debt securities and any mandatory sinking fund payments.

Unless otherwise provided in the applicable prospectus supplement, we may also discharge any and all of our obligations to holders of any series of debt securities at any time ( defeasance ). We may also be released

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from the obligations imposed by any covenants of any outstanding series of debt securities and provisions of the Indentures, and we may omit to comply with those covenants without creating an event of default under the trust declaration ( covenant defeasance ). We may effect defeasance and covenant defeasance only if, among other things:

we irrevocably deposit with the trustee cash or U.S. government obligations, as trust funds, in an amount certified to be enough to pay at maturity, or upon redemption, the principal, premium, if any, and interest on all outstanding debt securities of the series and any mandatory sinking fund payments;

we deliver to the trustee an opinion of counsel from a law firm qualified to give such opinion to the effect that the holders of the series of debt securities will not recognize income, gain or loss for U.S. federal income tax purposes as a result of the defeasance or covenant defeasance and that defeasance or covenant defeasance will not otherwise alter the holders' U.S. federal income tax treatment of principal, premium, if any, and interest payments on the series of debt securities; and

in the case of subordinated debt securities, no event or condition shall exist that, based on the subordination provisions applicable to the series, would prevent us from making payments of principal of, premium, if any, and interest on any of the applicable subordinated debt securities at the date of the irrevocable deposit referred to above or at any time during the period ending on the 91st day after the deposit date or, in the case of covenant defeasance under the Junior Indenture, on the 61st day after the deposit date.

Although we may discharge or decrease our obligations under the Indentures as described in the two preceding paragraphs, we may not avoid, among other things, our duty to register the transfer or exchange of any series of debt securities, to replace any temporary, mutilated, destroyed, lost or stolen series of debt securities or to maintain an office or agency in respect of any series of debt securities.

## **Modification of the Indentures**

The Indentures provide that we and the trustee may enter into supplemental indentures without the consent of the holders of debt securities to:

secure any debt securities;

evidence the assumption by a successor corporation of our obligations;

add covenants for the protection of the holders of debt securities;

add any additional events of default under the Indentures;

cure any ambiguity or correct any inconsistency in the Indentures;

change or eliminate provisions of the Senior Indenture, provided such change or elimination will only become effective after all then current outstanding debt securities are no longer outstanding;

establish the forms or terms of debt securities of any series; and



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evidence and provide for the acceptance of appointment by a successor trustee.

Each of the Indentures also provides that we and the trustee may, with the consent of the holders of not less than 66<sup>2</sup>/<sub>3</sub>% in aggregate principal amount of debt securities of all series of Senior Debt Securities or a majority in aggregate principal amount of debt permitted of all series of Subordinated Securities, as the case may be, then outstanding and affected, voting as one class, add any provisions to, or change in any manner, eliminate or modify in any way the provisions of, the applicable indenture or modify in any manner the rights of the holders of the debt securities. We and the trustee may not, however, without the consent of the holder of each outstanding debt security affected thereby:

change the stated maturity of any debt security;

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reduce the principal amount or premium, if any, or reduce the rate or extend the time of payment of interest on any debt security;

reduce the amount payable upon redemption;

change the currency in which the principal, premium, if any, or interest is payable;

reduce the amount of the principal of any debt security issued with an original issue discount that is payable upon acceleration or provable in bankruptcy;

impair the right to institute suit for the enforcement of any payment on any debt security when due;

modify the subordination provisions of the junior subordinated debt securities in a manner adverse to the holders thereof; or

reduce the percentage of debt securities of any series, the consent of whose holders is required for any modification of the Indentures or, waive compliance with or default under certain provisions of the Indentures.

### **Concerning the Trustee**

The Bank of New York Trust Company, N.A. is the trustee under both Indentures. Torchmark may also maintain banking and other commercial relationships with The Bank of New York Trust Company, N.A. and its affiliates in the ordinary course of business. The Indentures contain certain limitations on the right of the trustee, should it become a creditor of Torchmark, to obtain payment of claims in certain cases, or to realize for its own account on certain property received in respect of any such claim as security or otherwise. A trustee under the Indentures will be permitted to engage in certain other transactions; however, if it acquires any conflicting interest, it must eliminate such conflict or resign.

