

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

For the six months ended June 30, 2005

	Life	Health	Annuity	Investment	Other & Corporate	Adjustments	Consolidated
Revenue:							
Premium	\$733,749	\$520,188	\$12,387				\$1,266,324
Net investment income				\$299,616		\$180 <sup>(1)</sup>	299,796
Other income					\$1,329	12,767 <sup>(3,4)</sup>	14,096
Total revenue	733,749	520,188	12,387	299,616	1,329	12,947	1,580,216
Expenses:							
Policy benefits	485,898	342,933	13,426				842,257
Required interest on reserves	-168,324	-10,077	-15,295	193,696			0
Amortization of acquisition costs	191,898	59,320	8,390	-82,487			177,121
Commissions and premium tax	37,293	37,828	25			-724 <sup>(3)</sup>	74,422
Insurance administrative expense (2)					72,901	4,000 <sup>(4)</sup>	76,901
Parent expense					5,321		5,321
Financing costs:							
Debt				29,906		180 <sup>(1)</sup>	30,086
Benefit from interest rate swaps				-5,221			-5,221
Total expenses	546,765	430,004	6,546	135,894	78,222	3,456	1,200,887
Subtotal	186,984	90,184	5,841	163,722	-76,893	9,491	379,329
Net proceeds from legal settlements						-9,491 <sup>(4)</sup>	-9,491
Measure of segment profitability (pretax operating income)	<u>\$186,984</u>	<u>\$90,184</u>	<u>\$5,841</u>	<u>\$163,722</u>	<u>-\$76,893</u>	<u>\$0</u>	<u>\$369,838</u>
Deduct applicable income taxes							-128,030
Segment profits after tax (net operating income)							241,808
Add back income taxes applicable to segment profitability							128,030
Remove benefit from interest rate swaps (included in "Realized investment gains (losses)")							-5,221
Add (deduct) realized investment gains (losses)							7,575
Add net proceeds from legal settlements							9,491
Pretax income per "Consolidated Statement of Operations"							<u>\$381,683</u>

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

(2) Administrative expense is not allocated to insurance segments

(3) Elimination of intersegment commission, \$724 thousand

(4) Legal settlements

## 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
<b>Revenue:</b>						
Premium	\$693,702	\$533,712	\$14,032			\$1,241,446
Net investment income				\$285,547	\$180 <sup>(1)</sup>	285,727
Other income					\$881	144
Total revenue	693,702	533,712	14,032	285,547	881	1,527,317
<b>Expenses:</b>						
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	181,563	55,391	8,759	-77,069		168,644
Commissions and premium tax	37,251	45,338	45		-737 <sup>(3)</sup>	81,897
Insurance administrative expense (2)					70,325	70,325
Parent expense					4,910	4,910
<b>Financing costs:</b>						
Debt				27,905	180 <sup>(1)</sup>	28,085
Benefit from interest rate swaps				-13,171		-13,171
Total expenses	522,789	443,334	7,023	120,036	75,235	1,167,860
Measure of segment profitability (pretax operating income)	<u>\$170,913</u>	<u>\$90,378</u>	<u>\$7,009</u>	<u>\$165,511</u>	<u>-\$74,354</u>	<u>\$0</u>
Deduct applicable income taxes						<u>-123,792</u>
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 (losses)")						-13,171
Add (deduct) realized investment gains (losses)						9,184
Pretax income per "Consolidated Statement of Operations"						<u><u>\$355,470</u></u>

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

(2) Administrative expense is not allocated to insurance segments

(3) Elimination of intersegment commission, \$737 thousand

## Analysis of Profitability by Segment

(Dollar amounts in thousands)

	Six months ended June 30,		Increase (Decrease)	
	<u>2005</u>	<u>2004</u>	<u>Amount</u>	<u>%</u>
Life insurance	\$186,984	\$170,913	\$16,071	9
Health insurance	90,184	90,378	-194	0
Annuity	5,841	7,009	-1,168	-17
Other insurance:				
Other income	1,329	881	448	51
Administrative expense	-72,901	-70,325	-2,576	4
Investment	163,722	165,511	-1,789	-1
Corporate and adjustments	<u>-5,321</u>	<u>-4,910</u>	<u>-411</u>	<u>8</u>
Pretax total (pretax operating income)	369,838	359,457	10,381	3
Applicable taxes	<u>-128,030</u>	<u>-123,792</u>	<u>-4,238</u>	<u>3</u>
After-tax total (net operating income)	241,808	235,665	6,143	3
Remove benefit from interest rate swaps (after tax) from Investment Segment	-3,394	-8,561	5,167	
Realized gains (losses) (after tax)	5,625	5,968	-343	
Tax refund (after tax)	0	3,003	-3,003	
Change in accounting principle (after tax)	0	-7,163	7,163	
Net proceeds from legal settlements (after tax)	<u>6,169</u>	<u>0</u>	<u>6,169</u>	
Net Income	<u><u>\$250,208</u></u>	<u><u>\$228,912</u></u>	<u><u>\$21,296</u></u>	<u><u>9</u></u>