

Reconciliation of Segment Operating Information to the Consolidated Statement of Operations

For the nine months ended September 30, 2006

	Life	Health	Annuity	Investment	Other & Corporate	Adjustments	Consolidated
Revenue:							
Premium	\$1,142,930	\$922,663	\$17,219			\$9,318 ⁽¹⁾	\$2,092,130
Net investment income				\$468,869		353 ⁽²⁾	469,222
Other income					\$3,190	5,354 ^(3,4)	8,544
Total revenue	1,142,930	922,663	17,219	468,869	3,190	15,025	2,569,896
Expenses:							
Policy benefits	754,768	623,115	17,149			11,930 ⁽¹⁾	1,406,962
Required interest on reserves	-271,108	-18,060	-20,841	310,009			0
Amortization of acquisition costs	306,627	99,186	11,828	-133,879			283,762
Commissions and premium tax	57,640	65,801	39			-980 ⁽³⁾	122,500
Insurance administrative expense (5)					117,190		117,190
Parent expense					6,369		6,369
Stock option expense					4,983		4,983
Financing costs:							
Debt				54,712		353 ⁽²⁾	55,065
Benefit from interest rate swaps				-491			-491
Total expenses	847,927	770,042	8,175	230,351	128,542	11,303	1,996,340
Subtotal	295,003	152,621	9,044	238,518	-125,352	3,722	573,556
Non-operating items						-3,722 ^(1,4)	-3,722
Measure of segment profitability (pretax operating income)	\$295,003	\$152,621	\$9,044	\$238,518	-\$125,352	\$0	\$569,834
Deduct applicable income taxes							-196,031
Segment profits after tax (net operating income)							373,803
Add back income taxes applicable to segment profitability							196,031
Remove benefit from interest rate swaps (included in "Realized investment gains (losses)")							-491
Add (deduct) realized investment gains (losses)							-5,814
Add net proceeds from legal settlements (4)							6,334
Deduct Part D adjustment (1)							-2,612
Pretax income per "Consolidated Statement of Operations"							<u>\$567,251</u>

(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, \$980 thousand.

(4) Legal settlements related to disposed subsidiary.

(5) Administrative expense is not allocated to insurance segments.

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For the nine months ended September 30, 2005

	Life	Health	Annuity	Investment	Other & Corporate Adjustments	Consolidated
Revenue:						
Premium	\$1,099,561	\$768,866	\$18,454			\$1,886,881
Net investment income				\$450,646	\$270 ⁽¹⁾	450,916
Other income					\$1,933	14,349
Total revenue	1,099,561	768,866	18,454	450,646	1,933	2,352,146
Expenses:						
Policy benefits	726,529	506,196	20,415			1,253,140
Required interest on reserves	-254,608	-15,397	-22,733	292,738		0
Amortization of acquisition costs	289,074	87,416	11,462	-124,837		263,115
Commissions and premium tax	56,387	56,116	40		-1,067 ⁽³⁾	111,476
Insurance administrative expense (2)					109,061	113,061
Parent expense					7,579	7,579
Financing costs:						
Debt				45,097	270 ⁽¹⁾	45,367
Benefit from interest rate swaps				-6,571		-6,571
Total expenses	817,382	634,331	9,184	206,427	116,640	1,787,167
Subtotal	282,179	134,535	9,270	244,219	-114,707	564,979
Net proceeds from legal settlements					-9,483 ⁽⁴⁾	-9,483
Measure of segment profitability (pretax operating income)	\$282,179	\$134,535	\$9,270	\$244,219	-\$114,707	\$555,496
Deduct applicable income taxes						-191,765
Segment profits after tax (net operating income)						363,731
Add back income taxes applicable to segment profitability						191,765
Remove benefit from interest rate swaps (included in "Realized investment gains (losses)")						-6,571
Add (deduct) realized investment gains (losses)						4,667
Add net proceeds from legal settlements						9,483
Pretax income per "Consolidated Statement of Operations"						<u>\$563,075</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, \$1,067 thousand.

Analysis of Profitability by Segment

(Dollar amounts in thousands)

	Nine months ended September 30,		Increase (Decrease)	
	<u>2006</u>	<u>2005</u>	<u>Amount</u>	<u>%</u>
Life insurance	\$295,003	\$282,179	\$12,824	5
Health insurance	152,621	134,535	18,086	13
Annuity	9,044	9,270	-226	-2
Other insurance:				
Other income	3,190	1,933	1,257	65
Administrative expense	-117,190	-109,061	-8,129	7
Investment	238,518	244,219	-5,701	-2
Corporate and adjustments	<u>-11,352</u>	<u>-7,579</u>	<u>-3,773</u>	50
Pretax total (pretax operating income)	569,834	555,496	14,338	3
Applicable taxes	<u>-196,031</u>	<u>-191,765</u>	<u>-4,266</u>	2
After-tax total (net operating income)	373,803	363,731	10,072	3
Reconciling items:				
Remove benefit from interest rate swaps (after tax) from Investment Segment	-319	-4,271	3,952	
Realized gains (losses) (after tax)	-3,949	3,630	-7,579	
Part D adjustment (after tax)	-1,698	0	-1,698	
Tax settlements	4,239	0	4,239	
Net proceeds from legal settlements (after tax)	<u>4,117</u>	<u>6,164</u>	<u>-2,047</u>	
Net Income	<u><u>\$376,193</u></u>	<u><u>\$369,254</u></u>	<u><u>\$6,939</u></u>	<u><u>2</u></u>