

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

For the nine months ended September 30, 2004

	Other &						Consolidated
	Life	Health	Annuity	Investment	Corporate (1)	Adjustments	
Revenue:							
Premium	\$1,043,516	\$793,342	\$20,577				\$1,857,435
Net investment income				\$430,712		\$270 <sup>(2)</sup>	430,982
Other income					\$1,317	-1,108 <sup>(4)</sup>	209
Total revenue	1,043,516	793,342	20,577	430,712	1,317	-838	2,288,626
Expenses:							
Policy benefits	691,836	525,964	21,083				1,238,883
Required interest on reserves	-237,380	-14,523	-23,819	275,722			0
Amortization of acquisition costs	179,666	71,417	8,450				259,533
Commissions and premium tax	54,511	59,116	65			-1,108 <sup>(4)</sup>	112,584
Required interest on acquisition costs	95,051	16,851	4,610	-116,512			0
Insurance administrative expense (3)					105,611		105,611
Parent expense (1)					7,019		7,019
Financing costs:							
Debt and preferred securities				41,870		270 <sup>(2)</sup>	42,140
Benefit from interest rate swaps				-19,771			-19,771
Total expenses	783,684	658,825	10,389	181,309	112,630	-838	1,745,999
Measure of segment profitability (pretax operating income)	<u>\$259,832</u>	<u>\$134,517</u>	<u>\$10,188</u>	<u>\$249,403</u>	<u>-\$111,313</u>	<u>\$0</u>	\$542,627
Deduct applicable income taxes							-186,920
Segment profits after tax (net operating income)							355,707
Add back income taxes applicable to segment profitability							186,920
Remove benefit from interest rate swaps (included in realized investment gains)							-19,771
Add realized investment gains (losses)							22,074
Pretax income per Consolidated Statement of Operations							<u>\$544,930</u>

(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 (accounting rule requiring deconsolidation of Trust Preferred Securities)

(3) Administrative expense is not allocated to insurance segments

(4) Elimination of intersegment commission

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

**For the nine months ended September 30, 2003**

	<b>Other &amp;</b>						<b>Consolidated</b>
	<b>Life</b>	<b>Health</b>	<b>Annuity</b>	<b>Investment</b>	<b>Corporate (1)</b>	<b>Adjustments</b>	
Revenue:							
Premium	\$976,805	\$774,306	\$23,026				\$1,774,137
Net investment income				\$410,479		\$270 <sup>(2)</sup>	410,749
Other income					\$2,262	-1,358 <sup>(4)</sup>	904
Total revenue	<u>976,805</u>	<u>774,306</u>	<u>23,026</u>	<u>410,479</u>	<u>2,262</u>	<u>-1,088</u>	<u>2,185,790</u>
Expenses:							
Policy benefits	645,350	515,947	28,505				1,189,802
Required interest on reserves	-219,610	-12,862	-29,525	261,997			0
Amortization of acquisition costs	166,591	62,223	9,383				238,197
Commissions and premium tax	55,467	70,204	273			-1,358 <sup>(4)</sup>	124,586
Required interest on acquisition costs	88,182	15,461	5,679	-109,322			0
Insurance administrative expense (3)					97,472		97,472
Parent expense (1)					7,724		7,724
Financing costs:							
Debt and preferred securities				41,922		270 <sup>(2)</sup>	42,192
Benefit from interest rate swaps				-19,625			-19,625
Total expenses	<u>735,980</u>	<u>650,973</u>	<u>14,315</u>	<u>174,972</u>	<u>105,196</u>	<u>-1,088</u>	<u>1,680,348</u>
Measure of segment profitability (pretax operating income)	<u>\$240,825</u>	<u>\$123,333</u>	<u>\$8,711</u>	<u>\$235,507</u>	<u>-\$102,934</u>	<u>\$0</u>	<u>\$505,442</u>
Deduct applicable income taxes							<u>-173,029</u>
Segment profits after tax (net operating income)							332,413
Add back income taxes applicable to segment profitability							173,029
Remove benefit from interest rate swaps (included in realized investment losses)							-19,625
Deduct realized investment losses							<u>-2,385</u>
Pretax income per Consolidated Statement of Operations							<u><u>\$483,432</u></u>

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

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(3) Administrative expense is not allocated to insurance segments

(4) Elimination of intersegment commission

## Analysis of Profitability by Segment

(Dollar amounts in thousands)

	Nine months ended September 30,		Increase (Decrease)	
	<u>2004</u>	<u>2003</u>	<u>Amount</u>	<u>%</u>
Life insurance	\$259,832	\$240,825	\$19,007	8
Health insurance	134,517	123,333	11,184	9
Annuity	10,188	8,711	1,477	17
Other insurance:				
Other income	1,317	2,262	-945	-42
Administrative expense	-105,611	-97,472	-8,139	8
Investment	249,403	235,507	13,896	6
Corporate	-7,019	-7,724	705	-9
	<u>542,627</u>	<u>505,442</u>	<u>37,185</u>	<u>7</u>
Pretax total (pretax operating income)				
Applicable taxes	-186,920	-173,029	-13,891	8
	<u>355,707</u>	<u>332,413</u>	<u>23,294</u>	<u>7</u>
After-tax total (net operating income)				
Remove benefit from interest rate swaps (after tax) from Investment Segment	-12,851	-12,756	-95	
Realized gains (losses) (after tax) *	14,348	-1,550	15,898	
Tax settlements (after tax)	3,003	0	3,003	
Change in accounting principle (after tax)	-7,163	0	-7,163	
	<u>\$353,044</u>	<u>\$318,107</u>	<u>\$34,937</u>	<u>11</u>
Net Income				