### **Governing Law**

The Indentures and the debt securities will be governed by, and construed in accordance with, the laws of the State of New York.

### **DESCRIPTION OF TRUST PREFERRED SECURITIES GUARANTEES**

The following is a description of the material terms of the trust preferred securities guarantees. If we plan to issue a trust preferred securities guarantee in the future that differs from this description, we will file a prospectus supplement with the additional terms. You should also read the guarantees. We have filed the form of guarantees with the SEC as an exhibit to the registration statement of which this prospectus is a part.

### **General**

We will execute a guarantee, which benefits the holders of trust preferred securities, at the time that a Trust issues those trust preferred securities. Each guarantee will be qualified as an indenture under the Trust Indenture Act. Unless otherwise stated in a prospectus supplement, The Bank of New York Trust Company, N.A. will act as indenture trustee under each guarantee for the purposes of compliance with the Trust Indenture Act. The trustee will hold each guarantee for the benefit of the holders of the preferred securities of the applicable Trust.

We will agree, as described in each guarantee, to pay in full to the holders of the trust preferred securities issued by the applicable Trust, the Guarantee Payments, when and as due, regardless of any defense, right of set-off or counterclaim which the Trust may have or assert. The following payments ( Guarantee Payments ), if not previously paid by a Trust, will be covered by the applicable guarantee:

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any accumulated and unpaid distributions required to be paid on the applicable trust preferred securities, if the Trust has funds available to make the payment;

the redemption price and all accumulated and unpaid distributions to the date of redemption, if the Trust has funds available to make the payment; and

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upon a voluntary or involuntary dissolution, winding up or termination of the Trust, other than in connection with a distribution of debt securities to holders of the applicable trust preferred securities or the redemption of all the trust preferred securities, the lesser of:

- (1) the aggregate of the liquidation amount specified in the prospectus supplement for each trust preferred security plus all accumulated and unpaid distributions on the trust preferred securities to the date of payment, if the Trust has funds available to make the payment; and
- (2) the amount of assets of the Trust remaining available for distribution to holders of its trust preferred securities upon a dissolution and termination of the Trust.

Our obligation to make a Guarantee Payment may be satisfied by directly paying the required amounts to the holders of the trust preferred securities or by causing the Trust to pay the amounts to the holders.

No single document executed by us relating to the issuance of trust preferred securities will provide for a full, irrevocable and unconditional guarantee of the trust preferred securities. It is only the combined operation of our obligations under any indenture and the applicable guarantee and trust declaration that has the effect of providing a full, irrevocable and unconditional guarantee of a Trust's obligations under its trust preferred securities.

### **Status of The Trust Preferred Securities Guarantees**

Each guarantee will constitute an unsecured obligation of Torchmark and will rank:

subordinate and junior in right of payment to all of our other liabilities, except those obligations made equal or junior to our obligations under a guarantee;

equal with the most senior preferred or preference stock now or hereafter issued by us, and with any guarantee now or hereafter issued by us in respect of any preferred or preference stock of any of our affiliates; and

senior to our common stock.

Each trust declaration will require that the holder of trust preferred securities accept the subordination provisions and other terms of the guarantee. Each guarantee will constitute a guarantee of payment and not of collection. In other words, the holder of the guaranteed security may sue us, or seek other remedies, to enforce its rights under the guarantee without first suing any other person or entity.

### **Termination of the Trust Preferred Securities Guarantee**

A guarantee will terminate upon the earlier of:

the full payment of the redemption price of the trust preferred securities and all accumulated and unpaid distributions with respect thereto;

the distribution to the applicable holders of trust preferred securities of the corresponding series of debt securities under the appropriate trust declaration; or

the full payment of the amounts payable under the appropriate trust declaration upon liquidation of the Trust.

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Each guarantee will continue to be effective or will be reinstated if at any time any holder of trust preferred securities issued by the applicable Trust must restore payment of any sums paid under such trust preferred securities or such guarantee.

