

Reconciliation of Segment Operating Information to the Consolidated Statement of Operations

	For the three months ended March 31, 2006						
	Life	Health	Annuity	Investment	Other & Corporate	Adjustments	Consolidated
Revenue:							
Premium	\$380,869	\$297,439	\$5,728			\$18,641 ⁽¹⁾	\$702,677
Net investment income				\$153,299		90 ⁽²⁾	153,389
Other income					\$1,126	6,012 ^(3,4)	7,138
Total revenue	380,869	297,439	5,728	153,299	1,126	24,743	863,204
Expenses:							
Policy benefits	250,546	200,334	6,269			23,005 ⁽¹⁾	480,154
Required interest on reserves	-88,865	-5,753	-7,095	101,713			0
Amortization of acquisition costs	100,969	31,343	3,634	-43,877			92,069
Commissions and premium tax	19,347	21,526	9			-322 ⁽³⁾	40,560
Insurance administrative expense (5)					40,135		40,135
Parent expense					2,422		2,422
Stock option expense					1,707		1,707
Financing costs:							
Debt				15,900		90 ⁽²⁾	15,990
Benefit from interest rate swaps				-377			-377
Total expenses	281,997	247,450	2,817	73,359	44,264	22,773	672,660
Subtotal	98,872	49,989	2,911	79,940	-43,138	1,970	190,544
Non-operating items						-1,970 ^(1,4)	-1,970
Measure of segment profitability (pretax operating income)	\$98,872	\$49,989	\$2,911	\$79,940	-\$43,138	\$0	\$188,574
Deduct applicable income taxes							-64,770
Segment profits after tax (net operating income)							123,804
Add back income taxes applicable to segment profitability							64,770
Remove benefit from interest rate swaps (included in "Realized investment gains (losses)")							-377
Add (deduct) realized investment gains (losses)							-6,196
Add net proceeds from legal settlements (4)							6,334
Deduct Part D adjustment (1)							-4,364
Pretax income per "Consolidated Statement of Operations"							\$183,971

(1) Medicare Part D items adjusted to GAAP from the segment analysis, which matches expected benefits with policy premium.

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

(3) Elimination of intersegment commission, \$322 thousand.

(4) Legal settlements related to disposed subsidiary.

(5) Administrative expense is not allocated to insurance segments

Reconciliation of Segment Operating Information to the Consolidated Statement of Operations

	For the three months ended March 31, 2005						
	Life	Health	Annuity	Investment	Other & Corporate	Adjustments	Consolidated
Revenue:							
Premium	\$363,283	\$267,310	\$6,114				\$636,707
Net investment income				\$149,086		\$90 ⁽¹⁾	149,176
Other income					\$606	-367 ⁽³⁾	239
Total revenue	363,283	267,310	6,114	149,086	606	-277	786,122
Expenses:							
Policy benefits	240,276	177,199	6,698				424,173
Required interest on reserves	-82,934	-5,032	-7,706	95,672			0
Amortization of acquisition costs	94,996	30,319	4,170	-40,763			88,722
Commissions and premium tax	18,178	19,368	14			-367 ⁽³⁾	37,193
Insurance administrative expense (2)					36,134		36,134
Parent expense					2,899		2,899
Financing costs:							
Debt				14,646		90 ⁽¹⁾	14,736
Benefit from interest rate swaps				-2,864			-2,864
Total expenses	270,516	221,854	3,176	66,691	39,033	-277	600,993
Measure of segment profitability (pretax operating income)	\$92,767	\$45,456	\$2,938	\$82,395	-\$38,427	\$0	\$185,129
Deduct applicable income taxes							-64,091
Segment profits after tax (net operating income)							121,038
Add back income taxes applicable to segment profitability							64,091
Remove benefit from interest rate swaps (included in "Realized investment gains (losses)")							-2,864
Add (deduct) realized investment gains (losses)							-3,128
Pretax income per "Consolidated Statement of Operations"							\$179,137

(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, \$367 thousand.

Analysis of Profitability by Segment

(Dollar amounts in thousands)

	Three months ended March 31,		Increase (Decrease)	
	<u>2006</u>	<u>2005</u>	<u>Amount</u>	<u>%</u>
Life insurance	\$98,872	\$92,767	\$6,105	7
Health insurance	49,989	45,456	4,533	10
Annuity	2,911	2,938	-27	-1
Other insurance:				
Other income	1,126	606	520	86
Administrative expense	-40,135	-36,134	-4,001	11
Investment	79,940	82,395	-2,455	-3
Corporate and adjustments	<u>-4,129</u>	<u>-2,899</u>	<u>-1,230</u>	<u>42</u>
Pretax total (pretax operating income)	188,574	185,129	3,445	2
Applicable taxes	<u>-64,770</u>	<u>-64,091</u>	<u>-679</u>	<u>1</u>
After-tax total (net operating income)	123,804	121,038	2,766	2
Remove benefit from interest rate swaps (after tax) from Investment Segment	-245	-1,862	1,617	
Realized gains (losses) (after tax)	-4,028	-1,333	-2,695	
Part D adjustment (after tax)	-2,836	0	-2,836	
Tax settlements	-538	0	-538	
Net proceeds from legal settlements (after tax)	<u>4,117</u>	<u>0</u>	<u>4,117</u>	
Net Income	<u><u>\$120,274</u></u>	<u><u>\$117,843</u></u>	<u><u>\$2,431</u></u>	<u><u>2</u></u>