

Reconciliation of Segment Operating Information to the Consolidated Statement of Operations

	For the twelve months ended December 31, 2005						
	Life	Health	Annuity	Investment	Other & Corporate	Adjustments	Consolidated
Revenue:							
Premium	\$1,468,288	\$1,014,857	\$24,929				\$2,508,074
Net investment income				\$602,708		\$360 ⁽¹⁾	603,068
Other income					\$2,366	12,122 ^(3,4)	14,488
Total revenue	1,468,288	1,014,857	24,929	602,708	2,366	12,482	3,125,630
Expenses:							
Policy benefits	966,093	668,205	26,888				1,661,186
Required interest on reserves	-342,305	-20,879	-30,092	393,276			0
Amortization of acquisition costs	386,574	115,868	15,504	-167,987			349,959
Commissions and premium tax	76,278	74,484	49			-1,360 ⁽³⁾	149,451
Insurance administrative expense (2)					147,681	14,950 ⁽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
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						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							-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
Pretax income per "Consolidated Statement of Operations"							\$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						
	Life	Health	Annuity	Investment	Other & Corporate	Adjustments	Consolidated
Revenue:							
Premium	\$1,395,490	\$1,048,666	\$27,744				\$2,471,900
Net investment income				\$576,675		\$360 ⁽¹⁾	577,035
Other income					\$1,833	-1,442 ⁽³⁾	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	369,418	117,428	17,211	-156,808			347,249
Commissions and premium tax	73,006	78,513	61			-1,442 ⁽³⁾	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
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)	\$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 months ended December 31,		Increase (Decrease)	
	<u>2005</u>	<u>2004</u>	<u>Amount</u>	<u>%</u>
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	<u>-9,660</u>	<u>-9,575</u>	<u>-85</u>	<u>1</u>
Pretax total (pretax operating income)	740,670	721,904	18,766	3
Applicable taxes	<u>-255,165</u>	<u>-248,472</u>	<u>-6,693</u>	<u>3</u>
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)	<u>-369</u>	<u>0</u>	<u>0</u>	
Net Income	<u><u>\$495,390</u></u>	<u><u>\$468,555</u></u>	<u><u>\$27,204</u></u>	<u><u>6</u></u>