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### **Amendments and Assignment**

Changes to the guarantee that do not adversely affect the rights of holders of trust preferred securities may be made without the consent of those holders. Otherwise, a guarantee may only be amended with the prior approval of the holders of at least a majority in aggregate liquidation amount of the outstanding trust preferred securities. A description of the way to obtain any approval is described under Description of the Trust Preferred Securities Voting Rights; Amendment of Declarations. All guarantees and agreements contained in the guarantee will be binding on our successors, assigns, receivers, trustees and representatives and are for the benefit of the holders of the applicable trust preferred securities.

### **Trust Preferred Securities Guarantee Events of Default**

An event of default under a guarantee occurs if we fail to make any of our required payments or perform our obligations under the guarantee.

The holders of at least a majority in aggregate liquidation amount of the trust preferred securities relating to each guarantee, will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the trustee relating to that guarantee or to direct the exercise of any Trust or power given to the trustee under the guarantee.

### **Information Concerning the Trust Preferred Guarantee Trustee**

The trustee under a guarantee, will only perform the duties that are specifically described in the guarantee. The trustee will not be liable for any action taken or omitted in good faith and reasonably believed by it to be authorized or within its discretion under the guarantee. A trustee is under no obligation to exercise any of its powers as described in the applicable guarantee at the request of any holder of covered trust preferred securities unless it is offered reasonable security and indemnity against the costs, expenses and liabilities that it might incur.

### **Miscellaneous**

Torchmark will pay all fees and expenses related to:

the offering of the trust preferred securities and the junior subordinated debentures;

the organization, maintenance and dissolution of the Trusts;

the retention of the trustees; and

the enforcement by the property trustee of the rights of the holders of the trust preferred securities.

### **Governing Law**

The guarantees will be governed by and construed in accordance with the laws of the State of New York.

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**RELATIONSHIP AMONG THE TRUST PREFERRED SECURITIES, THE TRUST PREFERRED SECURITIES GUARANTEES AND THE SUBORDINATED DEBT SECURITIES HELD BY EACH TRUST**

We will guarantee payments of distributions and redemption and liquidation payments due on each series of the trust preferred securities, if the applicable Trust has funds available for the payments, as described under Description of the Trust Preferred Securities Guarantees. No single document executed by us in connection with the issuance of any series of the trust preferred securities will provide for a full, irrevocable and unconditional guarantee of any trust preferred securities. It is only the combined operation of our obligations under the applicable guarantee, trust declaration and the indenture that has the effect of providing a full, irrevocable and unconditional guarantee of the Trust's obligations under its trust preferred securities.

As long as we make payments of interest and other payments when due on the debt securities held by a Trust, those payments will be sufficient to cover the payment of distributions and redemption and liquidation payments due on the trust preferred securities issued by that Trust, primarily because:

the aggregate principal amount of the debt securities will be equal to the sum of the aggregate liquidation amount of the trust preferred and trust common securities;

the interest rate and interest and other payment dates on the debt securities will match the distribution rate and distribution and other payment dates for the trust preferred securities;

we will pay for any and all costs, expenses and liabilities of each Trust, except such Trust's obligations under its trust preferred securities; and

each trust declaration provides that the related Trust will not engage in any activity that is not consistent with the limited purposes of the Trust.

If we do not make payments on the debt securities, the applicable Trust will not have funds available to make payments of distributions or other amounts due on its trust preferred securities. In those circumstances, you will not be able to rely upon the guarantee for payment of these amounts. Instead, you may directly sue us or seek other remedies to collect your proportionate share of payments owed. If you sue us to collect payment, then we will assume your rights as a holder of trust preferred securities under the Trust's trust declaration if we make a payment to you in any legal action.

A holder of any trust preferred security may sue us, or seek other remedies, to enforce its rights under the guarantee without first suing the applicable trustee, the Trust that issued the trust preferred security or any other person or entity.

**DESCRIPTION OF WARRANTS**

We may issue warrants, in one or more series, to purchase debt securities, preferred stock, or any combination of these securities. Warrants may be issued by us independently or together with any underlying securities and may be attached to or separate from the underlying securities. We will issue each series of warrants under a separate warrant agreement to be entered into by us and a warrant agent. The warrant agent will act solely as our agent in connection with the warrants of such series and will not assume any obligation or relationship of agency for or with holders or beneficial owners of warrants.

