Reconciliation of Segment Operating Information to the Consolidated Statement of Operations

Permium Per		For the twelve months ended December 31, 2005									
Revenue: Premium		Other &									
Premium Net investment income \$1,468,288 \$1,014,857 \$24,929 \$602,708 \$360 (1) \$603,068 \$12,122 (3,4) \$14,488 \$1,014,857 \$24,929 \$602,708 \$2,366 \$12,122 (3,4) \$14,488 \$1,014,857 \$24,929 \$602,708 \$2,366 \$12,122 (3,4) \$14,488 \$1,014,857 \$24,929 \$602,708 \$2,366 \$12,482 \$3,125,630 \$12,482 \$1,661,186 \$		Life	Health	Annuity	Investment	Corporate	Adjustments	Consolidated			
Net investment income	Revenue:										
Cither income	Premium	\$1,468,288	\$1,014,857	\$24,929							
Total revenue	Net investment income				\$602,708		· · · · ·				
Expenses: Policy benefits	Other income										
Policy benefits	Total revenue	1,468,288	1,014,857	24,929	602,708	2,366	12,482	3,125,630			
Required interest on reserves	Expenses:										
Amortization of acquisition costs 386,574 115,868 15,504 -167,987 -167,987 349,959 Commissions and premium tax 76,278 74,484 49 -1,360 (3) 149,451 Insurance administrative expense (2) 147,681 147,681 149,50 (4) 162,631 Parent expense 9,660 568 (5) 10,228 Financing costs: Debt 60,574 360 (1) 60,934 Benefit from interest rate swaps -7,393 -7,393 -7,393 Total expenses 1,086,640 837,678 12,349 278,470 157,341 14,518 2,386,996 Subtotal 381,648 177,179 12,580 324,238 -154,975 -2,036 738,634 Nonrecurring items \$381,648 \$177,179 \$12,580 \$324,238 -\$154,975 \$0 \$740,670 Deduct applicable income taxes \$381,648 \$177,179 \$12,580 \$324,238 -\$154,975 \$0 \$740,670 Add back income taxes applicable to segm	Policy benefits	966,093	668,205	26,888				1,661,186			
Commissions and premium tax Insurance administrative expense (2) 74,484 49 -1,360 (3) 149,451 (3) Insurance administrative expense (2) 147,681 14,950 (4) 162,631 (2) Parent expense Financing costs: 9,660 568 (5) 10,228 (5) Debt Debt Benefit from interest rate swaps Total expenses 60,574 360 (1) 60,934 (60,934 (6) Benefit from interest rate swaps Total expenses 1,086,640 (837,678) 12,349 (278,470) 157,341 (14,518) 2,386,996 (14,5) Subtotal Nonrecurring items 381,648 (177,179) (12,580) (324,238 (-154,975) (2,036 (4,5)) -2,036 (4,5) (4,5) (2,036 (4,5)) 2,036 (4,5) (4,5) (2,036 (4,5)) Measure of segment profitability (pretax operating income) \$381,648 (177,179) (12,580) (324,238 (-154,975) (2,036 (4,5)) \$30 (4,5) (2,036 (4,5)) \$740,670 (2,036 (4,5)) Deduct applicable income taxes -255,165 (2,036 (2,036 (4,5)) (1,036 (2,036 (4,5))) \$485,505 (2,036 (4,5)) \$485,505 (2,036 (4,5)) Add back income taxes applicable to segment profitability Remove benefit from interest rate swaps (included in "Realized investment gains (losses)") -7,393 (2,036 (4,5)) -7,393 (2,036 (4,5)) Add (deduct) realized investment gains (losses) 280 (2,036 (4,5)) -7,393 (2,036 (4,5)) -7,393 (4	Required interest on reserves	-342,305	-20,879	-30,092	393,276			0			
Insurance administrative expense (2) 147,681 14,950 (4) 162,631 Parent expense 9,660 568 (5) 10,228 Financing costs: Debt	Amortization of acquisition costs	386,574	115,868	15,504	-167,987			349,959			
Parent expense 9,660 568 (5) 10,228 Financing costs: Debt 60,574 (0.574) 360 (1) 60,934 Benefit from interest rate swaps -7,393 (0.57,393) -7,393 -7,393 Total expenses 1,086,640 (0.57,47) 12,349 (0.57,470) 157,341 (0.57,341) 14,518 (0.57,341) 2,386,996 Subtotal (0.57,47) 381,648 (0.57,17) 12,580 (0.57,47) 324,238 (0.57,47) -2,036 (0.57,47) 738,634 (0.57,47) Measure of segment profitability (pretax operating income) \$381,648 (0.57,47) \$12,580 (0.57,47) \$324,238 (0.57,47) \$50 (0.57,47) \$740,670 Deduct applicable income taxes -255,165 -255	Commissions and premium tax	76,278	74,484	49			-1,360 (3	149,451			
Financing costs: Debt	Insurance administrative expense (2)					147,681	14,950 (4	162,631			
Debt Benefit from interest rate swaps 1,086,640 837,678 12,349 278,470 157,341 14,518 2,386,996	Parent expense					9,660	568 (5	5) 10,228			
Benefit from interest rate swaps	Financing costs:										
Total expenses 1,086,640 837,678 12,349 278,470 157,341 14,518 2,386,996 Subtotal Nonrecurring items 381,648 177,179 12,580 324,238 -154,975 -2,036 738,634 Measure of segment profitability (pretax operating income) \$381,648 \$177,179 \$12,580 \$324,238 -\$154,975 \$0 \$740,670 Deduct applicable income taxes -255,165 Segment profits after tax (net operating income) 485,505 Add back income taxes applicable to segment profitability 255,165 Remove benefit from interest rate swaps (included in "Realized investment gains (losses)") -7,393 Add (deduct) realized investment gains (losses) 280 Add (deduct) net proceeds (cost) from legal settlements (4) -1,468 Deduct retiring executive option term extension (5) -568	Debt				60,574		360 (1	60,934			
