

Reconciliation of Segment Operating Information to the Consolidated Statement of Operations

For the twelve months ended December 31, 2004

	Life	Health	Annuity	Investment	Other & Corporate (1)	Adjustments	Consolidated
Revenue:							
Premium	\$1,395,490	\$1,048,666	\$27,744				\$2,471,900
Net investment income				\$576,675		\$360 ⁽²⁾	577,035
Other income					\$1,833	-1,442 ⁽⁴⁾	391
Total revenue	1,395,490	1,048,666	27,744	576,675	1,833	-1,082	3,049,326
Expenses:							
Policy benefits	919,775	697,645	28,248				1,645,668
Required interest on reserves	-318,886	-19,502	-31,740	370,128			0
Amortization of acquisition costs	241,417	94,671	11,161				347,249
Commissions and premium tax	73,006	78,513	61			-1,442 ⁽⁴⁾	150,138
Required interest on acquisition costs	128,001	22,757	6,050	-156,808			0
Insurance administrative expense (3)					141,620		141,620
Parent expense (1)					9,575		9,575
Financing costs:							
Debt and preferred securities				56,131		360 ⁽²⁾	56,491
Benefit from interest rate swaps				-23,319			-23,319
Total expenses	1,043,313	874,084	13,780	246,132	151,195	-1,082	2,327,422
Measure of segment profitability (pretax operating income)	<u>\$352,177</u>	<u>\$174,582</u>	<u>\$13,964</u>	<u>\$330,543</u>	<u>-\$149,362</u>	<u>\$0</u>	\$721,904
Deduct applicable income taxes							-248,472
Segment profits after tax (net operating income)							473,432
Add back income taxes applicable to segment profitability							248,472
Remove benefit from interest rate swaps (included in realized investment gains)							-23,319
Add realized investment gains							22,216
Pretax income per Consolidated Statement of Operations							<u>\$720,801</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 twelve months ended December 31, 2003

	Life	Health	Annuity	Investment	Other & Corporate (6)	Adjustments	Consolidated
Revenue:							
Premium	\$1,310,373	\$1,034,031	\$31,379				\$2,375,783
Net investment income				\$552,973		\$4,697 ^(1,2)	557,670
Other income					\$2,582	-1,763 ⁽³⁾	819
Total revenue	1,310,373	1,034,031	31,379	552,973	2,582	2,934	2,934,272
Expenses:							
Policy benefits	862,775	689,395	37,902				1,590,072
Required interest on reserves	-294,670	-17,397	-39,110	351,177			0
Amortization of acquisition costs	223,998	83,142	14,604				321,744
Commissions and premium tax	75,308	93,789	246			-1,763 ⁽³⁾	167,580
Required interest on acquisition costs	118,628	20,738	5,913	-145,279			0
Insurance administrative expense (5)					131,314	807 ⁽⁴⁾	132,121
Parent expense (6)					10,234		10,234
Financing costs:							
Debt and preferred securities				55,775		360 ⁽²⁾	56,135
Benefit from interest rate swaps				-26,306			-26,306
Total expenses	986,039	869,667	19,555	235,367	141,548	-596	2,251,580
Subtotal	324,334	164,364	11,824	317,606	-138,966	3,530	682,692
Nonrecurring items						-3,530 ^(1,4)	-3,530
Measure of segment profitability (pretax operating income)	<u>\$324,334</u>	<u>\$164,364</u>	<u>\$11,824</u>	<u>\$317,606</u>	<u>-\$138,966</u>	<u>\$0</u>	<u>\$679,162</u>
Deduct applicable income taxes							<u>-232,779</u>
Segment profits after tax (net operating income)							446,383
Add back income taxes applicable to segment profitability							232,779
Remove benefit from interest rate swaps (included in realized investment losses)							-26,306
Deduct realized investment losses							-3,274
Add nonrecurring interest receipt from tax litigation							4,337
Deduct nonrecurring loss on sale of aircraft equipment							-807
Pretax income per Consolidated Statement of Operations							<u>\$653,112</u>

(1) Reclassification of nonrecurring interest receipt from tax settlement \$4.3 million

(2) Reclassification of interest amount due to adoption of FIN46R (accounting rule requiring deconsolidation of Trust Preferred Securities)

(3) Elimination of intersegment commission

(4) Reclassification of nonrecurring gain from sale of aircraft equipment \$.8 million

(5) Administrative expense is not allocated to insurance segments

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

Analysis of Profitability by Segment

(Dollar amounts in thousands)

	Twelve months ended December 31,		Increase (Decrease)	
	<u>2004</u>	<u>2003</u>	<u>Amount</u>	<u>%</u>
Life insurance	\$352,177	\$324,334	\$27,843	9
Health insurance	174,582	164,364	10,218	6
Annuity	13,964	11,824	2,140	18
Other insurance:				
Other income	1,833	2,582	-749	-29
Administrative expense	-141,620	-131,314	-10,306	8
Investment	330,543	317,606	12,937	4
Corporate	-9,575	-10,234	659	-6
	<u>721,904</u>	<u>679,162</u>	<u>42,742</u>	<u>6</u>
Pretax total (pretax operating income)				
Applicable taxes	-248,472	-232,779	-15,693	7
	<u>473,432</u>	<u>446,383</u>	<u>27,049</u>	<u>6</u>
After-tax total (net operating income)				
Remove benefit from interest rate swaps (after tax) from Investment Segment	-15,157	-17,099	1,942	
Realized gains (losses) (after tax) *	14,440	-2,129	16,569	
Tax refund (after tax)	3,003	0	3,003	
Interest on tax settlement (after tax)	0	3,511	-3,511	
Realized loss on sale of aircraft equipment (after tax)	0	-525	525	
Change in accounting principle (after tax)	-7,163	0	-7,163	
	<u>\$468,555</u>	<u>\$430,141</u>	<u>\$38,414</u>	<u>9</u>
Net Income				