

Reconciliation of Segment Operating Information to the Consolidated Statement of Operations

	For the six months ended June 30, 2006						
	Life	Health	Annuity	Investment	Other & Corporate	Adjustments	Consolidated
Revenue:							
Premium	\$761,383	\$605,682	\$11,681			\$29,727 ⁽¹⁾	\$1,408,473
Net investment income				\$308,118		196 ⁽²⁾	308,314
Other income					\$2,197	5,674 ^(3,4)	7,871
Total revenue	761,383	605,682	11,681	308,118	2,197	35,597	1,724,658
Expenses:							
Policy benefits	502,766	409,884	12,495			35,765 ⁽¹⁾	960,910
Required interest on reserves	-179,373	-11,720	-14,098	205,191			0
Amortization of acquisition costs	201,257	63,158	7,361	-88,535			183,241
Commissions and premium tax	38,770	44,448	20			-660 ⁽³⁾	82,578
Insurance administrative expense (5)					79,665		79,665
Parent expense					4,658		4,658
Stock option expense					3,485		3,485
Financing costs:							
Debt				33,432		196 ⁽²⁾	33,628
Benefit from interest rate swaps				-491			-491
Total expenses	563,420	505,770	5,778	149,597	87,808	35,301	1,347,674
Subtotal	197,963	99,912	5,903	158,521	-85,611	296	376,984
Non-operating items						-296 ^(1,4)	-296
Measure of segment profitability (pretax operating income)	\$197,963	\$99,912	\$5,903	\$158,521	-\$85,611	\$0	\$376,688
Deduct applicable income taxes							-129,339
Segment profits after tax (net operating income)							247,349
Add back income taxes applicable to segment profitability							129,339
Remove benefit from interest rate swaps (included in "Realized investment gains (losses)")							-491
Add (deduct) realized investment gains (losses)							1,485
Add net proceeds from legal settlements (4)							6,334
Deduct Part D adjustment (1)							-6,038
Pretax income per "Consolidated Statement of Operations"							\$377,978

(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, \$660 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 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 ⁽¹⁾	299,796
Other income					\$1,329	12,767 ^(3,4)	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 ⁽³⁾	74,422
Insurance administrative expense (2)					72,901	4,000 ⁽⁴⁾	76,901
Parent expense					5,321		5,321
Financing costs:							
Debt				29,906		180 ⁽¹⁾	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 ⁽⁴⁾	-9,491
Measure of segment profitability (pretax operating income)	\$186,984	\$90,184	\$5,841	\$163,722	-\$76,893	\$0	\$369,838
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"							\$381,683

(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.

Analysis of Profitability by Segment

(Dollar amounts in thousands)

	Six months ended June 30,		Increase (Decrease)	
	<u>2006</u>	<u>2005</u>	<u>Amount</u>	<u>%</u>
Life insurance	\$197,963	\$186,984	\$10,979	6
Health insurance	99,912	90,184	9,728	11
Annuity	5,903	5,841	62	1
Other insurance:				
Other income	2,197	1,329	868	65
Administrative expense	-79,665	-72,901	-6,764	9
Investment	158,521	163,722	-5,201	-3
Corporate and adjustments	-8,143	-5,321	-2,822	53
	<u>376,688</u>	<u>369,838</u>	<u>6,850</u>	<u>2</u>
Pretax total (pretax operating income)				
Applicable taxes	-129,339	-128,030	-1,309	1
	<u>247,349</u>	<u>241,808</u>	<u>5,541</u>	<u>2</u>
After-tax total (net operating income)				
Reconciling items:				
Remove benefit from interest rate swaps (after tax) from Investment Segment	-319	-3,394	3,075	
Realized gains (losses) (after tax)	965	5,625	-4,660	
Part D adjustment (after tax)	-3,925	0	-3,925	
Tax settlements	-538	0	-538	
Net proceeds from legal settlements (after tax)	4,117	6,169	-2,052	
	<u>\$247,649</u>	<u>\$250,208</u>	<u>-\$2,559</u>	<u>-1</u>
Net Income				