The following outlines some of the general terms and provisions of the warrants. Further terms of the warrants and the applicable warrant agreement will be stated in the applicable prospectus supplement. The following description and any description of the warrants in a prospectus supplement may not be complete and is subject to and qualified in its entirety by reference to the terms and provisions of the warrant agreement, a form of which will be filed as an exhibit to the registration statement which contains this prospectus.

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The applicable prospectus supplement will describe the terms of any warrants that we may offer, including the following:

the title and the aggregate number of warrants;

the price or prices at which the warrants will be issued;

the currency or currencies investors may use to pay for the warrants;

the designation and terms of the underlying securities purchasable upon exercise of the warrants;

the price or prices at which the warrants are exercisable;

the currency or currencies, including composite currencies, in which the warrants are exercisable;

the date or dates on which the right to exercise the warrants commence and expire;

whether the warrants will be issued in registered form or bearer form;

information with respect to book-entry procedures, if any;

if applicable, the minimum or maximum amount of warrants which may be exercised at any one time;

if applicable, the date on and after which the warrants and the related underlying securities will be separately transferable;

if applicable, a discussion of material United States federal income tax considerations;

the terms of any mandatory or optional call provisions;

the price or prices, if any, at which the warrants may be redeemed at the option of the holder or will be redeemed upon expiration;

the identity of the warrant agent;

the periods during which and places at which such warrants are exercisable;



the exchanges, if any, on which such warrants may be listed;

the procedures and conditions relating to the exercise of the warrants; and

any other terms of the warrants, including terms, procedures and limitations relating to the exchange and exercise of the warrants. You may exercise warrants by payment to our warrant agent of the exercise price, in each case in such currency or currencies as are specified in the warrant, and giving your identity and the number of warrants to be exercised. Once you pay our warrant agent and deliver the properly completed and executed warrant certificate to our warrant agent at the specified office, our warrant agent will, as soon as practicable, forward securities to you in authorized denominations or share amounts. If you exercise less than all of the warrants evidenced by your warrant certificate, you will be issued a new warrant certificate for the remaining amount of warrants. Prior to the exercise of their warrants, holders of warrants exercisable for debt securities will not have any of the rights of holders of the debt securities purchasable upon such exercise and will not be entitled to payments of principal (or premium, if any) or interest, if any, on the debt securities purchasable upon such exercise. Prior to the exercise of their warrants, holders of warrants exercisable for shares of preferred stock will not have any rights of holders of the preferred stock purchasable upon such exercise and will not be entitled to dividend payments, if any, or voting rights, if any, of the preferred stock purchasable upon such exercise.

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**DESCRIPTION OF PURCHASE CONTRACTS**

We may issue stock purchase contracts representing contracts obligating holders to purchase from us, and us to sell to the holders, a specified or varying number of shares of our preferred stock or depositary shares at a future date or dates. Alternatively, the stock purchase contracts may obligate us to purchase from holders, and obligate holders to sell to us, a specified or varying number of shares of preferred stock or depositary shares. The price per share of our preferred stock or depositary shares may be fixed at the time the stock purchase contracts are entered into or may be determined by reference to a specific formula set forth in the stock purchase contracts.

The applicable prospectus supplement will describe the terms of any stock purchase contract. The preceding description and any description of stock purchase contracts in the applicable prospectus supplement does not purport to be complete and is subject to and is qualified in its entirety by reference to the stock purchase contract agreement and, if applicable, collateral arrangements and depositary arrangements relating to such stock purchase contracts.

**DESCRIPTION OF UNITS**

We may issue units of securities consisting of two or more of the other securities described in this prospectus in any combination. The applicable prospectus supplement will describe the terms of any units and the securities comprising the units, including whether and under what circumstances the securities comprising the units may or may not be traded separately. The units will be issued pursuant to unit agreements or other documents to be issued by us. You should read the particular terms of the unit agreement and/or other documents, which will be described in more detail in the applicable prospectus supplement.

**LEGAL MATTERS**

Unless otherwise indicated in a prospectus supplement, the validity of the securities being offered by this prospectus will be passed upon for us by Maynard, Cooper & Gale, P.C., Birmingham, Alabama. Unless otherwise indicated in a prospectus supplement, certain matters of Delaware law relating to the validity of the trust preferred securities and the formation of the Trusts will be passed upon for the Trusts and us by Morris, Nichols, Arsht & Tunnell LLP, Wilmington, Delaware, special Delaware counsel to Torchmark and each Trust.