Subtotal Nonrecurring items 381,648 177,179 12,580 324,238 -154,975 -2,036 738,634 2,036 (4.5) 2,036 Measure of segment profitability (pretax operating income) \$381,648 \$177,179 \$12,580 \$324,238 -\$154,975 \$0 \$740,670 Deduct applicable income taxes Segment profits after tax (net operating income) Add back income taxes applicable to segment profitability Remove benefit from interest rate swaps (included in "Realized investment gains (losses)") Add (deduct) realized investment gains (losses) Add (deduct) net proceeds (cost) from legal settlements (4) Deduct retiring executive option term extension (5)	Benefit from interest rate swaps				-7,393			-7,393			
Nonrecurring items 2,036 (4.5) 2,036 Measure of segment profitability (pretax operating income) \$381,648 \$177,179 \$12,580 \$324,238 -\$154,975 \$0 \$740,670 Deduct applicable income taxes 2.255,165 Segment profits after tax (net operating income) 485,505 Add back income taxes applicable to segment profitability 2.255,165 Remove benefit from interest rate swaps (included in "Realized investment gains (losses)") -7,393 Add (deduct) realized investment gains (losses) 280 Add (deduct) net proceeds (cost) from legal settlements (4) -1,468 Deduct retiring executive option term extension (5) -568	Total expenses	1,086,640	837,678	12,349	278,470	157,341	14,518	2,386,996			
Measure of segment profitability (pretax operating income) \$381,648 \$177,179 \$12,580 \$324,238 -\$154,975 \$0 \$740,670 Deduct applicable income taxes Segment profits after tax (net operating income) Add back income taxes applicable to segment profitability Remove benefit from interest rate swaps (included in "Realized investment gains (losses)") Add (deduct) realized investment gains (losses) Add (deduct) net proceeds (cost) from legal settlements (4) Deduct retiring executive option term extension (5)	Subtotal	381,648	177,179	12,580	324,238	-154,975	-2,036	738,634			
(pretax operating income) \$381,648 \$177,179 \$12,580 \$324,238 -\$154,975 \$0 \$740,670 Deduct applicable income taxes -255,165 Segment profits after tax (net operating income) 485,505 Add back income taxes applicable to segment profitability 255,165 Remove benefit from interest rate swaps (included in "Realized investment gains (losses)") -7,393 Add (deduct) realized investment gains (losses) 280 Add (deduct) net proceeds (cost) from legal settlements (4) -1,468 Deduct retiring executive option term extension (5) -568	Nonrecurring items						2,036 (4,	5) 2,036			
Deduct applicable income taxes Segment profits after tax (net operating income) Add back income taxes applicable to segment profitability Remove benefit from interest rate swaps (included in "Realized investment gains (losses)") Add (deduct) realized investment gains (losses) Add (deduct) net proceeds (cost) from legal settlements (4) Deduct retiring executive option term extension (5) -255,165 255,165 277,393 Add (deduct) net proceeds (cost) from legal settlements (4) -1,468 Deduct retiring executive option term extension (5)	Measure of segment profitability										
Segment profits after tax (net operating income) Add back income taxes applicable to segment profitability Remove benefit from interest rate swaps (included in "Realized investment gains (losses)") Add (deduct) realized investment gains (losses) Add (deduct) net proceeds (cost) from legal settlements (4) Deduct retiring executive option term extension (5) 485,505 255,165 -7,393 Add (deduct) net proceeds (cost) from legal settlements (4) -1,468 Deduct retiring executive option term extension (5)		\$381,648	\$177,179	\$12,580	\$324,238	-\$154,975	\$0	\$740,670			
Add back income taxes applicable to segment profitability Remove benefit from interest rate swaps (included in "Realized investment gains (losses)") Add (deduct) realized investment gains (losses) Add (deduct) net proceeds (cost) from legal settlements (4) Deduct retiring executive option term extension (5) 255,165 -7,393 Add (deduct) net proceeds (cost) from legal settlements (4) -1,468 Deduct retiring executive option term extension (5)	Deduct applicable income taxes							-255,165			
Remove benefit from interest rate swaps (included in "Realized investment gains (losses)") -7,393 Add (deduct) realized investment gains (losses) 280 Add (deduct) net proceeds (cost) from legal settlements (4) -1,468 Deduct retiring executive option term extension (5) -568	Segment profits after tax (net operating income)										
Remove benefit from interest rate swaps (included in "Realized investment gains (losses)") Add (deduct) realized investment gains (losses) Add (deduct) net proceeds (cost) from legal settlements (4) Deduct retiring executive option term extension (5) -7,393 280 -1,468 Deduct retiring executive option term extension (5)	Add back income taxes applicable to se	ament profital	oility					255 165			
Add (deduct) realized investment gains (losses) Add (deduct) net proceeds (cost) from legal settlements (4) Deduct retiring executive option term extension (5) 280 -1,468 -568											
Add (deduct) net proceeds (cost) from legal settlements (4) Deduct retiring executive option term extension (5) -1,468 -568			r todii.20d iii v	ournoine gai	110 (100000))						
Deduct retiring executive option term extension (5)568											
			(1)								
Trotax modified per deficience of action of the original of th			erations"					\$731,521			

