

## Reconciliation of Segment Operating Information to the Consolidated Statement of Operations

	For the six months ended June 30, 2004						
	Life	Health	Annuity	Investment	Other & Corporate	Adjustments	Consolidated
Revenue:							
Premium	\$693,702	\$533,712	\$14,032				\$1,241,446
Net investment income				\$285,547		\$180 <sup>(2)</sup>	285,727
Other income					\$881	-737 <sup>(4)</sup>	144
Total revenue	693,702	533,712	14,032	285,547	881	-557	1,527,317
Expenses:							
Policy benefits	461,030	352,197	13,943				827,170
Required interest on reserves	-157,055	-9,592	-15,724	182,371			0
Amortization of acquisition costs	118,705	44,311	5,628				168,644
Commissions and premium tax	37,251	45,338	45			-737 <sup>(4)</sup>	81,897
Required interest on acquisition cost	62,858	11,080	3,131	-77,069			0
Insurance administrative expense (3)					70,325		70,325
Parent expense (1)					4,910		4,910
Financing costs:							
Debt and preferred securities				27,905		180 <sup>(2)</sup>	28,085
Benefit from interest rate swaps				-13,171			-13,171
Total expenses	522,789	443,334	7,023	120,036	75,235	-557	1,167,860
Measure of segment profitability (pretax operating income)	\$170,913	\$90,378	\$7,009	\$165,511	-\$74,354	\$0	\$359,457
Deduct applicable income taxes							-123,792
Segment profits after tax (net operating income)							235,665
Add back income taxes applicable to segment profitability							123,792
Remove benefit from interest rate swaps (included in "Realized investment gains")							-13,171
Add realized investment gains							9,184
Pretax income per income statement							\$355,470

(1) Parent expense is assigned to the "Corporate" segment, other income and insurance administrative expenses are components of the "Other" segment

(2) Reclassification of interest amount due to adoption of FIN46R

(3) Administrative expense is not allocated to insurance segments

(4) Elimination of intersegment commission

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	For the six months ended June 30, 2003						
	Life	Health	Annuity	Investment	Other & Corporate	Adjustments	Consolidated
Revenue:							
Premium	\$647,281	\$518,982	\$15,676				\$1,181,939
Net investment income				\$272,207		\$180 <sup>(2)</sup>	272,387
Other income					\$1,859	-952 <sup>(4)</sup>	907
Total revenue	647,281	518,982	15,676	272,207	1,859	-772	1,455,233
Expenses:							
Policy benefits	428,498	347,280	18,997				794,775
Required interest on reserves	-145,679	-8,454	-19,379	173,512			0
Amortization of acquisition costs	110,202	38,594	6,567				155,363
Commissions and premium tax	36,519	49,493	185			-952 <sup>(4)</sup>	85,245
Required interest on acquisition cost	58,338	10,211	3,812	-72,361			0
Insurance administrative expense (3)					64,751		64,751
Parent expense (1)					5,381		5,381
Financing costs:							
Debt and preferred securities				28,025		180 <sup>(2)</sup>	28,205
Benefit from interest rate swaps				-12,918			-12,918
Total expenses	487,878	437,124	10,182	116,258	70,132	-772	1,120,802
Measure of segment profitability (pretax operating income)	\$159,403	\$81,858	\$5,494	\$155,949	-\$68,273	\$0	\$334,431
Deduct applicable income taxes							-114,310
Segment profits after tax (net operating income)							220,121
Add back income taxes applicable to segment profitability							114,310
Remove benefit from interest rate swaps (included in "Realized investment losses")							-12,918
Deduct realized investment losses							-2,307
Pretax income per income statement							\$319,206

(1) Parent expense is assigned to the "Corporate" segment, other income and insurance administrative expenses are components of the "Other" segment

(2) Reclassification of interest amount due to adoption of FIN46R

(3) Administrative expense is not allocated to insurance segments

(4) Elimination of intersegment commission

## Analysis of Profitability by Segment

(Dollar amounts in thousands)

	Six months ended June 30,		Increase (Decrease)	
	<u>2004</u>	<u>2003</u>	<u>Amount</u>	<u>%</u>
Life insurance	\$170,913	\$159,403	\$11,510	7
Health insurance	90,378	81,858	8,520	10
Annuity	7,009	5,494	1,515	28
Other insurance:				
Other income	881	1,859	-978	-53
Administrative expense	-70,325	-64,751	-5,574	9
Investment	165,511	155,949	9,562	6
Corporate	-4,910	-5,381	471	-9
	<u>359,457</u>	<u>334,431</u>	<u>25,026</u>	<u>7</u>
Pretax total (pretax operating income)				
Applicable taxes	-123,792	-114,310	-9,482	8
	<u>235,665</u>	<u>220,121</u>	<u>15,544</u>	<u>7</u>
After-tax total (net operating income)				
Remove benefit from interest rate swaps (after tax) from Investment Segment	-8,561	-8,397	-164	2
Realized gains (losses) (after tax) *	5,968	-1,499	7,467	-498
Tax settlements (after tax)	3,003	0	3,003	
Change in accounting principle (after tax)	-7,163	0	-7,163	
	<u>\$228,912</u>	<u>\$210,225</u>	<u>\$18,687</u>	<u>9</u>
Net Income				

\* See the discussion of Realized gains (losses) in this report