**EXPERTS**

The consolidated financial statements and the related financial statement schedules of Torchmark Corporation as of December 31, 2005 and 2004, and for each of the three years in the period ended December 31, 2005, and management's report on the effectiveness of internal control over financial reporting as of December 31, 2005, incorporated in this prospectus by reference to the Annual Report on Form 10-K for the year ended December 31, 2005, have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports, which are incorporated by reference herein, and have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

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**WHERE YOU CAN FIND MORE INFORMATION**

We file annual, quarterly and special reports, proxy statements and other information with the SEC. Our SEC filings are available to the public over the Internet at the SEC's web site at <http://www.sec.gov>. You may also read and copy any document we file with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the Public Reference Room. Our common stock is traded on the New York Stock Exchange under the symbol **TMK** and on the International Stock Exchange in London, England under the symbol **TMK**. You may inspect the reports, proxy statements and other information concerning us at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005. You may find additional information about us at our web site at <http://www.torchmarkcorp.com>. The information on our web site is not part of this prospectus.

This prospectus is a part of the registration statement on Form S-3 that we and the Trusts have filed with the SEC. This prospectus does not contain all the information in the registration statement. Whenever a reference is made in this prospectus to a contract or other document of Torchmark, the reference is only a summary and you should refer to the exhibits that are a part of the registration statement for a copy of the contract or other document. You may review a copy of the registration statement at the SEC's Public Reference Room in Washington, D.C., as well as through the SEC's Internet site.

The SEC's rules allow us to incorporate by reference information that we file with the SEC into this prospectus. This means we can disclose important information to you by referring you to other documents. Any information referred to in this way is considered part of this prospectus from the date we file that document. Any reports filed by us with the SEC after the date of this prospectus and before the date that the offering of the securities by means of this prospectus is terminated will automatically update and, where applicable, supersede any information contained in this prospectus or incorporated by reference in this prospectus.

We incorporate by reference into this prospectus the following documents or information filed with the SEC (other than, in each case, documents or information deemed to have been furnished and not filed in accordance with SEC rules):

- (1) Torchmark's Annual Report on Form 10-K for the year ended December 31, 2005;
- (2) Torchmark's Current Reports on Form 8-K or 8-K/A filed by Torchmark on February 3, February 7, February 24, March 22, April 5 and April 13, 2006; and
- (3) All filings made by us under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 on or after the date of this prospectus and before the termination of this offering.

We will provide without charge to each person to whom this prospectus is delivered, upon his or her written or oral request, a copy of any or all of the documents that are incorporated by reference into this prospectus, excluding exhibits to those documents unless they are specifically incorporated by reference into those documents. Requests should be directed to Investor Relations Department, Torchmark Corporation, 3700 South Stonebridge Drive, McKinney, Texas 75070 (telephone 972-569-4000).

We have not included or incorporated by reference in this prospectus any separate financial statements of the Trusts. We do not believe that these financial statements would provide holders of trust preferred securities with any important information for the following reasons:

The Trusts are subsidiaries of Torchmark, which files consolidated financial information under the Exchange Act;

The Trusts do not have any independent operations other than to issue preferred and common securities and to purchase and hold our debt securities;

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The Trusts' only material assets will be our debt securities when issued; and

The combined obligations of Torchmark under the debt securities, the Trust Preferred Securities Guarantees, the Declarations and the Indenture, as described in this prospectus, have the effect of providing a full, irrevocable and unconditional guarantee of the Trusts' obligations under their trust preferred securities.

The Trusts are exempt from the SEC's periodic reporting requirements for as long as Torchmark continues to file its financial statements with the SEC.

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**\$250,000,000**

**6.375% Senior Notes due 2016**

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**PROSPECTUS SUPPLEMENT**

**June 20, 2006**

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**Banc of America Securities LLC**

**HSBC**

**JPMorgan**

**Comerica Securities**

**KeyBanc Capital Markets**

**Morgan Keegan & Company, Inc.**

**SunTrust Robinson Humphry**

**Wells Fargo Securities**