⁽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, \$1,360 thousand

⁽⁴⁾ Legal settlements on litigation related to prior years

⁽⁵⁾ Retiring executive option term extension

Reconciliation of Segment Operating Information to the Consolidated Statement of Operations

For the twelve months ended December 31, 2004 Other & **Annuity Investment Corporate Adjustments** Life Health Consolidated Revenue: Premium \$1,395,490 \$1,048,666 \$27,744 \$2,471,900 \$360 (1) Net investment income \$576,675 577,035 Other income \$1,833 -1,442 391 (3) Total revenue 1,395,490 1,048,666 27,744 576,675 1,833 -1,0823,049,326 Expenses: Policy benefits 919,775 697.645 28.248 1,645,668 Required interest on reserves -19,502 -31,740 370,128 -318,886 369,418 Amortization of acquisition costs 117,428 17,211 -156,808 347,249 **-1,442** (3) Commissions and premium tax 73,006 78,513 61 150,138 Insurance administrative expense (2) 141,620 141,620 Parent expense 9,575 9,575 Financing costs: Debt 56,131 360 (1) 56,491 Benefit from interest rate swaps -23,319 -23,319 2,327,422 Total expenses 1,043,313 874,084 13,780 246,132 151,195 -1,082 Measure of segment profitability (pretax operating income) \$352,177 \$174,582 \$13,964 \$330,543 -\$149,362 \$0 \$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 (losses)") -23,319 Add (deduct) realized investment gains (losses) 22,216 Pretax income per "Consolidated Statement of Operations" \$720,801

⁽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, \$1,442 thousand

Analysis of Profitability by Segment (Dollar amounts in thousands)

	Twelve mor	nths ended	Increase (Decrease)		
	Deceml	ber 31,			
· -	2005	2004	Amount	%	
Life insurance	\$381,648	\$352,177	\$29,471	8	
Health insurance	177,179	174,582	2,597	1	
Annuity	12,580	13,964	-1,384	-10	
Other insurance:					
Other income	2,366	1,833	533	29	
Administrative expense	-147,681	-141,620	-6,061	4	
Investment	324,238	330,543	-6,305	-2	
Corporate and adjustments	-9,660	-9,575	-85	1	
Pretax total (pretax operating income)	740,670	721,904	18,766	3	
Applicable taxes	-255,165	-248,472	-6,693	3	
After-tax total (net operating income)	485,505	473,432	12,073	3	
Remove benefit from interest rate swaps					
(after tax) from Investment Segment	-4,805	-15,157	10,352		
Realized gains (losses) (after tax)	25	14,440	-14,415		
Tax settlements (after tax)	15,989	3,003	12,986		
Change in accounting principle (after tax)	0	-7,163	7,163		
Net proceeds (cost) from legal settlements (after tax)	-955	0	-955		
Retiring executive option term extension (after tax)	-369	0	0		
Net Income	\$495,390	\$468,555	\$27,204	6	