

Reconciliation of Segment Operating Information to the Consolidated Statement of Operations

	For the nine months ended September 30, 2007						
	Life	Health	Annuity	Investment	Other & Corporate Adjustments	Consolidated	
Revenue:							
Premium	\$1,176,478	\$939,360	\$15,320			\$13,147 ⁽¹⁾	\$2,144,305
Net investment income				\$486,191		198 ⁽²⁾	486,389
Other income					\$3,244	3,591 ^(3,4,6)	6,835
Total revenue	1,176,478	939,360	15,320	486,191	3,244	16,936	2,637,529
Expenses:							
Policy benefits	780,666	637,294	20,463			18,162 ⁽¹⁾	1,456,585
Required interest on reserves	-288,706	-20,846	-23,500	333,052			0
Amortization of acquisition costs	321,645	103,090	10,507	-141,764			293,478
Commissions and premium tax	54,261	64,190	94			-904 ⁽³⁾	117,641
Insurance administrative expense (5)					115,652	933 ⁽⁴⁾	116,585
Parent expense					6,378		6,378
Stock option expense					6,198		6,198
Financing costs:							
Debt				51,179		198 ⁽²⁾	51,377
Benefit from interest rate swaps							0
Total expenses	867,866	783,728	7,564	242,467	128,228	18,389	2,048,242
Subtotal	308,612	155,632	7,756	243,724	-124,984	-1,453	589,287
Non-operating items						1,453 ^(1,4,6)	1,453
Measure of segment profitability (pretax operating income)	\$308,612	\$155,632	\$7,756	\$243,724	-\$124,984	\$0	\$590,740
Deduct applicable income taxes							-200,827
Segment profits after tax (net operating income)							389,913
Add back income taxes applicable to segment profitability							200,827
Add (deduct) realized investment gains (losses)							8,629
Deduct net costs from legal settlements (4)							-418
Deduct Part D adjustment (1)							-5,015
Add gain from sale of agency buildings (6)							3,980
Pretax income per "Consolidated Statement of Operations"							\$597,916

(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 FIN46R (accounting rule requiring deconsolidation of Trust Preferred Securities).

(3) Elimination of intersegment commission.

(4) Legal settlements.

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

(6) Gain from sale of agency buildings.

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"							\$567,251

(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 FIN46R (accounting rule requiring deconsolidation of Trust Preferred Securities).

(3) Elimination of intersegment commission.

(4) Legal settlements related to disposed subsidiary.

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

Analysis of Profitability by Segment

(Dollar amounts in thousands)

	Nine months ended September 30,		Increase (Decrease)	
	<u>2007</u>	<u>2006</u>	<u>Amount</u>	<u>%</u>
Life insurance	\$308,612	\$295,003	\$13,609	5
Health insurance	155,632	152,621	3,011	2
Annuity	7,756	9,044	-1,288	-14
Other insurance:				
Other income	3,244	3,190	54	2
Administrative expense	-115,652	-117,190	1,538	-1
Investment	243,724	238,518	5,206	2
Corporate and adjustments	-12,576	-11,352	-1,224	11
	<u>590,740</u>	<u>569,834</u>	<u>20,906</u>	<u>4</u>
Pretax total (pretax operating income)				
Applicable taxes	-200,827	-196,031	-4,796	2
	<u>389,913</u>	<u>373,803</u>	<u>16,110</u>	<u>4</u>
After-tax total (net operating income)				
Reconciling items:				
Remove benefit from interest rate swaps (after tax) from Investment Segment	0	-319	319	
Realized gains (losses) (after tax)	5,609	-3,949	9,558	
Part D adjustment (after tax)	-3,260	-1,698	-1,562	
Tax settlements	613	4,239	-3,626	
Net proceeds (costs) from legal settlements (after tax)	-272	4,117	-4,389	
Gain on sale of agency buildings (after tax)	2,587	0	2,587	
	<u>\$395,190</u>	<u>\$376,193</u>	<u>\$18,997</u>	<u>5</u>
Net Income				